



**PUBLIC MEETING
OAK LODGE WATER SERVICES
BOARD OF DIRECTORS
October 13, 2026 at 4:00 PM**

1. Call to Order
2. Call for Public Comment
3. Consent Agenda
 - a. August 2026 Financial Report
 - b. Approval of September 8, 2026 Board Meeting Minutes
4. Items for Presentation
 - a. FY2026 Year-End Financial Report
5. Items for Consideration
 - a. Consideration of Task Order with WSC for Post-Construction Flow Monitoring
 - b. Consideration of FY24 Audit Plan of Action
6. Business from the Board
7. Department Reports
 - a. Administration
 - b. Finance
 - c. Public Works
 - d. Plant Operations
8. Other Items
9. Adjourn Meeting



AGENDA ITEM

Title Call to Order

Item No. 1.

Date October 13, 2026

Summary

The Chair will call the meeting to order with a quorum of the board at the noticed time.

The Chair may request participation in a nonpartisan acknowledgment of their choosing.

The General Manager will review the meeting protocols before business is discussed.



AGENDA ITEM

Title Call for Public Comment

Item No. 2.

Date October 13, 2026

Summary

The Board of Directors welcomes comment from members of the public.

There are two basic public comment options: written and verbal.

Written Public Comment may be submitted in person, online, and by email or postal mail. Written comments may not be read out loud or addressed during the meeting, however, all public comments will be entered into the record.

Verbal Public Comment may be given during public meeting's comment period. Commenters must register to speak with the District Recorder before the start of the meeting. The Board of Directors may elect to limit the total time available for public comment or for any single speaker depending on meeting length.



AGENDA ITEM

Title Consent Agenda

Item No. 3.

Date October 13, 2026

Summary

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:

- a. **August 2026 Financial Report**
- b. **Approval of September 8, 2026 Board Meeting Minutes**

Options for Consideration

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

Recommendation

Staff requests that the Board approve the items listed under the Consent Agenda.

Suggested Board Motion

"I move to approve the Consent Agenda."

Approved By _____

Date _____



AGENDA ITEM

To	Board of Directors
From	Angie Wilson, Finance Director
Title	August 2026 Financial Report
Item No	3.a.
Date	October 13, 2026

Summary

This report summarizes the revenues and expenditures for August 2026. Also incorporated in this report are account balances, including all cash and investment activity as well as checks and withdrawals

Attachments

None

Oak Lodge Water Services
Monthly Financial Overview
FY 2026-27 August 2026

This report summarizes the revenues and expenditure for August 2026. Also incorporated in this report are account balances, including all cash and investment activity as well as checks and withdrawals.

Cash and Investments

Account Balances As of:		
August 31, 2026	Interest Rate	Balance
Account		
Wells Fargo Bank Checking-9966	-	\$190,536.78
First Interstate Bank Checking-8944		2,412,717.05
LGIP	4.00%	\$ 14,103,508.02
Total		\$ 16,706,761.85

The OLWS' checks, electronic withdrawals, and bank drafts total \$224,489.02 for August 2026.

Services Revenue

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

GL Account	Service Charge	Budget Estimate	Period Amount	Year-to-Date Amount	Percentage of Budget
10-00-4211	Water sales	\$6,950,720	\$698,807	\$1,360,962	19.58%
20-00-4212	Wastewater charges	14,455,000	1,220,296	2,440,106	16.88%
30-00-4213	Watershed protection	2,066,000	172,031	344,343	16.67%
	Subtotal	\$ 23,471,720	\$ 2,091,134	\$ 4,145,411	17.66%

Revenues are on target for the budget as of Period 02 for all service charges, water sales, wastewater revenues, and watershed protection services.

Expenses by Budget Category

The table below provides YTD expenditures excluding Debt Service and Transfers. It is 10.0% of the actual YTD budgeted expenditure.

Expense Category	FY 2026-27 Adopted Budget	Expense YTD August 31, 2026	YTD %
Personnel Services	\$ 6,815,450	\$ 998,107	14.6%
Materials & Services	6,300,740	884,320	14.0%
Capital Outlay	19,995,000	1,417,497	7.1%
	\$ 33,111,190	\$ 3,299,924	10.0%



AGENDA ITEM

To	Board of Directors
From	
Title	Approval of September 8, 2026 Board Meeting Minutes
Item No	3.b.
Date	October 13, 2026

Summary

The Board of Directors reviews and approves the minutes of the body's prior public meetings.

Attachments

1. 2026-09-08 Meeting Minutes



**OAK LODGE WATER SERVICES
BOARD OF DIRECTORS
PUBLIC MEETING MINUTES
SEPTEMBER 8, 2026 AT 4:00 PM**

1. Call to Order

Chair Williams called the meeting to order at 4:00 PM.

Director Keil arrived at 4:01 pm.

2. Call for Public Comment

There were no comments.

3. Consent Agenda

a. July 2026 Financial Report

b. Approval of August 11, 2026 Board Meeting Minutes

Director Van Loo moved to approve the Consent Agenda. Treasurer Gornick seconded. District Recorder Michele Diaz conducted a roll call vote. Voting Aye: Directors Kevin Williams, Paul Gornick, Ginny Van Loo, Heidi Bullock. Voting Nay: None. Abstentions: None.

4. Items for Presentation

a. Presentation of FY 2024 Authority Financial Audit

Keith Simovic from Baker Tilly presented the FY 2024 Authority Financial Audit.

b. Presentation of Capital Projects for the Water Master Plan Update

Public Works Director Janicke opened with the context and history behind the update.

Patrick Finn from Water Systems Consulting (WSC) presented on capital projects for

the updated Water Master Plan. He thanked Public Works Director Janicke, Assistant District Engineer Prentice and Field Supervisor Hunter for assistance on the project.

The board provided comments and asked clarifying questions regarding:

- Project prioritization criteria and its relationship to other projects such as paving
- Fire flow and seismic improvements
- Relationship between influx of residents to ranking of CIPs

c. Presentation of Quarterly Capital Projects Report

Public Works Director Janicke presented the Quarterly Capital Projects Report.

Highlights included:

- Oatfield Road Replacement Project to start waterline work at end of October
- Colina Vista Water Main Replacement Project anticipates 100% design submittal by EOY
- Tertiary Treatment facility updates

The board provided comments and asked clarifying questions regarding:

- Aeration Blower Replacement Project
- Budget allocation for WWTP updates

5. Items for Consideration

a. Consideration of FY24 Audit Plan of Action

Finance Director Wilson introduced the plan and highlighted recent departmental improvements.

The board provided comments and asked clarifying questions regarding:

- Measures to improve internal controls
- Future timelines for end-of-year filing

Director Keil moved to approve the Chair and General Manager to sign the Plan of Action for the FY 2024 Authority Audit. Director Van Loo seconded. District Recorder Michele Diaz conducted a roll call vote. Voting Aye: Directors Susan Keil, Kevin Williams, Paul Gornick, Ginny Van Loo, Heidi Bullock. Voting Nay: None. Abstentions: None.

MOTION PASSED

- b. Consideration of Contract with Landis and Landis Construction LLC for the FY27 Lateral Repair Project

Assistant District Engineer Prentice presented the background on the contract and its imperative in addressing critical repairs.

The board provided comments and asked clarifying questions regarding:

- Start date in relationship to inclement weather
- Anticipated project costs this FY and factors driving pipe replacement

Director Keil moved to approve the General Manager to sign a Public Improvement Contract with Landis and Landis Construction, LLC for the construction of the FY27 Lateral Repair Project for \$119,350. Vice Chair Bullock seconded. District Recorder Michele Diaz conducted a roll call vote. Voting Aye: Directors Kevin Williams, Paul Gornick, Ginny Van Loo. Voting Nay: None. Abstentions: None.

MOTION PASSED

6. Business from the Board

Treasurer Gornick provided a verbal report. Director Keil noted the Department of Economic Development will soon issue a report of potential interest to the Board that she will locate and distribute. She also provided update on local sheriff elections.

The board provided comments and asked clarifying questions regarding the Lake Oswego - City of Tigard Water Partnership.

7. Department Reports

- a. Administration
- b. Finance
- c. Public Works
- d. Plant Operations

The Management Team provided highlights from their written reports, including:

- Continued progress on Finance audits, new graphs to reflect 12-month rolling years

- Increased Water Distribution meter replacement
- Fence installation completion at the Plant

The board provided comments and asked clarifying questions regarding:

- Submission of the Water Master Plan Update
- Meter warranties, replacements and useful life

8. Recess to Executive Session

Convene Executive Session under ORS 192.660(2)(f) to consider information or records that are exempt by law from public inspection.

Chair Williams recessed to executive session at 5:38 PM under under ORS 192.660(2)(f) to consider information or records that are exempt by law from public inspection

9. Adjourn Executive Session

If necessary, Board may take action on items discussed in Executive Session.

Chair Williams adjourned the executive session at 5:48 PM

No decisions were made as a result of the executive session.

10. Other Items

There were none.

11. Adjourn Meeting

Chair Williams adjourned the meeting at 5:48 PM



AGENDA ITEM

Title Items for Presentation

Item No. 4.

Date October 13, 2026

Summary

The Board of Directors receives presentations from staff and partners. These presentations do not include deliberations and/or official actions.



STAFF REPORT

To	Board of Directors
From	
Title	FY2026 Year-End Financial Report
Item No	4.a.
Date	October 13, 2026

Summary

Present the FY2026 Year-End Financial Report to the Board, providing an overview of the District's financial position, revenues, expenditures, and fund balances for the fiscal year ended June 30, 2026

FY2026 Year-End Financial Report

Financial Results for the Fiscal Year Ended June 30, 2026

Attachments

1. Year End Budget Report 2026
2. June 2026 Account Roll Up Final

FY2026 Year-End Budget Report

As we close Fiscal Year 2026, I would like to provide the Board with a brief overview of our year-end expenditures compared with the adopted budget. Rather than focusing on individual accounts, this review looks primarily at each fund and the major governmental budget categories of Personnel Services, Materials & Services, Capital Outlay, and Debt Service.

Overall, operating expenditures remained within the budgeted amounts. The most significant year-end variances are associated with capital spending, which is largely influenced by the timing and progression of individual capital projects.

Administrative Services Fund

The Administrative Services Fund had a total expenditure budget of approximately **\$5.79 million**, with year-end expenditures of approximately **\$4.94 million**, or **85.3% of budget**. An additional approximately **\$83,600** remained encumbered at year end.

Within Administrative Services, Personnel Services generally finished below budget across the various divisions. Materials & Services also remained within the overall amounts budgeted. While there are individual accounts with variances, nothing at the overall fund level changes the broader picture that Administrative Services finished the year within its expenditure budget.

Drinking Water Fund

The Drinking Water Fund had a total expenditure budget of approximately **\$3.37 million**. Year-end expenditures were approximately **\$3.16 million**, representing **94.0% of budget**, with approximately **\$65,100 in encumbrances**.

For Drinking Water operations, **Personnel Services totaled approximately \$1.06 million against a budget of \$1.17 million**, or about **90.1% of budget**.

Materials & Services totaled approximately \$1.90 million against a budget of \$1.98 million, or approximately **95.7% of budget**. This category also contained the majority of the fund's outstanding encumbrances.

The fund also included approximately **\$209,500 of Debt Service**, which was essentially 100% expended as budgeted.

Overall, Drinking Water operations ended the year relatively close to budget while remaining within the total expenditure appropriation.

Wastewater Reclamation Fund

The Wastewater Reclamation Fund had approximately **\$3.70 million budgeted**, with approximately **\$3.32 million expended**, or **89.6% of budget**. Approximately **\$82,100 remained encumbered** at year end.

Personnel Services and Materials & Services both remained below their respective budgeted amounts. The fund's operating activities therefore ended the year within the overall expenditure budget, with some remaining budget capacity in both major operating categories.

Watershed Protection Fund

The Watershed Protection Fund had a total expenditure budget of approximately **\$491,000**, with year-end expenditures of approximately **\$407,000**, or **82.9% of budget**. Approximately **\$44,900 was encumbered** at year end.

Personnel Services totaled approximately **\$179,400 compared with a budget of \$202,200**, or about **88.7% of budget**.

Materials & Services totaled approximately **\$227,700 compared with a budget of \$289,000**, or approximately **78.8% of budget**, with the majority of the fund's year-end encumbrances falling within this category.

Wastewater Revenue Bond Debt Service Fund

The Wastewater Revenue Bond Debt Service Fund had approximately **\$3.41 million budgeted for Debt Service**. Year-end expenditures were also approximately **\$3.41 million**, essentially **100% of the amount budgeted**.

This is consistent with the nature of a debt service fund, where expenditures are based upon established principal and interest payment requirements.

Drinking Water Capital Fund

The Drinking Water Capital Fund had approximately **\$3.26 million budgeted for Capital Outlay**. Approximately **\$2.64 million was expended**, representing **80.9% of budget**, with approximately **\$7,100 remaining encumbered**.

The difference between budget and actual expenditures primarily reflects the timing and progress of capital projects rather than normal operating activity.

Wastewater Reclamation Capital Fund

The Wastewater Reclamation Capital Fund represents the largest capital budget included in this report, with approximately **\$14.50 million budgeted**.

Approximately **\$8.27 million was expended during the fiscal year**, representing **57.0% of budget**, with approximately **\$37,700 encumbered** at year end.

This is one of the more significant variances in the year-end report. Because capital budgets are driven by project schedules, construction timing, and the timing of invoices and other project expenditures, the variance should be considered in relation to the status and timing of the underlying capital projects.

Watershed Protection Capital Fund

The Watershed Protection Capital Fund had **\$300,000 budgeted**, with approximately **\$30,500 expended**, or **10.2% of budget**.

This represents the largest percentage variance from budget among the capital funds and is primarily an area to consider from a project-timing perspective. Any work that has shifted into the following fiscal year should be considered as part of the subsequent year's capital planning and budget process.

Overall Year-End Perspective

From an expenditure standpoint, the operating funds concluded FY2026 within their overall budgeted amounts. Personnel Services and Materials & Services were generally below budget, while required Debt Service expenditures were essentially completed as budgeted.

The areas that stand out most at year end are within **Capital Outlay**, particularly the Wastewater Reclamation and Watershed Protection capital funds. These variances warrant attention primarily in the context of project timing, completion schedules, and expenditures that may carry into FY2027.

Overall, the year-end expenditure report provides a picture of operating expenditures remaining within budget while capital activity occurred at varying stages of completion at fiscal year end.

General Ledger

Account Roll Up

User: lisa.rowland@olws.org

Printed: 9/30/2026 2:46:32 PM

Period 14 - 14

Fiscal Year 2026

Sort Level	Description	Budget	Period Amt	End Bal	% Expend/Collect
Revenue	Revenue				
4210	Water Sales - CRW	\$ (41,920.00)	\$ -	\$ (42,839.97)	102.19%
4211	Water sales	\$ (6,496,000.00)	\$ -	\$ (6,334,211.86)	97.51%
4212	Wastewater Charges	\$ (13,727,000.00)	\$ -	\$ (13,792,366.50)	100.48%
4213	Watershed protection fees	\$ (2,066,000.00)	\$ -	\$ (2,069,416.78)	100.17%
4215	Penalties & late charges	\$ (22,872.00)	\$ -	\$ (71,991.13)	314.76%
4220	System Development Charges	\$ -	\$ -	\$ (253,085.00)	0.00%
4221	System Development-Reimburse	\$ (150,000.00)	\$ -	\$ -	0.00%
4225	System Development-Improvement	\$ (50,000.00)	\$ -	\$ (849,197.00)	1698.39%
4227	System Development-Compliance	\$ (1,000.00)	\$ -	\$ -	0.00%
4230	Contract services	\$ (45,000.00)	\$ -	\$ (67,427.66)	149.84%
4240	Service installations	\$ (10,000.00)	\$ -	\$ (99,886.00)	998.86%
4280	Rents & leases	\$ (180,000.00)	\$ -	\$ (248,322.04)	137.96%
4290	Other charges for services	\$ (34,000.00)	\$ -	\$ (100,180.86)	294.65%
4320	State grants	\$ (3,000,000.00)	\$ -	\$ (803,139.00)	26.77%
4610	Investment revenue	\$ (119,500.00)	\$ -	\$ (723,765.28)	605.66%
4630	Miscellaneous revenues	\$ (31,000.00)	\$ -	\$ (183,568.54)	592.16%
4640	Proceeds from sale of capital	\$ -	\$ -	\$ (30,700.00)	0.00%
4650	Proceeds from borrowing	\$ (5,615,000.00)	\$ -	\$ -	0.00%
4910	Transfer in from Fund 10	\$ (3,878,000.00)	\$ -	\$ (3,878,000.00)	100.00%
4920	Transfer in from Fund 20	\$ (10,478,605.00)	\$ -	\$ (10,478,605.00)	100.00%
4930	Transfer in from Fund 30	\$ (1,708,322.00)	\$ -	\$ (1,708,322.00)	100.00%
Revenue	Revenue	\$ 47,654,219.00	\$ -	\$ 41,735,024.62	87.58%

Expense	Expense					
5110	Regular employees	\$	4,257,417.00	\$	-	\$ 3,805,562.82 89.39%
5130	Overtime	\$	170,000.00	\$	-	\$ 109,915.00 64.66%
5210	Employee Ins	\$	841,768.00	\$	-	\$ 620,396.60 73.70%
5230	Social Security	\$	333,574.00	\$	-	\$ 292,875.49 87.80%
5240	Retirement	\$	811,641.00	\$	-	\$ 724,404.89 89.25%
5250	Trimet	\$	63,091.00	\$	-	\$ 48,293.29 76.55%
5260	Unemployment	\$	-	\$	-	\$ 44,648.39 0.00%
5270	Workers compensation	\$	42,322.00	\$	-	\$ 48,859.65 115.45%
5290	Other employee benefits	\$	15,000.00	\$	-	\$ 13,123.08 87.49%
6110	Legal services	\$	300,000.00	\$	-	\$ 130,651.60 43.55%
6120	Accounting & audit services	\$	160,000.00	\$	-	\$ 192,500.00 120.31%
6155	Contracted Services	\$	1,355,600.00	\$	-	\$ 1,160,429.09 85.60%
6175	Records Management	\$	4,000.00	\$	-	\$ 1,675.06 41.88%
6180	Dues & subscriptions	\$	44,200.00	\$	-	\$ 35,763.75 80.91%
6220	Electricity	\$	542,700.00	\$	-	\$ 482,941.27 88.99%
6230	Telephone	\$	63,000.00	\$	-	\$ 56,116.31 89.07%
6240	Natural gas	\$	11,200.00	\$	-	\$ 9,737.84 86.95%
6250	Solid waste disposal	\$	65,000.00	\$	-	\$ 44,062.55 67.79%
6290	Other utilities	\$	12,500.00	\$	-	\$ 10,088.85 80.71%
6310	Janitorial services	\$	43,500.00	\$	-	\$ 36,826.49 84.66%
6320	Buildings & grounds	\$	118,000.00	\$	-	\$ 107,038.19 90.71%
6330	Vehicle & equipment maint.	\$	80,000.00	\$	-	\$ 79,551.14 99.44%
6340	Distribution system maint	\$	380,000.00	\$	-	\$ 350,469.94 92.23%
6342	Collection system maint.	\$	260,000.00	\$	-	\$ 234,845.38 90.33%
6350	Computer maintenance	\$	432,000.00	\$	-	\$ 336,353.13 77.86%
6410	Mileage	\$	4,000.00	\$	-	\$ 1,580.26 39.51%
6420	Staff training	\$	84,500.00	\$	-	\$ 46,968.19 55.58%
6430	Certifications	\$	9,350.00	\$	-	\$ 5,108.42 54.64%
6440	Board travel & training	\$	5,000.00	\$	-	\$ 814.99 16.30%
6510	Office supplies	\$	26,000.00	\$	-	\$ 21,864.81 84.10%
6520	Fuel & oils	\$	50,000.00	\$	-	\$ 37,303.94 74.61%
6525	Chemicals	\$	82,000.00	\$	-	\$ 43,250.82 52.74%
6530	Small tools & equipment	\$	52,000.00	\$	-	\$ 53,738.82 103.34%
6540	Safety supplies	\$	39,700.00	\$	-	\$ 37,090.32 93.43%
6550	Operational Supplies	\$	29,000.00	\$	-	\$ 28,520.68 98.35%

6560	Uniforms	\$	42,000.00	\$	-	\$	26,782.37	63.77%
6570	In-House Laboratory Services	\$	15,000.00	\$	-	\$	10,745.29	71.64%
6620	Election Costs	\$	500.00	\$	-	\$	-	0.00%
6710	Purchased water	\$	1,250,000.00	\$	-	\$	1,257,064.20	100.57%
6715	Water quality program	\$	35,000.00	\$	-	\$	18,699.33	53.43%
6720	Insurance	\$	260,000.00	\$	-	\$	277,729.86	106.82%
6730	Communications	\$	41,850.00	\$	-	\$	21,550.05	51.49%
6735	Public Outreach & Education	\$	70,500.00	\$	-	\$	71,260.03	101.08%
6740	Advertising	\$	1,500.00	\$	-	\$	2,488.00	165.87%
6760	Equipment Rental	\$	88,000.00	\$	-	\$	101,993.23	115.90%
6770	Bank charges	\$	405,000.00	\$	-	\$	424,719.41	104.87%
6780	Taxes, Fees & Permits	\$	141,500.00	\$	-	\$	148,994.47	105.30%

Debt Service and Special Payments

6810	2010 SRF Loan Principal	\$	1,003,481.00	\$	-	\$	1,003,481.00	100.00%
6811	2010 IFA Loan Principal	\$	353,704.00	\$	-	\$	353,703.72	100.00%
6813	JPM Bank Loan Principal	\$	1,527,000.00	\$	-	\$	1,527,000.00	100.00%
6815	Zions Bank loan-principal	\$	204,000.00	\$	-	\$	204,000.00	100.00%
6820	2010 SRF Loan Interest	\$	211,127.00	\$	-	\$	211,127.00	100.00%
6822	2010 IFA Loan Interest	\$	120,415.00	\$	-	\$	120,415.36	100.00%
6823	JPM Bank Loan Interest	\$	197,050.00	\$	-	\$	197,050.00	100.00%
6825	Zions Bank loan-interest	\$	5,488.00	\$	-	\$	5,487.60	99.99%

Capital Outlay

7200	Infrastructure	\$	250,000.00	\$	-	\$	219,893.06	87.96%
7300	Buildings & Improvements	\$	210,000.00	\$	-	\$	157,439.68	74.97%
7400	Improvement other than Bldgs	\$	60,000.00	\$	-	\$	32,691.00	54.49%
7520	Equipment	\$	555,000.00	\$	-	\$	382,247.69	68.87%
7530	Information Technology	\$	50,000.00	\$	-	\$	-	0.00%
7540	Vehicles	\$	395,000.00	\$	-	\$	393,353.85	99.58%
7600	Capital Improvement Projects	\$	16,539,000.00	\$	-	\$	9,752,995.56	58.97%
7710	Disposal of fixed assets	\$	-	\$	-	\$	157,421.02	0.00%

Transfers

8105	Transfers out to Fund 05	\$	5,167,605.00	\$	-	\$	5,167,605.00	100.00%
8120	Transfers out to Fund 20	\$	180,322.00	\$	-	\$	180,322.00	100.00%

8150	Transfers out to Fund 50	\$ 3,467,000.00	\$ -	\$ 3,467,000.00	100.00%
8171	Transfers out to Fund 71	\$ 2,600,000.00	\$ -	\$ 2,600,000.00	100.00%
8172	Transfers out to Fund 72	\$ 4,400,000.00	\$ -	\$ 4,400,000.00	100.00%
8173	Transfers out to Fund 73	\$ 250,000.00	\$ -	\$ 250,000.00	100.00%
9000	Contingency	\$ 3,869,889.00	\$ -	\$ -	0.00%
Expense	Expense	\$ 54,754,994.00	\$ -	\$ 42,398,630.83	77.43%

Revenue Total	\$ 47,654,219.00	\$ -	\$ 41,735,024.62	87.58%
Expense Total	\$ 54,754,994.00	\$ -	\$ 42,398,630.83	77.43%
Grand Total	\$ (7,100,775.00)	\$ -	\$ (663,606.21)	0.09%

FY 2026	Expense Category	<u>Budget</u>	<u>Period Amt</u>	<u>Year to Date</u>	<u>Percent</u>
Period 14	Personnel Services	\$ 6,534,813	\$ -	\$ 5,708,079	87.3%
	Materials and Services	\$ 6,604,100	\$ -	\$ 5,907,318	89.4%
	Capital Outlay	\$ 18,059,000	\$ -	\$ 11,096,042	61.4%
		\$ 31,197,913	\$ -	\$ 22,711,439	72.8%



AGENDA ITEM

Title Items for Consideration

Item No. 5.

Date October 13, 2026

Summary

The Board of Directors deliberates and authorizes official actions by roll call vote. These items for consideration are presented by staff.



STAFF REPORT

To	Board of Directors
From	Tessie Prentice, Assistant District Engineer
Title	Consideration of Task Order with WSC for Post-Construction Flow Monitoring
Item No	5.a.
Date	October 13, 2026

Summary

Lift Station 5 pipe rehabilitation of pipes identified for Rainfall-derived Infiltration and Inflow (RDII) was completed in June 2026. Task Order 8 with Water Systems Consulting (WSC) for Lift Station 5 Post-Construction Flow Monitoring project will collect flow monitoring data from the same five locations that were monitored by WSC for the pre-construction flow data.

Background

WSC was selected to update the Sanitary Sewer Master Plan in 2021. Amendment 2 to that contract was approved by the Board during the November 15, 2022 meeting. This amendment authorized WSC to include additional work for Lift Station 5 Basin Flow Monitoring. This amendment included installing five flow monitors to take readings at 15-minute intervals for a period of up to two months at each location. The resulting flow data analysis was used to develop recommendations for the Lift Station 5 infiltration and inflow reduction program.

Task Order 8 with WSC for Lift Station 5 Post-Construction Flow Monitoring project will collect flow monitoring data from the same five locations that were monitored by WSC for the pre-construction flow data and summarize the results obtained in a technical memorandum (TM), including the estimated reduction in rain-derived infiltration and inflow (RDII) after completion of pipeline rehabilitation work in the Lift Station 5 basin and make recommendations on any next steps.

Budget

This project was identified in the Capital Improvement Plan for Fiscal Years 2027-2032

as Project C-1. Work was planned for FY27 with a budget amount of \$175,000. The fee for this work is \$86,819 with an additional contingency amount of \$12,364 for traffic control, for a total amount not to exceed \$99,183.

Recommendation

Staff recommends the Board move to approve the General Manager to sign Task Order 8 with WSC for post-construction flow monitoring in the Lift Station 5 basin with a not to exceed cost of \$99,183.

Suggested Board Motion

"I move to approve the General Manager to sign Task Order 8 with WSC for post-construction flow monitoring in the Lift Station 5 basin with a not to exceed cost of \$99,183."

Attachments

1. Task Order 8 - LS5 Post-Rehab Flow Monitoring

TASK ORDER 08: Lift Station 5 Post-Rehabilitation Flow Monitoring
under the
2024-2028 ON-CALL TECHNICAL SERVICES CONTRACT

October 14, 2026

Task Order 08 under the Oak Lodge Water Services Technical Services On-Call Agreement with Water Systems Consulting (WSC).

Task Order No. 08 is issued pursuant to the On-Call Agreement for the above-referenced work and further described in Exhibit A (Scope of Work) to this Task Order. Deliverables are described in Exhibit A.

The cost not to exceed for this work is \$99,183. This dollar amount shall not be exceeded unless approved by Oak Lodge Water Services and agreed to in writing via amendment to this Task Order.

Task Order 08 is effective upon signature of this page and the deadline for completion is August 31, 2027, unless extended via amendment.

Tessie Prentice is Oak Lodge Water Services' Representative and can be contacted at (503) 353-4226. Adam Donald will be WSC's representative and can be contacted at (503) 433-3554.

**OAK LODGE WATER SERVICES
AUTHORITY**

WATER SYSTEMS CONSULTING

Signature

Signature

Brad Albert, General Manager
Name and Title

Scott Duren, Vice President, Pacific Northwest
Regional Lead
Name and Title

Date

Date

Scope of Work

Task 0 Project Management

0.1 Project Administration

- Prepare monthly progress reports to be submitted with each invoice.

Deliverables:

- (1) Monthly progress reports and invoices.

Assumptions:

- (1) Project duration is ten (10) months.

Task 1 Lift Station 5 Flow Monitoring

1.1 Flow Monitoring

- Conduct a kick-off meeting to discuss the scope of work, establish lines of communication, and set schedule.
- Prepare flow monitoring plan, including proposed locations for flow monitoring and assistance required from OLWS, and submit for review and approval.
- SFE will supply, install, program, calibrate, maintain, download data, and report on five (5) sanitary sewer flow monitoring stations and two (2) rainfall monitoring stations for a duration of two (2) months.

Assumptions:

- (1) SFE will investigate monitoring sites to confirm suitability for installation.
- (2) SFE will prepare a site report for each monitoring site to document the characteristics of the sewer and manhole and any unique aspects that may influence the flow monitoring installation.
- (3) SFE will install a total of 5 flow meters to take readings at 15-minutes intervals for a period of up to two months at each location. Raw data will be provided to OLWS and WSC.
- (4) SFE will install a total of two rain gauges.
- (5) Each flow monitor will be deployed for two (2) months.
- (6) Compound weirs are assumed to required at all five (5) sites for budgetary purposes.
- (7) Traffic control plans are not included. Traffic control has been included in Optional Task 1.1 and will be based upon field conditions.
- (8) Permit coordination support with WES is included in Optional Task 1.2.

1.2 Data Analysis

- WSC will analyze and summarize the data obtained during flow monitoring in a technical memorandum (TM), including the estimated reduction in rain derived infiltration and inflow (RDII) after completion of pipeline rehabilitation work in the Lift Station 5 basin and make recommendations on any next steps. Anticipated tasks include the following:
 - Analyze data and develop area-velocity meter scatterplots for velocity versus depth of flow to assess meter performance and hydraulic conditions at each monitoring location.
 - Conduct a spreadsheet-based RDII analysis of the Lift Station 5 Basin to identify relative RDII rates for each monitoring basin and compare them to pre-rehabilitation RDII analysis results.
 - Update calibration of the OLWS wastewater collection system hydraulic model to develop a baseline for post-rehabilitation conditions.
 - Develop a draft TM for District review and commenting summarizing the flow monitoring procedures and results.
 - Review consolidated comments from OLWS on the Draft Flow Monitoring TM and prepare a response to comments table.
 - Incorporate OLWS comments into the Final Flow Monitoring TM, as necessary.

Deliverables:

- (1) Draft Flow Monitoring TM (Microsoft Word format)
- (2) Final Flow Monitoring TM (PDF format)

Assumptions:

- (1) A total of five (5) flow meters will be deployed and analyzed.

Optional Task 1 Flow Monitoring Contingency

O1.1 Traffic Control Contingency

- Prepare traffic control plans and perform traffic control services for flow monitoring locations in high traffic areas that require detailed traffic control.

Assumptions:

- (1) A contingency of \$10,500 for traffic control related services has been budgeted and will be utilized only as needed for work in high traffic areas.

O1.2 Permitting Support

- Support OLWS in applying for and obtaining a Utility Placement permit with Clackamas County.

Assumptions:

- (1) This task assumes a total of eight (8) staff hours and will be utilized when requested by OLWS.

Fee



Task No. Task Description		WSC								SFE	ALL FIRMS	
		Principal in Charge	Data Analysis	Project Manager	Project Engineer	Project Administration	WSC Labor Hours	WSC Labor Fee	Expenses	WSC Fee	Labor Fee	Total Fee
		Scott Duren	Brendan Hamilton	Adam Donald	Hannah Dasyam	Roxanne Collins						
Billing rates, \$/hr		\$415	\$291	\$278	\$188	\$180						
0 Project Management												
0.1	Project Administration	6		12		13	31	\$ 8,166	\$ -	\$ 8,166	\$ 8,166	
SUBTOTAL		6	0	12	0	13	31	\$ 8,166	\$ -	\$ 8,166	\$ -	\$ 8,166
1 Lift Station 5 Flow Monitoring												
1.1	Flow Monitoring			8	4		12	\$ 2,976	\$ -	\$ 2,976	\$ 55,718	\$ 58,694
1.2	Data Analysis	2	5	23	60		90	\$ 19,959	\$ -	\$ 19,959		\$ 19,959
SUBTOTAL		2	5	31	64	0	102	\$ 22,935	\$ -	\$ 22,935	\$ 55,718	\$ 78,653
COLUMN TOTALS		8	5	43	64	13	133	\$ 31,101	\$ -	\$ 31,101	\$ 55,718	\$ 86,819
OT 1 Flow Monitoring Contingency												
OT 1.1	Traffic Control Contingency						0	\$ -	\$ -	\$ -	\$ 10,500	\$ 10,500
OT 1.2	Permitting Support			4	4		8	\$ 1,864	\$ -	\$ 1,864		\$ 1,864
Flow Monitoring Contingency TOTAL		0	0	4	4	0	8	\$ 1,864	\$ -	\$ 1,864	\$ 10,500	\$ 12,364
OPTIONAL TASKS TOTAL		0	0	4	4	0	8	\$ 1,864	\$ -	\$ 1,864	\$ 10,500	\$ 12,364

5% mark-up on direct expenses; 5% mark-up for sub-contracted services
Mileage will be reimbursed at the prevailing federal milage reimbursement rate in effect at the time of travel
Rates are subject to revision as of January 1 each year.



STAFF REPORT

To	Board of Directors
From	Angie Wilson, Finance Director
Title	Consideration of FY24 Audit Plan of Action
Item No	5.b.
Date	October 13, 2026

Summary

OLWS contracted with Baker Tilly (formerly Moss Adams) to perform the Authority's fiscal year 2024 audit for filing with the Oregon Secretary of State's Office.

In September, staff presented a Plan of Action to the Board of Directors, which the Board subsequently adopted. During the ongoing audit process, additional deficiencies were identified that were not included in the original Plan of Action.

As a result, staff has prepared an Updated/Revised Plan of Action (attached) for review and approval by the OLWS Board of Directors. Upon approval, the revised Plan of Action will be submitted to the Oregon Secretary of State's Office.

Background

Oregon law requires local governments to file annual financial audit reports and related documents with the Oregon Secretary of State Audits Division pursuant to Oregon Revised Statutes (ORS) 297.405 through 297.990. OLWS contracted with Baker Tilly (formerly Moss Adams) to perform the Authority's fiscal year 2024 financial audit. In September, staff presented a Plan of Action to the Board of Directors addressing deficiencies identified as part of the audit, and the Board approved the Plan of Action. As the audit process continued, additional deficiencies were identified that require corrective action. As a result, staff have prepared a Revised Plan of Action to address all deficiencies identified through the audit process.

The deficiencies and related corrective actions are detailed in the attached Revised Plan of Action. Corrective measures include, among other actions, timely filing of annual audits within the required timeframe, monthly reconciliation of capital asset accounts, and utilization of work orders for projects not identified in the Capital Improvement Plan.

Recommendation

Staff recommends that the Board approve the Revised Plan of Action for the fiscal year 2024 Authority audit and authorize the Chair and General Manager to sign the document for submission to the Oregon Secretary of State's Office.

Suggested Board Motion

"I move to approve the Revised Plan of Action for the fiscal year 2024 Authority audit and authorize the Chair and General Manager to sign the document for submission to the Oregon Secretary of State's Office."

Attachments

1. OLWSA 2024 TCWG Letter Final
2. OLWSA FY24 - Plan of Action

Communications with Those
Charged with Governance and Internal Control Related Matters

Oak Lodge Water Services Authority

June 30, 2024

Communications with Those Charged with Governance

To the Board of Directors
Oak Lodge Water Services Authority

We have audited the financial statements of Oak Lodge Water Services Authority (the Authority) as of and for the year ended June 30, 2024, and have issued our report thereon dated August 10, 2026. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated March 11, 2026, we are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Oak Lodge Water Services Authority's internal control over financial reporting. Accordingly, we considered Oak Lodge Water Services Authority's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

The supplementary information was subject to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in the engagement letter.

Significant Audit Findings and Issues

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Oak Lodge Water Services Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and there were no changes in the application of existing policies during 2024. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was (were):

Pension Liability and Related Pension Expense – This represents the amount of annual expense recognized for pensions and the related pension liability. The amount is actuarially determined, with management input. We have evaluated the key factors and assumptions used to develop the annual expense in determining that it is reasonable in relation to the combined and individual financial statements taken as a whole.

Unbilled Revenue – Unbilled revenue is a measure of revenue earned through the end of the reporting period that has yet to be billed. This generally represents accounts with billing cycles that start in the reporting year and end in the subsequent year. We have evaluated the key factors and assumptions used to develop unbilled revenue in determining that it is reasonable in relation to the financial statements taken as a whole. The Authority records unbilled revenue as part of accounts receivable on the statements of net position.

Allowance for Doubtful Accounts – This represents an estimate of the amount of accounts receivable that will not be collected. We have evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Recovery Periods for the Cost of Capital Assets – This represents the depreciation of capital assets. Management's estimate of the recovery periods for the cost of capital assets is based on regulatory-prescribed depreciation recovery periods. We have evaluated the key factors and assumptions used to develop the recovery periods in determining that they are reasonable in relation to the financial statements taken as a whole.

Other Post-Employment Benefit Obligations – This represents the amount of annual expenses recognized for post-employment benefits. The amount is actuarially determined with management input. We have evaluated the key factors and assumptions used to develop the annual expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

- Note 10 – Defined Benefit Pension Plan
- Note 14 – Commitments

Significant Unusual Transactions

We encountered no significant unusual transactions during our audit of the Authority's financial statements.

Significant Difficulties Encountered in Performing the Audit

Professional standards require us to inform you of any significant difficulties encountered in performing the audit. No significant difficulties were encountered during our audit of the Authority's financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Circumstances that Affect the Form and Content of the Auditor's Report

There may be circumstances in which we would consider it necessary to include additional information in the auditor's report in accordance with U.S. GAAS. There were no circumstances that affected the form and content of the auditor's report.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Corrected Misstatements: The following summarizes material misstatements detected as a result of our audit procedures and corrected by management.

- To correct errors related to deferred outflows of resources for the OPEB plans at June 30, 2024 - \$764,000

Uncorrected Misstatements: The following summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements as a whole. Uncorrected misstatements, or matters underlying those uncorrected misstatements, as of and for the year ended June 30, 2024 could potentially cause future-period financial statements to be materially misstated, even though we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

- To correct lease receivable and deferred inflows for leases at June 30, 2024 - \$67,000

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 10, 2026.

Management Consultation with Other Independent Accountants

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

Other Significant Audit Findings or Issues

We are required to communicate to you other findings or issues arising from the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process. There were no such items identified.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Portland, Oregon
August 10, 2026

Communications of Internal Control Related Matters

In planning and performing our audit of the financial statements of the Authority as of and for the period ended June, 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the Authority's internal control to be material weaknesses:

Financial Close and Reporting and Timeliness of Filing with the Secretary of State

During the audit, we noted that the Authority was significantly delayed in its closing process and for preparing its year-end financial statements, including ineffective controls to ensure timely review of account reconciliations and significant financial statement accounts, and inadequate controls to ensure that journal entries are accurately calculated and recorded. In addition, the Authority failed to timely file its audited financial report with the Secretary of State and therefore was out of compliance with the requirement to file within six months of the Authority's fiscal year end. To improve the financial statement closing process and timeliness of filing, we recommend that the Authority establish more efficient and effective internal controls to provide timely and accurate completion of financial reporting as well as timely review and approval of all account balances.

Accounting for Other Post Employment Benefits (OPEB)

As part of our review of the accounting for the Authority's OPEB plans, we identified errors in recording the deferred outflows of resources related to the OPEB plans that resulted in a material audit adjustment as of June 30, 2024. We recommend additional controls be established to require a secondary reviewer to evaluate the annual OPEB journal entries and ensure the ending balances align with the actuarial reports provided by Milliman. Such review should be formally documented so that both the preparer and reviewer sign and date the journal entry to signify review and approval.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Authority's internal control to be significant deficiencies:

Capital Assets

Capital Asset Reconciliation to the General Ledger – We noted that the Authority does not currently have a control in place to reconcile certain key, full-accrual accounts on a monthly basis, specifically capital assets. To improve the accuracy of the monthly financial reports and to reduce the burden of the year-end closing process, we recommend that the activity per the asset tracking system be routinely reconciled to the capital outlay accounts on a monthly basis. This reconciliation should be formally documented and reviewed by someone other than the person performing the reconciliation as part of the Authority's monthly close process.

Work Orders – We noted that the Authority does not utilize work orders. Capital projects are approved in the annual capital budget that is approved by the Board of Directors and invoices are coded to the applicable projects by field supervisors. We recommend that the Authority implement a formalized work order system to ensure that projects initiated outside of the capital budget are approved and costs are appropriately assigned to the correct work order.

Control deficiencies and other matters identified during our June 30, 2024, audit are included in Appendix A below. We consider the following deficiencies in internal controls to be classified as other matters that do not rise to the level of material weaknesses.

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

Baker Tilly US, LLP

Portland, Oregon
August 10, 2026

Appendix A
June 30, 2024, Recommendations

In addition to the required communications, we have identified the following matters for your consideration. Our recommendations are based on observations and testing during the course of our audit. These recommendations should be evaluated by management and the Board of Directors for implementation and the Authority should conduct a cost benefit analysis including consideration of the risks for the recommended action.

Other Matters

IT User Access – We noted that the Authority does not regularly perform and document its review of user access to the various systems supporting the financial reporting function. We recommend that the Authority perform routine reviews of user access, at least annually, to determine whether access to the systems are appropriately updated, terminated users have been removed timely, and any segregation of duties conflicts are identified.

IT Change Management – During our testing of IT controls, we observed that the Technical Services Coordinator has the authority to authorize vendor patches, upgrades, and releases, but there is no documentation of this authorization retained by the Authority. We recommend that all authorizations be documented and retained. Additionally, we observed that the Technical Services Coordinator can make updates directly in the live environment for Lucity due to the absence of a test environment. To mitigate risks, we recommend that changes to the live environment are authorized by someone other than the individual making the changes. We also recommend reviewing the automatic updates over Springbrook and Accela as these are web-based systems with automatic upgrades.

Review of Reconciliations and Debt Coverage – During our testing, we noted no evidence to support that reconciliations or debt coverage calculations are reviewed and approved timely by someone other than the person preparing the reconciliations. This includes bank reconciliations, accounts payable reconciliations, as well as other monthly reconciliations. We recommend that each reconciliation be reviewed monthly and that the review be documented.

Revenue Exception Reporting – During our testing over revenue controls, we noted a lack of documentation of review over billings and usage exception reports, which could result in inaccurate billings going undetected and revenue being recorded inaccurately. We note that in prior years, evidence of review of these reports was documented. We recommend that the documentation of review be implemented going forward to ensure that revenue is recorded completely and accurately.

Review of Reconciliations and Outstanding Checks – During our testing of cash reconciliations, we noted that uncleared checks have remained outstanding for more than two years. Long-outstanding checks may indicate that liabilities are no longer valid or that cash balances are overstated. We recommend that the Authority establish a policy for reviewing outstanding checks and removing or reissuing those that exceed a specified age, as appropriate.

Accrual of Expenses – During our testing of subsequent disbursements, we noted that an expense was not accrued in the proper reporting period. Failure to record expenses in the correct period may result in liabilities and expenditures being misstated. We recommend that the Authority implement procedures to ensure expenses are accrued in the period in which they are incurred in accordance with the applicable financial reporting framework.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

October 13, 2026

Oregon Secretary of State,
Audits Division
255 Capitol St. NE, Suite #500
Salem, OR 97310

Plan of Action for Oak Lodge Water Services Authority

Oak Lodge Water Services Authority respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal period ended June 30, 2024. The audit was completed by the independent auditing firm Baker Tilly US LLP on August 10, 2026 and reported the deficiencies listed below. The plan of action was adopted by the governing body at their meeting on October 13, 2026, as indicated by signatures below.

The deficiencies are listed below, including the adopted plan of action and timeframe for each.

1. Deficiency #1

- a. **Material Weakness – Financial Close and Reporting and Timeliness of Filing with the Secretary of State** During the audit, we noted that the Authority was significantly delayed in its closing process and for preparing its year-end financial statements, including ineffective controls to ensure timely review of account reconciliations and significant financial statement accounts, and inadequate controls to ensure that journal entries are accurately calculated and recorded. In addition, the Authority failed to timely file its audited financial report with the Secretary of State and therefore was out of compliance with the requirement to file within six months of the Authority's fiscal year end. To improve the financial statement closing process and timeliness of filing, we recommend that the Authority establish more efficient and effective internal controls to provide timely and accurate completion of financial reporting as well as timely review and approval of all account balances.
- b. The Authority is working to complete audits in a timely manner, however, we note that this initial FY24 partial period audit is already past due and we are working swiftly to become current.
- c. Timeframe for implementation: We will continue to move forward with the Authority audits and expect to be current within 12 months (March 2027) with the Authority audits.

2. Deficiency #2

- a. **Material weakness – Accounting for Other Post Employment Benefits (OPEB)** We identified errors in recording the deferred outflows of resources related to the OPEB plans that resulted in a material audit adjustment as of June 30, 2024. We recommend additional controls be established to require a secondary reviewer to

evaluate the annual OPEB journal entries and ensure the ending balances align with the actuarial reports provided by Milliman. This review should be formally documented so that both the preparer and reviewer sign and date the journal entry to signify review and approval.

3. Deficiency #3

a. Significant Deficiency – **Capital Assets**

- i. Capital Asset Reconciliation to the General Ledger – We noted that the Authority does not currently have a control in place to reconcile certain key, full-accrual accounts on a monthly basis, specifically capital assets. To improve the accuracy of the monthly financial reports and to reduce the burden of the year-end closing process, we recommend that the activity per the asset tracking system be routinely reconciled to the capital outlay accounts on a monthly basis. This reconciliation should be formally documented and reviewed by someone other than the person performing the reconciliation as part of the Authority's monthly close process.
 - ii. Work Orders – We noted that the Authority does not utilize work orders. Capital projects are approved in the annual capital budget that is approved by the Board of Directors and invoices are coded to the applicable projects by field supervisors. We recommend that the Authority implement a formalized work order system to ensure that projects initiated outside of the capital budget are approved and costs are appropriately assigned to the correct work order. Document the plan of action – We strived to reconcile capital assets on a monthly basis and are currently working to complete this on an annual basis for the new Authority entity.
- b. Timeframe for (or date of) implementation – The Authority expects to be current with reconciling fixed assets on a regular basis by June 30, 2026.

Chair, Kevin Williams

Signature

General Manager, Brad Albert

Signature



AGENDA ITEM

Title Business from the Board

Item No. 6.

Date October 13, 2026

Summary

The Board of Directors appoints representatives to serve as OLWS liaisons or representatives to committees or community groups.

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

Business from the Board may include:

- a. Individual Director Reports
- b. Tabled Agenda Items

Paul Gornick's Liaison Report – September 2026

September 3, 2026 – C4 Meeting (Hybrid meeting held in-person at Happy Valley City Hall)

- Meeting started with a welcome from the host jurisdiction, Happy Valley.
- First item was a conversation with Grace Crunican, titled “Rebuilding Our Transportation Vision Group”. Ms. Crunican explained the charge of the working group, its membership, and the focus of the sub-groups (operations & maintenance, safety, improvements, agency accountability, etc.).
- Kathy Hyzy of Regional Solutions gave an update on the Governor’s Economic Prosperity Roadmap. Regional Solutions is a program embedded within the Governor’s office and was formally adopted into statute in 2014.

September 22, 2026 – Jennings Lodge CPO Meeting

- Jeff Owen from Clackamas County DTD updated CPO on possible improvement projects, which included SE Jennings Ave from McLoughlin to River Rd.
- Metro Councilor Christine Lewis updated CPO on projects and programs affecting the unincorporated area.
- State Senator Mark Meek updated CPO on recent actions at the Legislature and items to be addressed at the 2027 long session.
- Joy Fields from Clackamas Land Use & Planning updated CPO on “Clear and Objective Standards” as they apply to housing development in the zoning code. Town halls are planned for October to discuss updates to the zoning code.

September 23, 2026 – Sunrise Water Board Meeting (online meeting)

- Board held Public Hearing (second reading) on Ordinance 2026-01, “Amending Rules and Regulations for Water Service”, which modified provisions related to separate fire service connections, which under recently adopted ORS 223.301(5) does not require an SDC for the fire connection.
- Board adopted consent agenda, which included designation of ED Jamey Pietzold as Registered Agent and the new Address of Record, to be forwarded to Secretary of State.
- Board adopted Ordinance 2026-01 as noted in first bullet above.
- Board discussed the communications architecture for the Auto Meter Reading/Advanced Metering Infrastructure. SWA currently has approximately 18,500 connections, of which about 10,000 are read using Itron 100W radio endpoints. The remaining 8,500 connections are manually read by a contracted vendor. Staff is preparing an RFP to modernize the metering technology and complete the build out of the remaining 8,500 connections. The choices are a Fixed Network RF system as currently used, a cellular based network, or architecture neutral network. Staff recommends the first option as the least lifetime cost, which would maintain the existing equipment through its service life. After board discussion, they concurred with staff recommendation, so RFP will proceed under that assumption.
- Executive Director’s Report – one item on the report is interesting: Sunrise is scoping a leak detection system to minimize unaccounted-for water. The system uses “smart acoustic hydrant caps” that are placed on a run between hydrants to detect leaks. Staff projects a 50-unit fleet of caps would screen 26.5 miles of main per year (approx. 11% of their system), rotating the caps quarterly across four zones.
- Board recessed to executive session to discuss real estate transaction involving the remainder of the property purchase for their new administration center.

September 24, 2026 – North Clackamas County Water Commission (hybrid meeting)

- **Board appointed legal counsel of record (Cable Huston) and insurance agent of record (Brown & Brown)**
- **Board elected officers for next year – Kevin Williams as chair, Chris Hawes as Vice-Chair.**
- **General Manager Wade Hathhorn discussed municipal water rights on the Clackamas River and the various terms, particularly “Certificated Rights” and “Permitted Rights”. See attached Agenda Item 6.2 for more detail.**

NORTH CLACKAMAS COUNTY WATER COMMISSION

September 24, 2026

Agenda Item 6.2

Subject: Water Rights & Long-Term Water Supplies

Presenter(s): Wade Hathhorn, General Manager

Board Action: None Required

Attachments: Summary of Municipal Water Rights on Clackamas River
Excerpt From OWRD Final Order (Table 2)

Background: The various municipals users on the Clackamas River hold a variety of water rights, including both certificates and permits (see attached). There are two principal features for each right – the first is **priority date** and the second whether the right is **certificated or permitted**. Certificated rights hold a special place in that they are not subject to the state’s permit extension rules, namely those subject to OAR 690-086, also known as Water Management & Conservation Plans (WMCP).

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NORTH CLACKAMAS COUNTY WATER COMMISSION

September 24, 2026

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This means that the NCCWC’s primary right (S-35297, 62 cfs) is very vulnerable to potential curtailment – both from fish persistence standards and minimum instream flow requirements. The latter restriction is of greatest concern because “curtailment” here is absolute – if minimum flows are not being met, prorated (or partial) curtailment is not part of the enforcement criteria. Instream flow enforcement is a “yes or no” condition, based solely on priority date. While there appears to be several other rights more junior, these are not the principal rights used by the other municipal right holders. CRW has 40 cfs, Lake Oswego 50

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Unfortunately, we cannot remedy the "junior" nature of our primary right (S-35297, 62 cfs). However, we can potentially protect a portion of it from the fish persistence standard. Currently, 19.47 cfs is already "developed" and protected accordingly. The state's rules allow for the right to be partially "developed" in 25% increments. (Note, at one point, the NCCWC had developed nearly 33 cfs of this permit, which was later reversed under a separate court action known as the 'Cottage Grove case'.) Presumably, the next incremental development could be made at 31 cfs for S-35297 and then combined with S-20145 (4 cfs or 2.5 mgd) to bring the total certified rights to 35 cfs (or 22.6 mgd). This would cover the existing capacity of the plant with 4 active membrane cells at 20 mgd – while the 5th cell (currently idle) would have to rely on S-46120.

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Options: N/A

Staff Recommendation: Open to discussion regarding NCCWC water rights and long-term water supply planning.

WATER RIGHT HOLDER	PERMIT/ CERTIFICATE	DIVERSION RATE (CUBIC FEET PER SECOND)	PRIORITY DATE
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SFWB	Permit S-22581	60.0	8/3/1953
NCCWC	Permit S-20145	4.0	3/15/1951
SFWB	Permit S-9982*	10.0	1/16/1931
SFWB	Permit S-9982*	20.0	8/11/1926
SFWB	Permit S-3778*	20.0	1/16/1918
SFWB	Certificate 80417	6.0	7/17/1914

LEGEND

- Clackamas River Water, CRW
- City of Estacada, Estacada
- City of Lake Oswego, LO
- North Clackamas County Water Commission, NCCWC
- Oregon Water Resources Department, OWRD
- South Fork Water Board, SFWB
- North Clackamas County Water Commission & Sunrise Water Authority, NCCWC & SWA

NOTE

*These water rights are only for upper Clackamas River tributaries

Priority Dates of Lower Clackamas River Municipal and Instream Water Rights

Clackamas River Water

January 4, 2022

Excerpt from OWRD Final Order

Table 2. Municipal water rights in the lower 3.1 miles of the Clackamas River.

Municipality	Permit	Cfs	Developed	Undevel.
Lake Oswego	S-32410	50	25***	25
*Lake Oswego	S-37839	9	0	9
*North Clackamas	S-35297	62	19.47	42.53
*North Clackamas	S-46120	8	5.01	2.99
*North Clackamas	S-43170	1.73	0	1.73
SFWB	S-22581	60	22.4	37.6
**SFWB	S-9982	30	3	27
**SFWB	S-3778	20	5	15
Totals		240.7	79.9	160.8

*These water rights are junior to the instream water right Certificate 59451.

**50 cfs from these two permits limited by water availability in tributaries in the upper basin.

*** This 25.0 cfs portion of the permit has been confirmed under Certificate 78332 for partial perfection of the permit

K.W.

Kevin Williams Meetings attended in September of 2026

1. Clackamas River Water Board meeting- September 10,2026

The meeting began early with a work session starting at 5:30 p.m. The topic of the session was a presentation titled Effective Utility Management Introduction and Assessment. The presenter was Jim Finley from Jim Conley Consulting LLC. He spent the session introducing the concepts that he helped develop for the AWWA along with a training program that continues to be used by them. Customer Service and Fiscal Responsibility are the building blocks that they base the assessments on.

The regular meeting began around 6:15 p.m. The consent agenda items were accepted by the Board as written.

A1.- This item involved the termination of an agreement held with property owners for them to use a well on their property. The well had some issues that needed to be repaired before CRW would agree to continued use by the owner. The owner opted to not make the repairs and take it out of active service. It will remain in a state that allows for required testing of the water in the well.

A2.- A request was made by a developer to be exempted from CRW requirement for a Frontage for a water main on Roberts Ave. The dars associated with the development is 9608 SE Stanley Ave. the new middle housing zoning laws are allowing for a 10,000 Square foot lot to be parceled into three 1700 square foot lots with the remainder of the space being utilized to build a larger home. It was approved.

2. Jennings Lodge C.P.O.meeting- September 22,2026

The minutes from the previous meeting were approved and the Treasurers report was shared. They currently have \$3080.51 in their account. The meeting continued with the theme of How Government works for you.

The first presenter was Metro Councilor Christine Lewis. She discussed the regional services that metro provides including solid waste, regional parks, Portland Zoo, regional trails and paths and regional planning for the future. She spoke a bit about the partnership they have with the nGrande Ronde Tribe on the Willamette Falls River Walk Trail and its design and construction.

The second presenter was Clackamas County Transportation Planner Jeff Owen. He talked about the 2045 Transportation System Plan that the county is developing. There could be a semi finished product by spring of 2027. Projects of note that are on the list include:

SE Jennings Ave. from McLoughlin to River Rd.- It would include sidewalks and bike paths.

SE Boardman from McLoughlin to River Rd. Same treatment

SE Hull from McLoughlin to River Rd. Same treatment.

The third presenter was Joy Fields from Clackamas County planning. She reported that the county is updating their zoning codes that will include clear and objective standards, will reduce over lapping zoning regulations and will have a focus on resource protection such as wetlands and other environmentally sensitive areas.

The fourth presenter was District 20 State Senator Mark Meek. The Senator spoke about his priorities for the coming legislative session. Fighting against Lobbyist Money, Healthcare and Medicare cuts, Controls on electricity costs and campaign spending reforms. He also explained that he had been against road tolling and helped stop its implementation.

3. North Clackamas County Water Commission September 24th ,2026

The first order of business was to Approve the agenda, apporval of the minutes from our prior meeting and adopt the consent agenda.

The next item was election of Officers for the year. I will serve as the Chair and Chris Hawes from SWA will serve as the Vice-Chair.

We had a long discussion about Water Rights and Long-Term Water supplies. I ate included the presentation with this report. It is time interesting history and this explains it very well.

We went through the Monthly items pretty quickly. We then recessed to Executive Session to discuss Cyber Security at the plant. We will likely have further discussions in an upcoming OLWS Board meeting in an Executive Session.

We adjourned the meeting at that point and went on a tour of the plant form the water intake to the finished water going out of the plant.

**CLACKAMAS RIVER WATER
BOARD OF COMMISSIONERS
WORK SESSION & REGULAR MEETING**

Held at 16770 SE 82nd Dr. Clackamas, OR 97015



Clackamas River Water

**This Meeting will have both an in person and remote option for attending
September 10, 2026 at 5:30pm**

AGENDA

Public Comment: If a member of the public wishes to address the Board during a meeting, they are encouraged to inform Board staff through email to kholtzgang@crwater.com no later than 4pm the day of the meeting. If a person will attend the meeting through Zoom and wishes to provide public comment, prior notice to kholtzgang@crwater.com no later than 4pm on the day of the meeting is **required** in order to ensure access. The notice should include the following information: (1) Full name; (2) Address/City/ZIP; (3) Email address or phone number to be used to access the Zoom meeting, so it can be unmuted; (4) District/Organization/Public; and (5) Topic of your public comment and or specific agenda item you wish to speak on.

Members of the public are welcome to speak for a maximum of three minutes during a time designated on the agenda for public comment. The speaker must state their name, address, and if they are a customer or not for the record. Public comment provided at the *beginning* of the agenda will be reserved for comment on agenda items, special presentations, letters, and complaints. Public comment as listed at the *end* of the agenda will be for the purpose of "wrapping up" any remaining concerns.

Anyone who wishes to attend the meeting remotely may do so by internet at <https://us02web.zoom.us/j/85044257726> or by calling the following number 1-253-215-8782 and join meeting 850 4425 7726#. **Passcode: 652487**

WORK SESSION -@ 5:30pm

Call to Order, Pledge of Allegiance and Roll Call - *Sherry French, President*

1. **Effective Utility Management Introduction & Assessment-** *Jim Cinley, Jim Cinley Consulting, LLC*

Adjourn Work Session

REGULAR MEETING -Immediately Following the Work Session

Call to order- *Sherry French, President*

- a. Approval of the Agenda

Public Comment (*see blue box at the top of the agenda*)

Consent Agenda

CA-1: **Gross Payroll and Accounts Paid: August 2026**

CA-2: **Cash & Investment Ending Balances Report**

Action Items

1. **Consider Approval of the Hordichok Well Use Termination Agreement-** *Jason Branstetter, Chief Engineer*
2. **Consider Approval of Exemption to Rules and Regulations Requiring Frontage to Main for Water Service at 9608 SE Stanley Ave.-** *Jason Branstetter, Chief Engineer*

Informational Reports

3. Management Report – *Farshad Allabdadi, General Manager*
4. Public Comment (*see blue box at the top of the agenda*)

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JENNINGS LODGE CPO MEETING

Tuesday May 26, 2026

Hybrid: Jennings Lodge School classroom annex

Zoom link was made available

Chair: Open

Treasurer: Pat Reinert

Director At Large: Virginia Foster

Vice Chair: Linda Neumann

Note Taker: Virginia Foster

ATTENDANCE: 18

VOTERS MEMBERS: (13) Louise Anderson, Steve Berliner, Karen Bjorklund, Grover Jeffrey Bornefeld, Virginia Foster, Brian McCall, Jane Morrison, Linda Neumann, Pat Reinert, Kaitlyn Twombly, Elizabeth Valdez, Kevin Williams.

OTHER JL COMMUNITY MEMBERS: (5) Jack Booth, Mimi Booth, Mandy Weaver, Tom Weaver, Brian Valdez.

Others In Attendance(0)

The meeting was called to order at 7PM by acting chair, Linda Neumann.

The February minutes were approved with corrections to be made to a sentence in the minutes. Treasurer's Report Pat Reinert reported \$2,491.00 in the treasury. Expense reports were submitted to the county who has a \$325 limit for reimbursement. Will find out about reimbursement in June.

PROGRAM: How Our Local Government Works: A short series of Special Districts, Unincorporated Areas and more. Our first topic: Oak Lodge Water Services (OLWS) role and services- Kevin Williams.

Our Community Dollars at Work: Kevin Williams gave a detailed introduction of the development of the OLWSD, beginning in 1922 as a water district and expanding in 1956 to include a sanitary district. There is one employee that serves as a general manager and directors that serve 4 year terms to oversee policy and guidance. In 2021 OLWSD became an authority to be protected from annexation by other districts.

OLWS serves to ensure 1) clean drinking water, 2) waste water management for District 5 and 6, 3) Watershed protection for 36 acres of wetlands and 8 creeks.

Kevin discussed the annual budget and capital improvement plans.

OLWS rate payers will need to engage in water rationing this summer due to the lack of snow pack on Mt. Hood.

CHAIR REPORT:

Land Use Application for (4/30/26) Candy Lane School. There was a May 21st meeting and public feedback is welcome for 5 more weeks.

NCPRD: The District Advisory Committee has 2 representatives from each subarea serving 4 year terms.. Jennings Lodge is sub area 1. Grover Bornefeld is currently serving a 4 year term. Linda Neumann is running for the other position. She is currently serving the remaining term

from our previous representative that stepped down before his term ended. There will be an alternate position added for each subarea.

Jennings Lodge School Park should begin construction this Summer.

COMMITTEE REPORTS: Jane Morrison of our 'Community Connections Team' gave updates on Game Night, The Bird Walk, and the History event at Jennings Lodge School for Historic Preservation Month.

The next event will be the Garden Tour on Saturday 6/20/26 Noon-4PM with check in at Jennings Lodge School. Brian McCall who is taping tonight's meeting has been working on communications via social media.

Kaitlyn Twombly has been involved in the design and placement of our neighborhood signs. This year, due to the expected construction taking place at Jennings Lodge Park which has been the location for our community potluck picnic and concert, we are joining forces with the OakLodge/Gladstone Rotary for a Trolley Trail Festival at Stringfield Park the Saturday of September 26th. The Rotary plans to host a Beer Garden for the event. We are seeking volunteers for the events.

Suz Figini who has been our event liaison with the Oregon City School District for the use of Jennings Lodge School and the grounds is stepping down from her position. Jane suggested a Thank You Note be sent to her.

ACTION ITEMS: Board Officer Elections;

Nominations are open from the floor for vice chair, secretary, and members at large. The Chair Person position is still open. These are 2 year terms. To join the board, you must be a voting member. Angie and Brenda Koehler are willing to run again as co-secretaries; Linda Neumann is running again for vice chair.

A Motion was made by Grover Bornefeld and seconded by Pat Reinert to elect Linda Neumann as vice chair and Brenda Koehler and Angie Koehler as co secretaries for 2 year terms.

Outcome: Motion approved in favor: (10) Steve Berliner, Karen Bjorklund, Grover Jeffrey Bornefeld, Virginia Foster, Paul Gornick, Brian McCall, Jane Morrison, Pat Reinert, Kaitlyn Twombly, Kevin Williams. Opposed: 0 Abstained).

Meeting Recordings: There was a lengthy discussion of Public Meeting Law, and privacy concerns for attendees. How should meetings and minutes be stored for future access. It was suggested purchasing Terrabytes and hard drives, permissions to record speakers or attendees for Q and A time. The motion was withdrawn until a decision could be made to address these concerns.

A motion was made by Jane Morrison and seconded by Grover Bornefeld to approve up to \$500 for 2026 for the 2026 Jennings Lodge Community picnic expenses.

Outcome: Motion Approved: In favor: (9) Steve Berliner, Karen Bjorklund, Grover Jeffrey Bornefeld, Virginia Foster, Brian McCall, Jane Morrison, Pat Reinert, Kaitlyn Twombly, Kevin Williams. Opposed: 0 Abstained: 0.

The meeting adjourned at 9:09 PM



North Clackamas County Water Commission
Board of Commissioners

Regular Meeting

Thursday, September 24, 2026
Special Location (NCCWC Water Treatment Plant)
14275 S. Clackamas River Drive
Oregon City, OR 97045

Join In-Person or Online

<https://us02web.zoom.us/j/82042300835>

Call-In: 1 (253) 215-8782

Meeting ID 820 4230 0835

Passcode: 134235

AGENDA

5:30 PM Regular Meeting of the Board of Directors

- 1. Convene Regular Meeting**
- 2. Approve Agenda**
- 3. Public Comment**
 - 3.1 Public Comment
- 4. Approval of Minutes**
 - 4.1 Approve Minutes from June 18, 2026 Budget Committee & Regular Meeting
- 5. Adoption of Consent Calendar**
 - 5.1 Authorization of ACH & Checks for June, July, and August 2026
 - 5.2 Appoint Legal Counsel of Record
 - 5.3 Appoint Insurance Agent of Record
- 6. Board Discussion**
 - 6.1 Election of Officers
 - 6.2 Water Rights & Long-Term Water Supplies
- 7. Monthly Items**
 - 7.1 Financial Reports
 - 7.2 Operations Report
 - 7.3 Manager's Report
 - 7.4 Business from the Board

8. Executive Session (Suspend Regular Meeting)

Convene Executive Session under ORS 192.660(2)(p) for the purpose of discussing Cybersecurity for the NCCWC Water Treatment Plant

9. Adjourn Regular Meeting

10. Convene Workshop

This workshop will review the planned improvements at the NCCWC Water Treatment Plant and will include a guided tour of the plant's facilities for the Board. For safety reasons, participation in the tour is limited, and the tour will not be broadcast by electronic means. Any person requesting to attend should contact Wade Hathhorn at (503)683-7293 at least 48 hours in advance of the posted meeting date and time so that we can determine if attendance can be safely accommodated.

NORTH CLACKAMAS COUNTY WATER COMMISSION

September 24, 2026

Agenda Item 6.2

Subject: Water Rights & Long-Term Water Supplies

Presenter(s): Wade Hathhorn, General Manager

Board Action: None Required

Attachments: Summary of Municipal Water Rights on Clackamas River
Excerpt From OWRD Final Order (Table 2)

Background: The various municipals users on the Clackamas River hold a variety of water rights, including both certificates and permits (see attached). There are two principal features for each right – the first is **priority date** and the second whether the right is **certificated or permitted**. Certificated rights hold a special place in that they are not subject to the state's permit extension rules, namely those subject to OAR 690-086, also known as Water Management & Conservation Plans (WMCP).

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Estacada	Certificate 26471	2.0	5/10/1955
SFWB	Permit S-22581	60.0	8/3/1953
NCCWC	Permit S-20145	4.0	3/15/1951
SFWB	Permit S-9982*	10.0	1/16/1931
SFWB	Permit S-9982*	20.0	8/11/1926
SFWB	Permit S-3778*	20.0	1/16/1918
SFWB	Certificate 80417	6.0	7/17/1914

LEGEND

-  Clackamas River Water, CRW
-  City of Estacada, Estacada
-  City of Lake Oswego, LO
-  North Clackamas County Water Commission, NCCWC
-  Oregon Water Resources Department, OWRD
-  South Fork Water Board, SFWB
-  North Clackamas County Water Commission & Sunnise Water Authority, NCCWC & SWA

NOTE

*These water rights are only for upper Clackamas River tributaries

Priority Dates of Lower Clackamas River Municipal and Instream Water Rights

Clackamas River Water

January 4, 2022



Excerpt from OWRD Final Order

Table 2. Municipal water rights in the lower 3.1 miles of the Clackamas River.

Municipality	Permit	Cfs	Developed	Undevel.
Lake Oswego	S-32410	50	25***	25
*Lake Oswego	S-37839	9	0	9
*North Clackamas	S-35297	62	19.47	42.53
*North Clackamas	S-46120	8	5.01	2.99
*North Clackamas	S-43170	1.73	0	1.73
SFWB	S-22581	60	22.4	37.6
**SFWB	S-9982	30	3	27
**SFWB	S-3778	20	5	15
Totals		240.7	79.9	160.8

*These water rights are junior to the instream water right Certificate 59451.

**50 cfs from these two permits limited by water availability in tributaries in the upper basin.

*** This 25.0 cfs portion of the permit has been confirmed under Certificate 78332 for partial perfection of the permit

NORTH CLACKAMAS COUNTY WATER COMMISSION

September 24, 2026

Agenda Item 7.1

Subject: Financial Reports (Period June, July and August 2026)

Presenter(s): Angie Wilson, Finance Director

Board Action: Review

Attachments: **FY 2025-26**

- Monthly Water Production and Cost Summary June 2026
- FYTD Water Production and Cost Summary FY2025-26
- Budget to Actuals Report FY2025-26 Period 12 June 2026

FY 2026-27

- Budget to Actuals Report FY2026-27 Period 01 July 2026
- Budget to Actuals Report FY2026-27 Period 02 August 2026
- Monthly Water Production and Cost Summary July 2026
- Monthly Water Production and Cost Summary August 2026
- FYTD Water Production and Cost Summary FY2026-27

Background: A summary of financial reports is presented for review.

Analysis: FY 2025-26 Revenue: As of June 2026, NCCWC exceeded its water sales revenue forecast projections by 1.8 % and wholesale water by 0.5%.

FY 2025-26 Revenue & Expenditure as of June 2026:

Water Sales		Budget	Budget to Date	Actuals	BTD vs Actuals	
OLWS		\$ 1,238,000	\$ 1,238,000	\$ 1,257,064	\$ 19,064	101.5%
Gladstone		653,000	653,000	748,068	95,068	114.6%
SWA		1,598,000	1,598,000	1,544,818	(53,182)	96.7%
CRW		15,000	15,000	16,280	1,280	108.5%
		<u>\$ 3,504,000</u>	<u>\$ 3,504,000</u>	<u>\$ 3,566,230</u>	<u>\$ 62,230</u>	
		101.8%				

Wholesale Water Sales						
From CRW		1,496,000	1,496,000	1,502,903	\$ 6,903	100.5%
		100.5%				

Expenditures		Budget	Budget to Date	Actuals	BTD vs Actuals	
Personnel Services		\$ 859,000	\$ 859,000	\$ 729,199	\$ (129,801)	84.9%
Materials & Services		3,787,000	3,787,000	3,586,528	(200,472)	94.7%
Capital Outlay		1,160,000	1,160,000	716,390	(443,610)	61.8%
		<u>\$ 5,806,000</u>	<u>\$ 5,806,000</u>		<u>\$ (773,883)</u>	
		0.0%				

NORTH CLACKAMAS COUNTY WATER COMMISSION

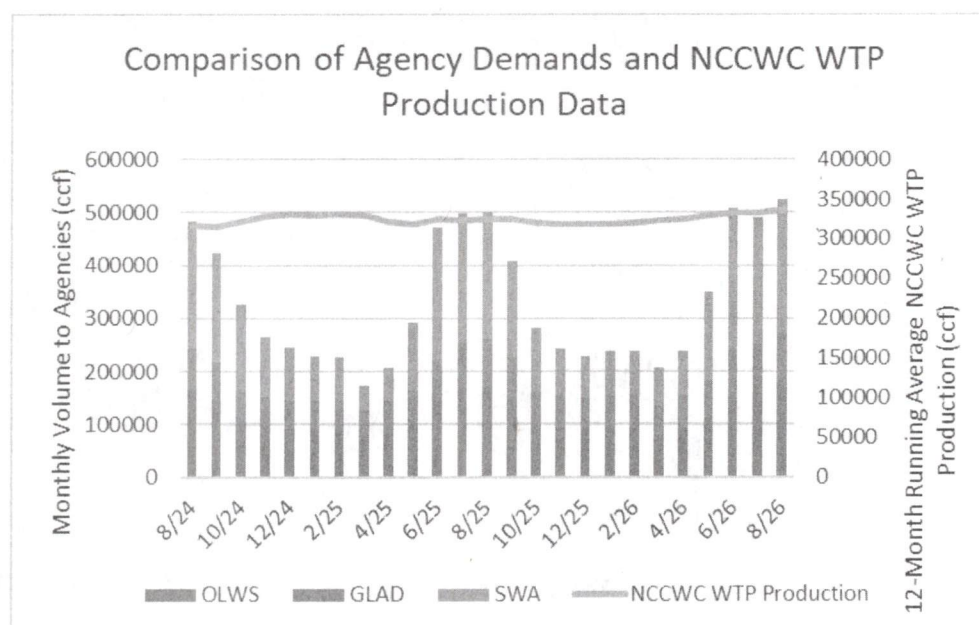
September 24, 2026

River Conditions Impact Intake Operations

Low flows and elevated water temperatures led to some unusual (and unexpected) conditions on the Clackamas River, described by excessive aquatic weeds and algae which clogged the intake at the NCCWC plant. The condition began in early August and required 24/7 cleaning of the intake screen. This began with manual cleaning of the intake and required volunteer labor from member agencies to support cleaning operations throughout the nighttime hours. Carollo Engineers and Slayden Constructors were able to design and construct (in early September) a temporary spray manifold (and pump) which has allowed for continuous mechanical cleaning of the upper portion of the intake and elimination of manual operations. Looking forward, the intake will likely have to be modified with a permanent water-jet cleaning system or completely rebuilt in order to create a long-term fix.

Summary of Production and Deliveries

The graph below shows a 12-month rolling average of total production and monthly deliveries to member agencies:



The seasonal impacts on demand (deliveries) are evidenced in the drop observed across subsequent summer periods. The influence from peak (hot) weather periods is also evidenced, as well as general flattening of the 12-mo. Average – the latter is owed to operations approaching plant capacity each year (especially during the summer). This appears to have been a record for summer volume production.

NORTH CLACKAMAS COUNTY WATER COMMISSION

September 24, 2026

Agenda Item 7.3

Subject: Manager's Report

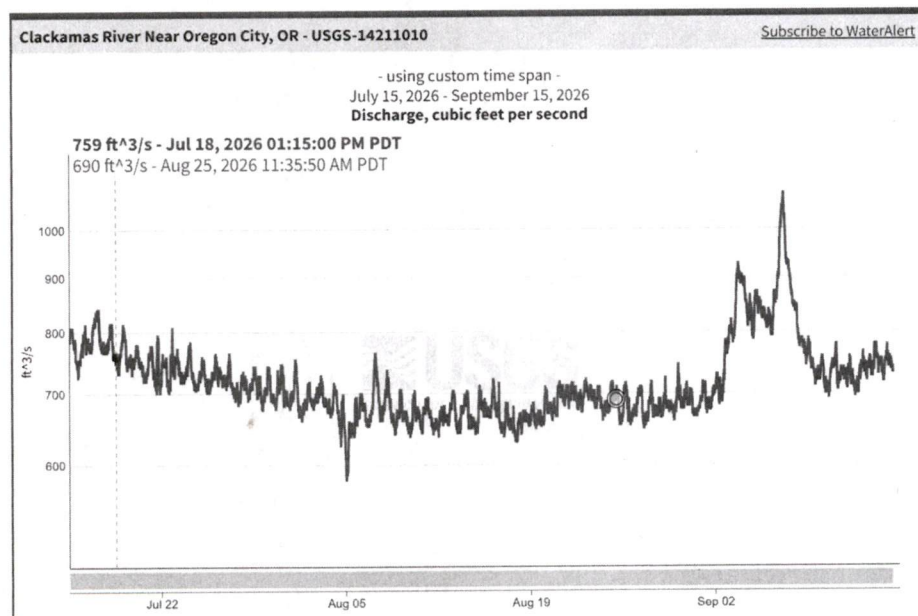
Presenter(s): Wade Hathhorn, General Manager

Board Action: Open discussion

Attachments: None

Update on River Flows

The summer season started with the earliest depletion of snowpack on Mt. Hood ever recorded (end of April). This was followed by a relatively dry spring, especially throughout June and thereafter.



All this has led to early reductions in streamflow entering into August (below 700 cfs). Conditions stabilized a bit, supported by minor releases of water from Timothy Lake by PGE. Limited rainfall returned in early September which has kept the flow just above the 700 cfs level. Notwithstanding, the flows are below the 800 cfs threshold set under "permit extensions," whereby requiring restrictions to the undeveloped portion of permits held by the NCCCWC and others. In addition, the state is monitoring flows also with regards to an instream requirement of 640 cfs which went into effect on September 16.

Public Messaging to Reduce Outdoor Use

Many of the Clackamas River municipal providers have been in operating at some level of curtailment, mostly voluntary – calling for an end to public park watering, vehicle washing and other forms of non-essential use since mid-August. Following the Labor Day weekend, all of the municipal users have seen a significant decline in demand, driven by cooler temperatures and limited rainfall.

Oregon State-Sponsored MS-ISAC Membership

The state of Oregon has already secured MS-ISAC® membership on your behalf, giving your organization access to powerful cybersecurity tools and dedicated support at no cost. Activate your membership today to begin taking full advantage of the benefits and resources available to you.

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Previous member of the MS-ISAC? Log in to the CIS Portal and follow the prompts to join.

For assistance with joining, contact info@cisecurity.org and our team will be glad to assist.

What Is the MS-ISAC?

The Multi-State Information Sharing and Analysis Center® (MS-ISAC®) is the nation's trusted cybersecurity resource for U.S. State, Local, Tribal, and Territorial (SLTT) government organizations. Backed by the U.S.-based 24x7x365 CIS Security Operations Center, the MS-ISAC provides threat intelligence, monitoring, and expert support to help public sector entities defend against ever-evolving cyber threats.

Through statewide sponsorship, your organization receives MS-ISAC membership at no cost, giving you access to powerful cybersecurity tools and services designed specifically for SLTT needs. An MS-ISAC membership gives your organization enterprise-grade cybersecurity capabilities, ensuring every local organization can benefit from shared defense, real-time insights, and expert guidance.

Benefits Provided with MS-ISAC Membership

An MS-ISAC membership delivers a comprehensive suite of cybersecurity support tailored for organizations like yours.

Threat Intelligence and Distribution

- SLTT Specific Threat Intelligence Analysis Products and Reporting
- MS-ISAC Threat Intelligence Platform STIX/TAXII and MISP Access
- Virtual Threat Intelligence Briefings (SLTT threat brief)

Member Collaboration and Engagement

- Exclusive access to a collaborative peer community
- 1:1 service consultations with CIS cybersecurity experts
- MS-ISAC Annual Membership Meeting
- Monthly membership calls
- Best practice webinars led by experienced peers and top experts
- SLTT mentorship program

Incident Response and Forensic Services

- MS-ISAC Incident Response & Forensic Services (as resources allow)

Optional, Cost-Effective Add-On Services

- Albert Network Monitoring and Management
- Malicious Domain Blocking and Reporting Plus (MDBR+)
- CIS Managed Detection and Response™ (CIS MDR™)
- Managed Security Services (MSS)
- Red Team Services

Security Operations Center (SOC)

- 24x7x365 SOC access, based in the U.S., operated by dedicated, full-time CIS experts
- SOC alerts, advisories, weekly malicious IP/domain List
- Cyber Early Warning Service — dark web monitoring and notification
 - Targeted vulnerability notifications
 - Initial Access Broker (IAB) monitoring
 - Breached credential monitoring
 - IP and domain monitoring

Services and Programs

- Malicious Domain Blocking and Reporting (MDBR) — highly-effective web security that prevents your users from connecting to known or suspected malicious sites online
- Annual cybersecurity self-assessment — *Coming Soon!*



AGENDA ITEM

Title Department Reports

Item No. 7.

Date October 13, 2026

Summary

The board has requested updates during regular meetings regarding the status of OLWS operations.



DEPARTMENT REPORT

To	Board of Directors
From	Brad Albert, General Manager
Title	Administration Monthly Report
Item No	7.a.
Date	October 13, 2026

Summary

The board has requested updates during regular meetings regarding the status of OLWS operations.

Highlights of the Month

- Site walkthrough for the Tertiary Treatment Project with Oregon DEQ.
- Site walkthrough for the Tertiary Treatment Project with Business Oregon.
- FY25 audit is underway.

Audit

The FY24 Authority Audit is complete. Baker Tilly (Moss Adams) presented the audit findings at the September 2026 meeting. The Finance Dept. has scheduled the FY25 audit and is currently underway. Fiscal year audits have been averaging 4 months to complete, which would target a January 2027 completion and Board presentation.

Attachments

None



STAFF REPORT

To	Board of Directors
From	Angie Wilson, Finance Director
Title	Finance
Item No	7.b.
Date	October 13, 2026

Summary

The August 2026 report outlines key shifts in customer billing and accounts receivable, including improved A/R performance, increased delinquencies, and ongoing support through the FAURRP assistance program

Attachments

1. August 2026 Account Roll Up

STAFF REPORT

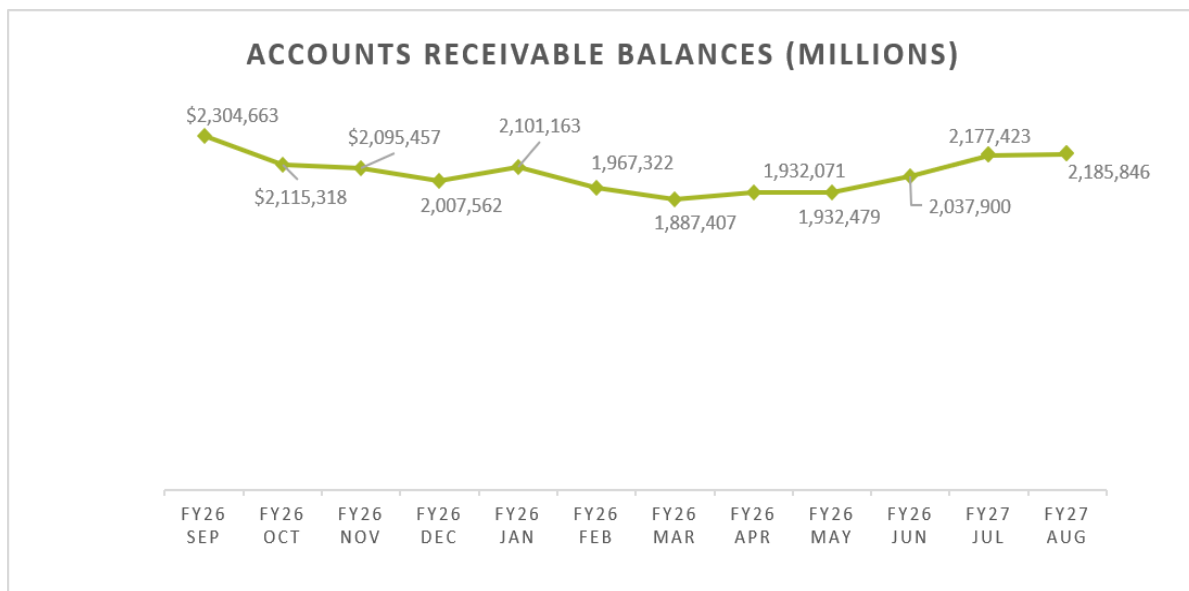
Item No. 7b
To Board of Directors
From Angie Wilson, Finance Director
Title Monthly Finance Department Report
Report Period August 2026 (FY 2026-27)
Report Date October 13, 2026 (FY 2026-27)

Summary

The August 2026 financial report outlines key shifts in customer billing and accounts receivable, including improved accounts receivable performance, increased delinquencies, and ongoing support through the FAURRP assistance program.

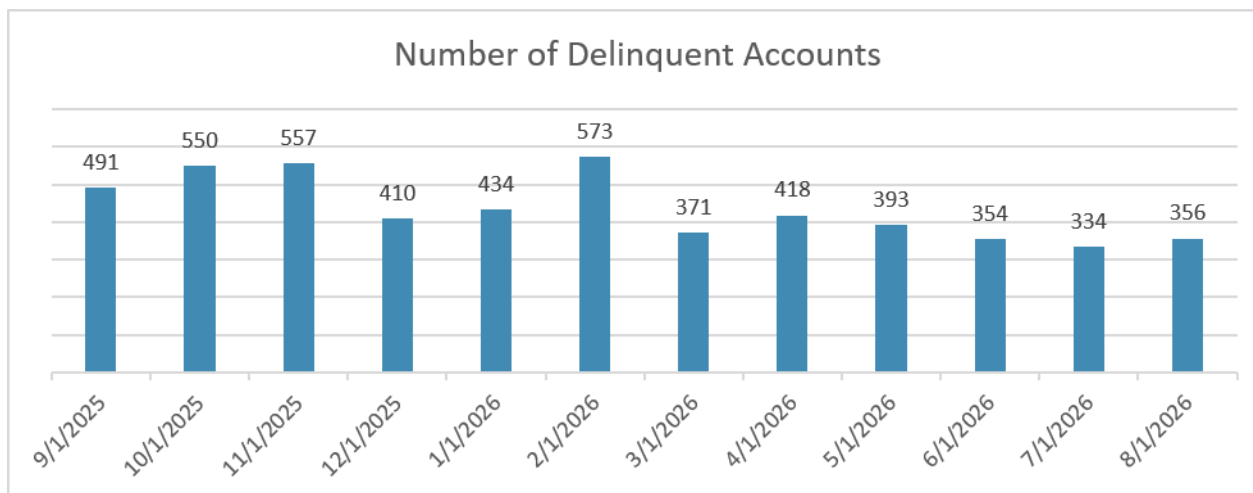
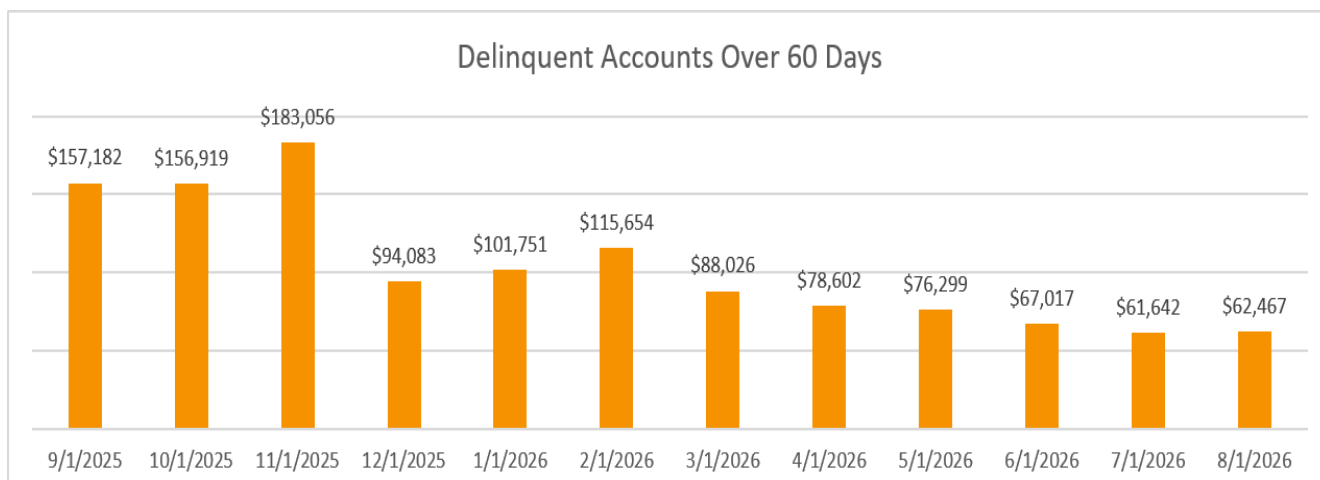
Accounts Receivable (A/R) Overview

- The **Accounts Receivable Balance Increased by 0.39%** in August compared to July.
- Accounts receivable has increased due to seasonal higher water usage, which results in increased customer billings during this time of year. Higher accounts receivable balances are expected throughout the summer months as water consumption continues to rise.



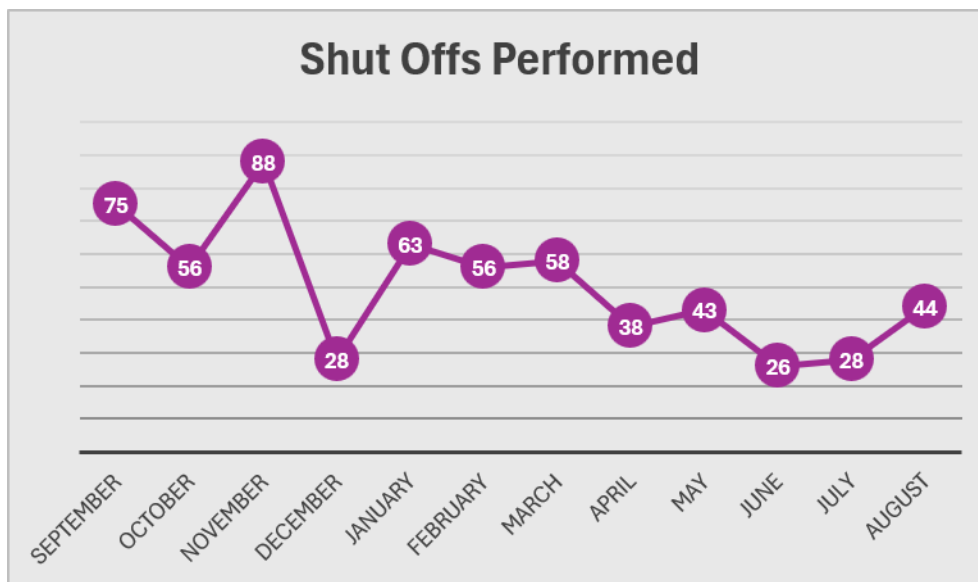
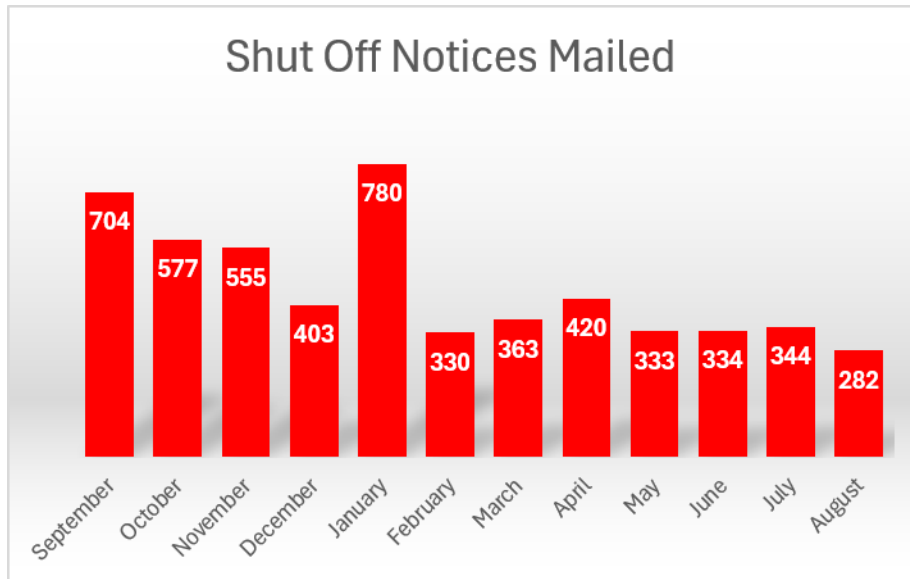
Delinquent Accounts

- The **number of delinquent accounts increased by 22** from July to August 2026.
- OLWS' current delinquency management process includes:
- Red shut-off notices are mailed on accounts more than 30 days past due, giving customers **7 days to make payment**.
- If no payment or plan arrangement occurs, the **automated call system issues a 24-hour shut-off notice**. Shut offs are performed the following day.



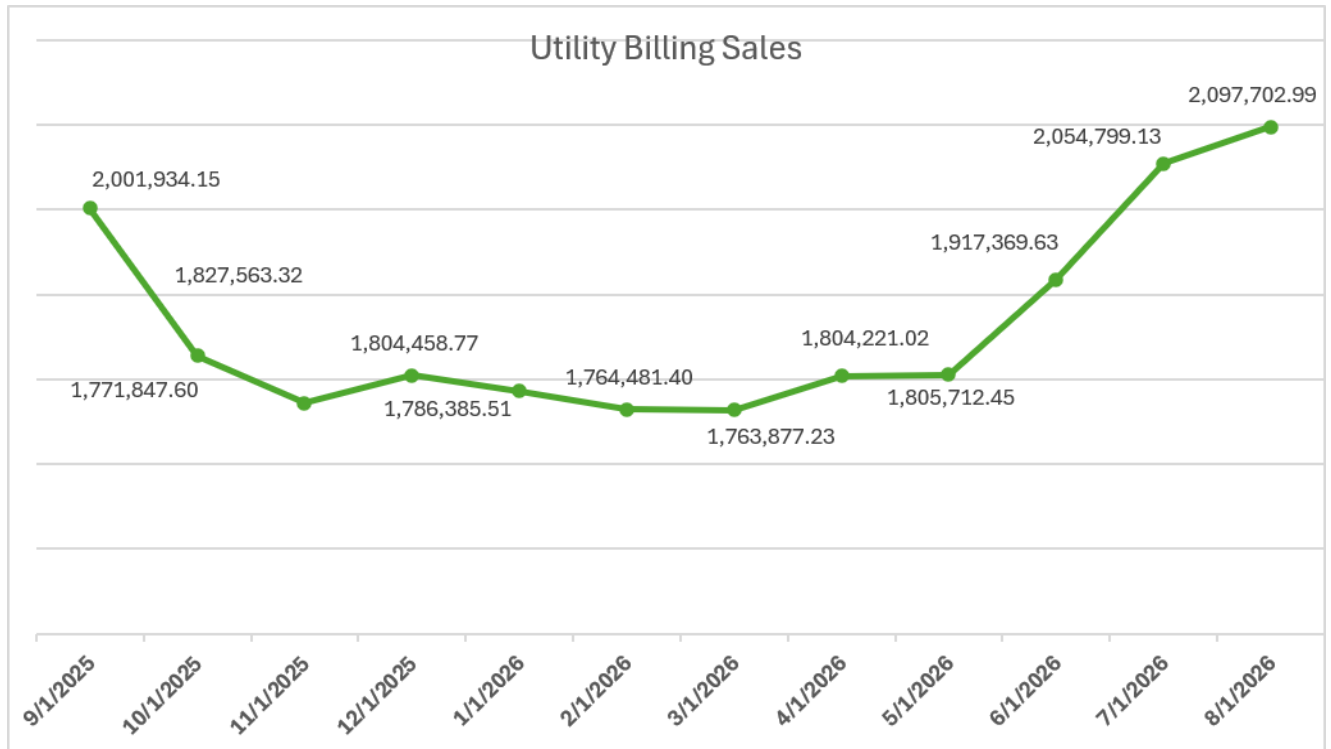
Shut Offs

OLWS does not place red tags on accounts that are more than 30 days past due. Instead, we send red shut-off notices, which give customers 7 days to make payment. If payment is not received within that period—and no payment plan has been arranged, then use our automated call system to provide customers with 24-hour shut-off notice.



Utility Billing Sales

Following the seasonal slowdown in the prior month, billing sales have increased due to the seasonal higher water usage and will continue to increase for the summer months. Customer activity has increased, reflecting a normalization of demand for this time of year.

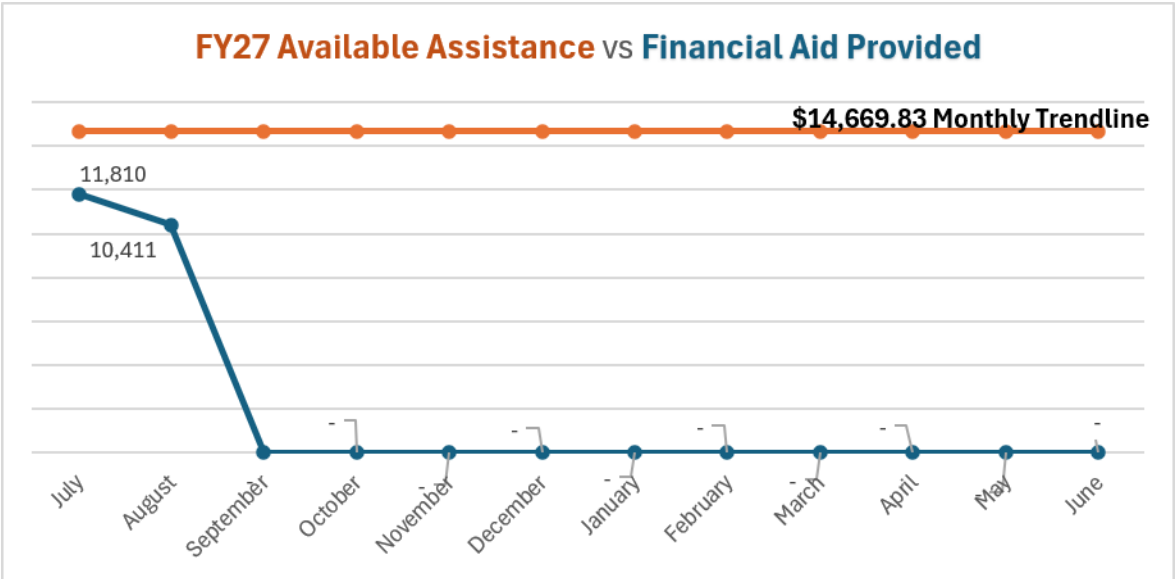


Financial Assistance Utility Rate Relief Program (FAURRP)

Financial Assistance – FAURRP

- The **Financial Assistance Utility Rate Relief Program (FAURRP)** provides discounted utility rates to qualifying customers.
- On **March 19, 2024**, the Board of Directors approved an increase to the program funding cap:
 - **0.75% of budgeted utility revenues**, up from the previous **0.50%**.

This expansion supports a greater number of customers needing rate relief. Currently, we have 201 accounts utilizing this program.



Attachments:

General Ledger

Account Roll Up

User: lisa.rowland@olws.org

Printed: 9/23/2026 2:12:34 PM

Period 02 - 02

Fiscal Year 2027

Sort Level	Description	Budget	Period Amt	End Bal	% Expend/Collect
Revenue	Revenue				
4210	Water Sales - CRW	\$ (41,000.00)	\$ -	\$ -	0.00%
4211	Water sales	\$ (6,950,720.00)	\$ (698,806.51)	\$ (1,360,962.18)	19.58%
4212	Wastewater Charges	\$ (14,455,000.00)	\$ (1,220,296.16)	\$ (2,440,106.19)	16.88%
4213	Watershed protection fees	\$ (2,066,000.00)	\$ (172,030.81)	\$ (344,343.26)	16.67%
4215	Penalties & late charges	\$ (36,000.00)	\$ (4,672.50)	\$ (10,154.53)	28.21%
4220	System Development Charges	\$ -	\$ (5,165.00)	\$ (5,165.00)	0.00%
4221	System Development-Reimburse	\$ (150,000.00)	\$ -	\$ -	0.00%
4225	System Development-Improvement	\$ (50,000.00)	\$ (6,708.00)	\$ (6,708.00)	13.42%
4227	System Development-Compliance	\$ (1,000.00)	\$ -	\$ -	0.00%
4230	Contract services	\$ (45,000.00)	\$ (15,646.58)	\$ (15,646.58)	34.77%
4240	Service installations	\$ (30,000.00)	\$ (710.00)	\$ (710.00)	2.37%
4280	Rents & leases	\$ (205,450.00)	\$ (10,138.05)	\$ (20,276.10)	9.87%
4290	Other charges for services	\$ (41,000.00)	\$ (2,966.00)	\$ (3,266.00)	7.97%
4320	State grants	\$ (2,000,000.00)	\$ -	\$ (637,088.00)	31.85%
4610	Investment revenue	\$ (674,000.00)	\$ -	\$ -	0.00%
4630	Miscellaneous revenues	\$ (41,000.00)	\$ (9,517.90)	\$ (29,342.56)	71.57%
4650	Proceeds from borrowing	\$ (9,000,000.00)	\$ -	\$ -	0.00%
4910	Transfer in from Fund 10	\$ (4,828,000.00)	\$ (402,333.00)	\$ (804,659.00)	16.67%
4920	Transfer in from Fund 20	\$ (11,248,605.00)	\$ (1,263,875.00)	\$ (1,898,191.00)	16.87%
4930	Transfer in from Fund 30	\$ (1,660,000.00)	\$ (138,337.00)	\$ (276,665.00)	16.67%
Revenue	Revenue	\$ 53,522,775.00	\$ 3,951,202.51	\$ 7,853,283.40	14.67%

Expense **Expense**

5110	Regular employees	\$	4,420,000.00	\$	324,466.65	\$	648,081.56	14.66%
5130	Overtime	\$	175,000.00	\$	10,608.55	\$	14,347.72	8.20%
5210	Employee Ins	\$	818,000.00	\$	57,173.12	\$	111,467.92	13.63%
5230	Social Security	\$	345,000.00	\$	25,099.41	\$	49,629.54	14.39%
5240	Retirement	\$	911,000.00	\$	63,728.95	\$	125,639.54	13.79%
5250	Trimet	\$	71,000.00	\$	4,138.55	\$	8,182.30	11.52%
5270	Workers compensation	\$	60,450.00	\$	-	\$	40,150.05	66.42%
5290	Other employee benefits	\$	15,000.00	\$	607.95	\$	607.95	4.05%
6110	Legal services	\$	300,000.00	\$	12,245.00	\$	12,245.00	4.08%
6120	Accounting & audit services	\$	150,000.00	\$	26,249.48	\$	26,249.48	17.50%
6155	Contracted Services	\$	1,158,050.00	\$	84,791.26	\$	87,149.78	7.53%
6175	Records Management	\$	4,500.00	\$	404.93	\$	404.93	9.00%
6180	Dues & subscriptions	\$	40,766.00	\$	25,829.67	\$	25,964.67	63.69%
6220	Electricity	\$	563,000.00	\$	30,913.68	\$	30,913.68	5.49%
6230	Telephone	\$	66,000.00	\$	5,233.65	\$	7,013.92	10.63%
6240	Natural gas	\$	11,200.00	\$	423.90	\$	423.90	3.78%
6250	Solid waste disposal	\$	68,250.00	\$	775.36	\$	1,350.72	1.98%
6290	Other utilities	\$	16,350.00	\$	717.23	\$	717.23	4.39%
6310	Janitorial services	\$	42,000.00	\$	3,153.87	\$	6,307.74	15.02%
6320	Buildings & grounds	\$	126,570.00	\$	16,405.48	\$	16,590.73	13.11%
6330	Vehicle & equipment maint.	\$	80,000.00	\$	3,906.59	\$	6,138.87	7.67%
6340	Distribution system maint	\$	377,000.00	\$	55,874.63	\$	74,464.58	19.75%
6342	Collection system maint.	\$	275,000.00	\$	9,429.23	\$	12,066.93	4.39%
6350	Computer maintenance	\$	432,980.00	\$	96,911.06	\$	207,276.12	47.87%
6410	Mileage	\$	4,000.00	\$	-	\$	-	0.00%
6420	Staff training	\$	73,500.00	\$	4,034.18	\$	6,057.68	8.24%
6430	Certifications	\$	11,350.00	\$	1,770.00	\$	1,770.00	15.59%
6440	Board travel & training	\$	5,000.00	\$	-	\$	-	0.00%
6510	Office supplies	\$	26,000.00	\$	1,095.77	\$	2,177.62	8.38%
6520	Fuel & oils	\$	50,000.00	\$	2,084.08	\$	2,683.41	5.37%
6525	Chemicals	\$	88,600.00	\$	4,577.00	\$	9,154.00	10.33%
6530	Small tools & equipment	\$	57,000.00	\$	18,981.48	\$	20,893.14	36.65%
6540	Safety supplies	\$	34,750.00	\$	4,775.85	\$	7,304.25	21.02%
6550	Operational Supplies	\$	35,000.00	\$	3,396.40	\$	4,308.99	12.31%
6560	Uniforms	\$	40,000.00	\$	1,031.91	\$	3,768.68	9.42%
6610	Board compensation	\$	2,500.00	\$	-	\$	-	0.00%

6620	Election Costs	\$	10,000.00	\$	-	\$	-	0.00%
6710	Purchased water	\$	1,301,625.00	\$	133,975.58	\$	133,975.58	10.29%
6715	Water quality program	\$	30,000.00	\$	2,789.87	\$	2,873.89	9.58%
6720	Insurance	\$	280,000.00	\$	142,816.66	\$	142,816.66	51.01%
6730	Communications	\$	42,350.00	\$	1,488.15	\$	1,488.15	3.51%
6735	Public Outreach & Education	\$	115,000.00	\$	1,205.85	\$	1,205.85	1.05%
6740	Advertising	\$	7,000.00	\$	-	\$	-	0.00%
6760	Equipment Rental	\$	25,299.00	\$	880.64	\$	1,659.44	6.56%
6770	Bank charges	\$	205,000.00	\$	12,436.74	\$	2,575.43	1.26%
6780	Taxes, Fees & Permits	\$	145,100.00	\$	23,218.55	\$	24,329.27	16.77%

Debt Service and Special Payments

6810	2010 SRF Loan Principal	\$	1,023,579.00	\$	-	\$	509,244.00	49.75%
6811	2010 IFA Loan Principal	\$	376,889.00	\$	-	\$	-	0.00%
6813	JPM Bank Loan Principal	\$	1,543,000.00	\$	-	\$	-	0.00%
6820	2010 SRF Loan Interest	\$	185,962.00	\$	-	\$	77,754.00	41.81%
6822	2010 IFA Loan Interest	\$	102,730.00	\$	-	\$	-	0.00%
6823	JPM Bank Loan Interest	\$	158,875.00	\$	-	\$	-	0.00%

Capital Outlay

7200	Infrastructure	\$	600,000.00	\$	-	\$	-	0.00%
7300	Buildings & Improvements	\$	210,000.00	\$	-	\$	250.00	0.12%
7400	Improvement other than Bldgs	\$	60,000.00	\$	-	\$	-	0.00%
7520	Equipment	\$	529,000.00	\$	-	\$	132,421.17	25.03%
7530	Information Technology	\$	76,000.00	\$	-	\$	-	0.00%
7540	Vehicles	\$	225,000.00	\$	-	\$	-	0.00%
7600	Capital Improvement Projects	\$	18,295,000.00	\$	1,284,660.99	\$	1,284,825.46	7.02%

Transfers

8105	Transfers out to Fund 05	\$	4,967,605.00	\$	413,966.00	\$	827,924.00	16.67%
8120	Transfers out to Fund 20	\$	182,000.00	\$	15,167.00	\$	30,333.00	16.67%
8150	Transfers out to Fund 50	\$	3,637,000.00	\$	629,575.00	\$	629,575.00	17.31%
8171	Transfers out to Fund 71	\$	3,600,000.00	\$	300,000.00	\$	600,001.00	16.67%
8172	Transfers out to Fund 72	\$	5,100,000.00	\$	425,000.00	\$	850,008.00	16.67%
8173	Transfers out to Fund 73	\$	250,000.00	\$	20,837.00	\$	41,674.00	16.67%
9000	Contingency	\$	4,434,491.00	\$	-	\$	-	0.00%

Expense	Expense	\$ 58,673,321.00	\$ 4,308,852.90	\$ 6,866,436.53	11.70%
Revenue Total		\$ 53,522,775.00	\$ 3,951,202.51	\$ 7,853,283.40	14.67%
Expense Total		\$ 58,673,321.00	\$ 4,308,852.90	\$ 6,866,436.53	11.70%
Grand Total		\$ (5,150,546.00)	\$ (357,650.39)	\$ 986,846.87	-0.19%

FY 2027	Expense Category	<u>Budget</u>	<u>Period Amt</u>	<u>Year to Date</u>	<u>Percent</u>
Period 02	Personnel Services	\$ 6,815,450	\$ 485,823	\$ 998,107	14.6%
	Materials and Services	\$ 6,300,740	\$ 733,824	\$ 884,320	14.0%
	Capital Outlay	\$ 19,995,000	\$ 1,284,661	\$ 1,417,497	7.1%
		\$ 33,111,190	\$ 2,504,308	\$ 3,299,924	10.0%



DEPARTMENT REPORT

To	Board of Directors
From	Aaron Janicke, Public Works Director, Tessie Prentice, Assistant District Engineer, Ryan Hunter, Distribution Field Supervisor, Jason Clifford, Collections Field Supervisor, Lara Christensen, Water Quality Coordinator
Title	Public Works Monthly Report
Item No	7.c.
Date	October 13, 2026

Summary

The board has requested updates during regular meetings regarding the status of OLWS operations.

Highlights of the Month

- Excavation is complete for Tertiary Treatment.
- Jennings/Oatfleid waterline replacement set for this month.
- Annual storm drain cleaning is under contract for this fall.

Watershed Protection

In September, staff awarded the Zone 5 maintenance project for the storm system cleaning this fall. Based on OLWS inspections, the contractor will clean 129 catch basins and 1138 linear feet of pipe. The contractor tracks and reports on the debris collected per basin and in total, which OLWS reports to the Department of Environmental Quality (DEQ) each year.

Erosion control inspections for construction sites prompted staff to provide outreach and education for contractors about fall EC best management practices (BMPs) before the rainy season starts. Typically contractors are encouraged to avoid runoff issues, which could slow down their construction schedule.

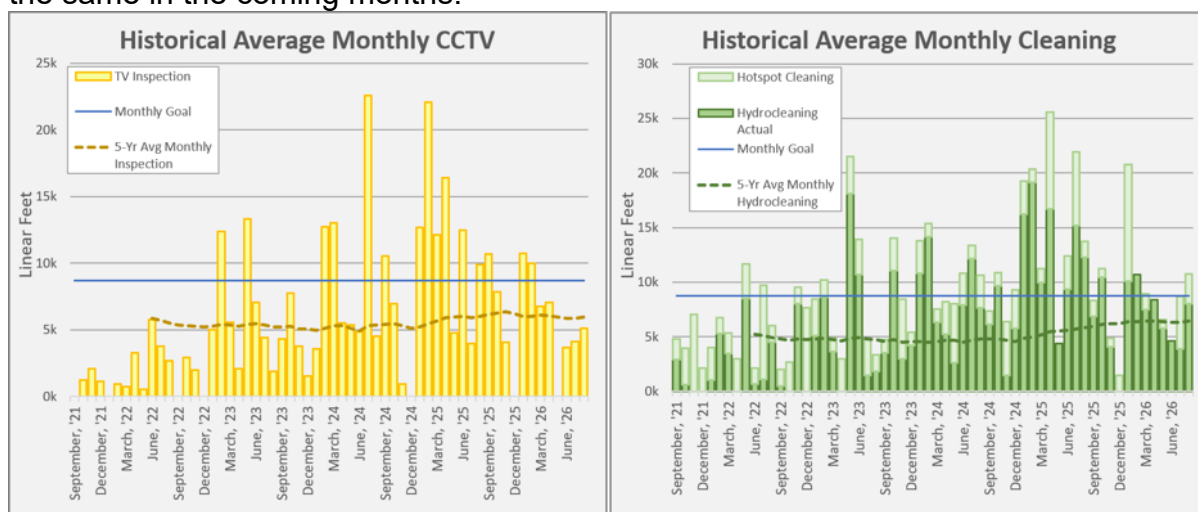
Water Quality Staff is organizing the annual inspection, outreach, and education for stormwater quality facilities on private property. This winter outreach letters will go out, and private property owners will be able to report their maintenance actions electronically. At least 20% of private storm facilities are inspected each year, with inspection results and education materials provided to owners of the facilities electronically.

Water Quality Staff awaits the new Municipal Separate Storm Sewer System (MS4) Permit from DEQ. The current permit applies for five years and is now in administrative extension until the new permit is issued. Until that comes out, OLWS uses the approved Stormwater Management Program and a similar set of adopted actions.

Fall water quality sampling is prepped and ready for the first rains of October. Staff will catch all three instream monitoring sites and the storm sample from the commercial piping system.

Wastewater Collection System Work

This month, the collections team stepped in to help the engineering team with the Jennings Ave drainage ditch evaluation by removing debris in the channel. The crew removed debris, including logs, and worked in tandem with Clackamas County to clear out the ditch and culvert under Jennings Ave to get a better view of culvert and ditch elevations. This will aid in determining alternatives to help convey stormwater under Jennings Ave. The team is also working to identify manholes that need rehabilitation. Manhole rehabilitation is a quick and inexpensive way to prolong the life of the manhole structure and reduce groundwater infiltration through cracks. The crew has had success in the past with contracting for these smaller repairs and will be looking to do the same in the coming months.



Water Distribution System Work

In September, the Water Team replaced 273 meters as part of its ongoing meter maintenance program. Work addressed communication problems, mechanical failures,

and necessary radio replacements. Following each meter reading cycle, staff review service request reports generated by the meter reading software to identify potential issues, including no-flow or stuck meters, customer-side leaks, and communication failures. These reports help prioritize field inspections and determine the repairs or replacements needed to maintain accurate billing and reliable system monitoring. Resolving these issues may require scheduling customer shutdowns, replace service line components, and performing hydro-excavation.

Highlights from the Water Team include:

- CIP – The Water Team worked with Portland Engineering at the View Acres Reservoir site to install radio SCADA equipment for backup communications.
- Ongoing leak detection efforts.
- Three fire flow tests.
- New service on SE Swain.
- Chlorine residual monitoring.

Non-Revenue Water

The total water purchased in September was 110.688 million gallons. Non-revenue water totaled 9.920 million gallons with 2.072 million gallons in apparent losses, 7.291 million gallons in real losses, and 558,000 gallons for unbilled authorized consumption. The trailing twelve month (TTM) non-revenue water trend indicates the average non-revenue water over the past 12 months is 16.954 million gallons.

Permit Activity

FY2026-2027	September 2026 Development Activity				
	<i>This Month</i>	<i>Last Month</i>	<i>Fiscal Year-to-Date</i>	<i>This Month Last Year</i>	<i>Last Year-to-Date</i>
Pre-applications Conferences	2	0	3	2	5
New Erosion Control Permits	4	13	18	4	12
New Development Permits	0	0	0	0	2
New Utility Permits	21	16	44	4	11
Wastewater Connections	68	12	80	2	11
Sanitary SDC Fees Received	\$351,220	\$61,965	\$413,185.00	\$10,330	\$56,815
Water SDC Fees Received	\$26,832	\$238,766	\$298,163.00	\$19,160	\$89,093
Plan Review Fees Received	\$3,383	\$12,660	\$18,910.43	\$1,673	\$6,124
Inspection Fees Received	\$3,883	\$8,094	\$15,216.73	\$1,440	\$12,346

Attachments

1. October Development Tracker

<i>Project Status</i>	<i>Address</i>	<i>Type of Development</i>	<i>Notes</i>	<i>Last Updated</i>
Pre-Application	1802 SE Torbank	Residential: Rose Villa 83-unit Senior Living	Pre-app comments sent to CCDTD. County land use expiration timeline.	October 1, 2026
Pre-Application	14817 SE Raintree Ct	Residential: Partition	Pre-app comments sent to CCDTD. County land use expiration timeline.	October 1, 2026
Plan Review	16105 SE Southview Ave	Residential: 4-unit Cottages	Current OLWS review	October 1, 2026
Plan Review	4835 SE Ina	Residential: 15-unit Cottages	Current OLWS review	October 1, 2026
Plan Review	5033 SE Allan Rd	Commercial: 15 Bed Care Facility	Plan changes under new review.	October 1, 2026
Approved for Construction	18521 SE River Rd	Park Redevelopment	OLWS Permits Issued.	October 1, 2026
Approved for Construction	13506 SE Briggs St	Residential: 18-unit Cottages	OLWS permits issued.	October 1, 2026
Approved for Construction	13515 SE Briggs St	Residential: 10-unit Cottages	OLWS permits issued.	October 1, 2026
Approved for Construction	6320 SE Roethe Rd	Residential: 43 Unit Subdivision	OLWS permits issued.	October 1, 2026
Approved for Construction	12705 SE River Rd	Residential: Wilamette View Plaza	OLWS permits issued.	October 1, 2026
Approved for Construction	14018 SE Linden Ln	Residential: Triplex	OLWS permits ready to issue (pending fee payment)	October 1, 2026
Approved for Construction	16305 SE Oatfield Rd.	Residential: 28-Lot Middle Housing	OLWS Utility Permits issued (pending fee payment)	October 1, 2026
Under Construction	16305 SE Oatfield Rd.	Residential: 12-lot Subdivision	OLWS inspections occurring	October 1, 2026
Under Construction	17025 SE Oatfield Rd	Residential: 2-lot subdivision	OLWS inspections occurring	October 1, 2026
Under Construction	18900 SE Mildred	Residential: Multi-Unit	OLWS inspections occurring	October 1, 2026
Under Construction	14014 SE Linden Ln	Commercial: Senior Living	OLWS inspections occurring	October 1, 2026
Under Construction	4202 SE View Acres	Residential: 6-unit Cottages	OLWS inspections occurring	October 1, 2026
Under Construction	5901 SE Hull Ave	Commercial: Candy Lane Elementary Addition	OLWS inspections occurring	October 1, 2026
Warranty Period	3421 SE Vineyard Rd.	Residential: Two tri-plexes and one duplex	Public utilities constructed. Permit closing out.	October 1, 2026
Warranty Period	3811 SE Concord Rd.	Concord School Library	Public utilities constructed, As-builts approved.	October 1, 2026
Warranty Period	15510 SE Wallace Rd.	Residential: 15-lot Partition	Public utilities constructed. As-builts approved. Under warranty bond.	October 1, 2026
Warranty Period	13822 SE Oatfield Rd	Residential: 26-unit Cottages	Public utilities constructed. As-builts approved. Under warranty bond.	October 1, 2026
Warranty Period	13100 SE River Rd	Residential: 5-lot duplex; Willamette View Phase I	Public utilities constructed. As-builts approved.	October 1, 2026
Warranty Period	4809 SE Ina Ave.	Residential: 4-lot Subdivision (Middle Housing)	Public utilities constructed. Under warranty bond.	October 1, 2026
Warranty Period	1404 SE River Forest Rd.	Residential: 3-lot Partition	Public utilities constructed.	October 1, 2026
Warranty Period	15609 SE Meadowlark Ln	Residential: Quadplex	Public utilities constructed, final inspection complete. Permit closing out.	October 1, 2026
Warranty Period	13000 SE River Rd	Residential: 5-lot duplex Wilamette View Phase II	Public utilities constructed, final inspection complete. As-builts under review.	October 1, 2026



DEPARTMENT REPORT

To	Board of Directors
From	David Hawkins, Plant Superintendent
Title	Plant Operations Monthly Report
Item No	7.d.
Date	October 13, 2026

Summary

The board has requested updates during regular meetings regarding the status of OLWS operations.

Highlights of the Month

- Influent Wetwell Cleaning
- Final Blower Update
- Harmonic Correction Unit Update

Wastewater Treatment Plant

The Maintenance Department recently designed and fabricated a custom clamshell-style scoop to improve removal of accumulated rags, grease, and other settled material from the influent wetwell. The wetwell is approximately 40 feet deep and was originally designed for a hydraulic capacity of approximately 25 MGD. Current daily plant flows, however, generally range from approximately 2 to 10 MGD. Because the wetwell is substantially oversized for present-day flow conditions, velocities through the structure are relatively low, allowing grease, rags, and other solids to settle and accumulate in much the same way they would in a large underground clarifier. Removing this material has historically been difficult due to the depth of the wetwell, limited accessibility, and the lack of commercially available equipment suited to the configuration. After determining that no practical off-the-shelf solution was available, Maintenance designed and fabricated the clamshell scoop entirely in-house for this specific application to use with the crane truck that we received last year. Since deploying the new

equipment, staff have removed more than 50 bucketfuls of accumulated grease and rags, representing approximately 2,000 pounds of material on a dry-weight basis. The project has significantly improved staff's ability to remove settled material from the wetwell and demonstrates the value of in-house technical knowledge, fabrication capability, and problem-solving in addressing unique operational challenges at the treatment plant.

The five-year Aeration Blower Replacement Project is now complete, with the final replacement blower placed into service in mid-September and all associated programming and controls work finalized. The aeration blowers provide the air required to maintain dissolved oxygen in the aeration basins, supporting the microorganisms responsible for biological treatment and removal of organic material from the wastewater. The new Aerzen hybrid blowers provide a significantly improved operating range compared to the previous equipment, including a lower air turndown that allows staff to more closely match airflow to actual process demand during periods of lower loading. This improved control reduces the need to over-aerate the basins, enhances process stability, and gives Operations greater flexibility in maintaining appropriate dissolved oxygen concentrations throughout changing flow and loading conditions. Completion of the project marks the end of a major multi-year effort to replace the original K-Turbo blowers with equipment better suited to the plant's operating needs, improving the overall reliability, efficiency, and controllability of the aeration system.

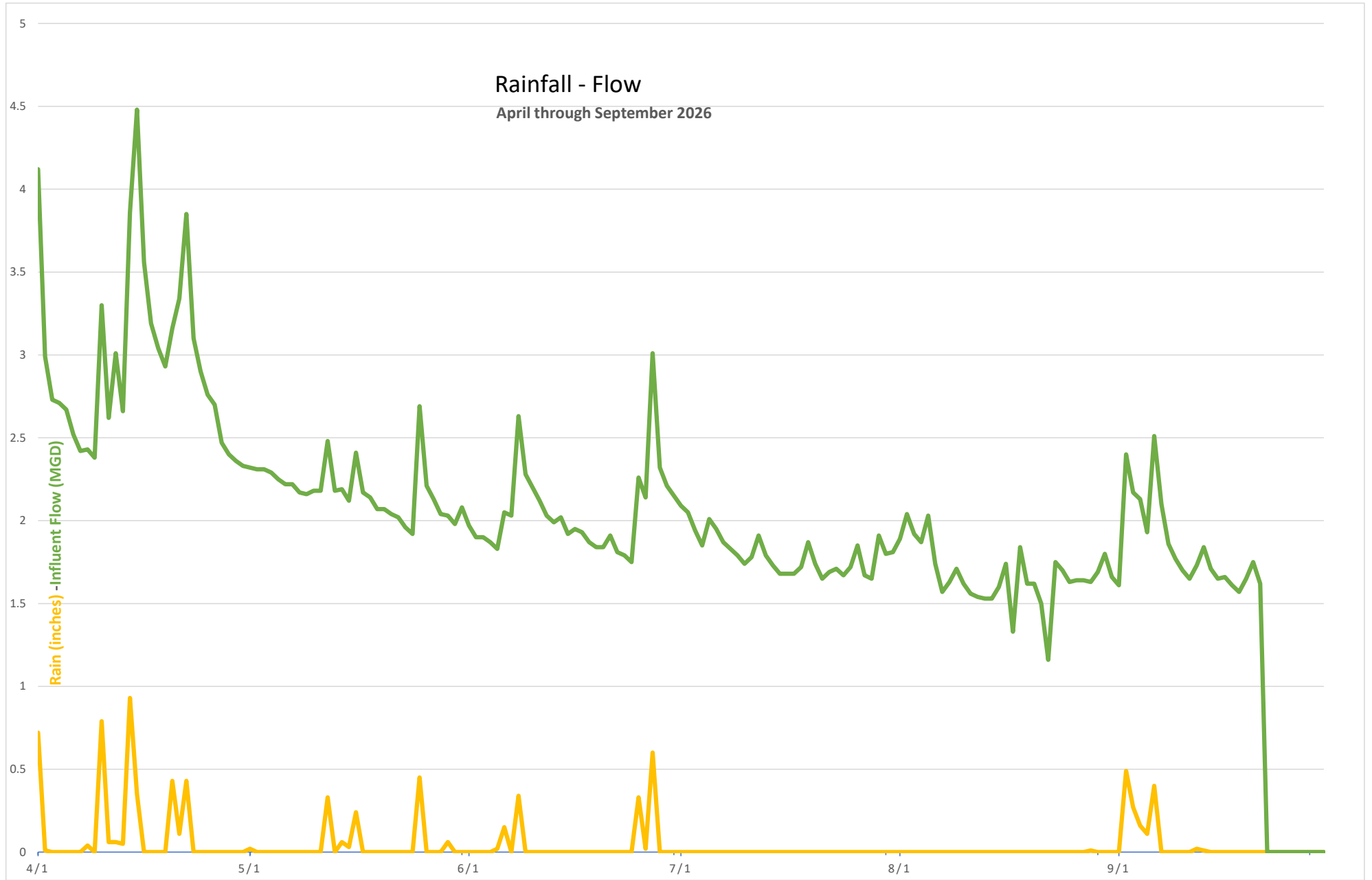
Following the failure and fire involving the harmonic correction unit last month, a replacement unit has been ordered and is expected to arrive within approximately eight weeks. For the first time, OLWS utilized its insurance coverage to help offset the cost of replacing the damaged equipment. Using insurance for this unexpected equipment failure will substantially reduce the direct impact to the operating budget and help preserve available funds for other planned maintenance and capital needs. This approach ultimately supports OLWS's ongoing effort to manage costs responsibly and minimize unnecessary financial impacts to ratepayers.

Attachments

1. Rainfall Vs. Flow April - September 2026
2. Plant Performance April - September 2026

Rainfall - Flow

April through September 2026



Effluent Water Quality (April - September 2026)

Winter Permit
Maximum Limit

Summer Permit
Maximum Limit

milligrams/Liter

--- Biochemical Oxygen Demand (BOD) --- Total Suspended Solids (TSS)

4/1/26

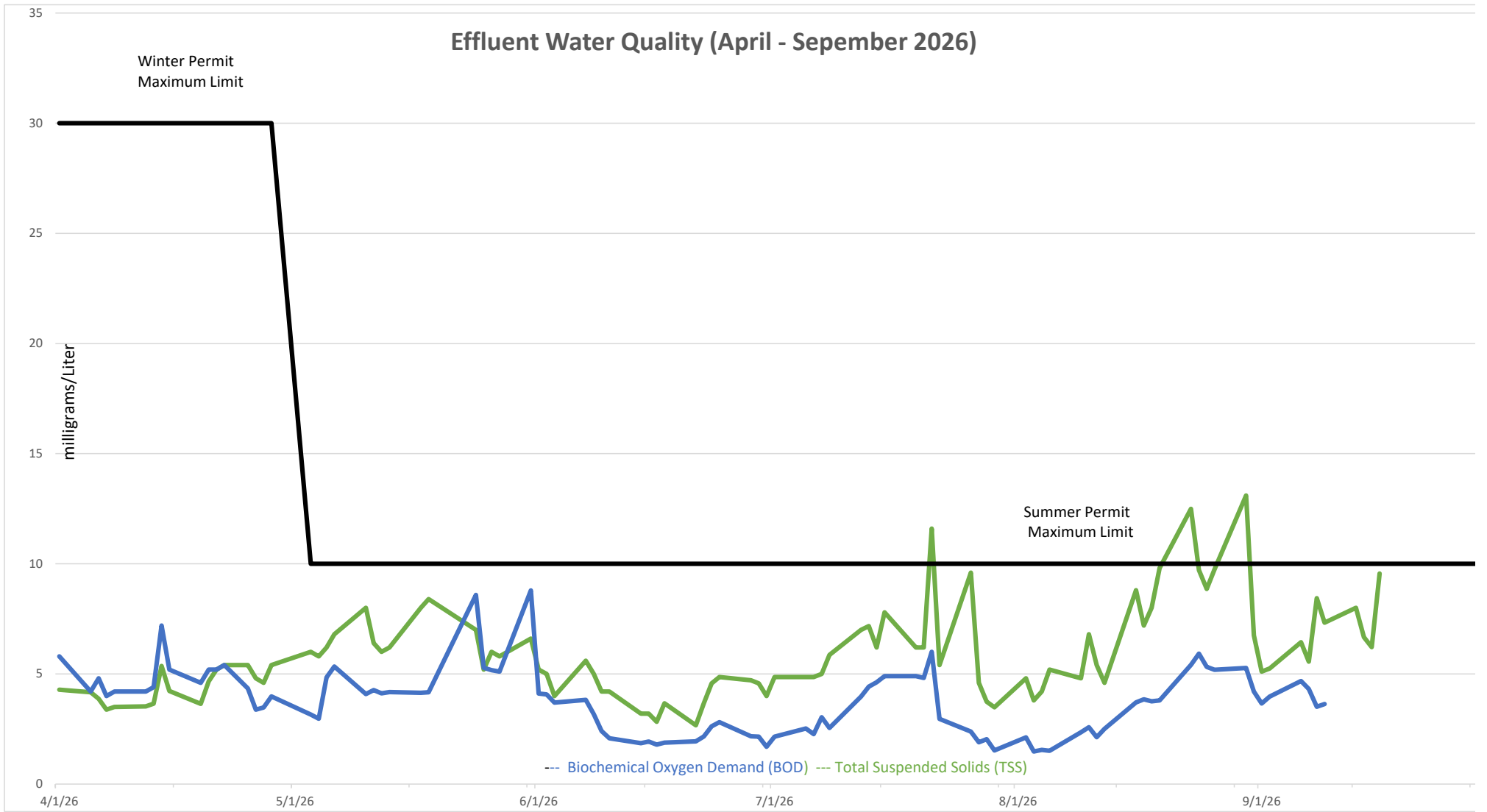
5/1/26

6/1/26

7/1/26

8/1/26

9/1/26





AGENDA ITEM

Title Other Items

Item No. 8.

Date October 13, 2026

Summary

The Board of Directors may discuss new or tabled agenda items.



AGENDA ITEM

Title Adjourn Meeting

Item No. 9.

Date October 13, 2026

Summary

If there is no further business to be discussed, the Chair will note the time and adjourn the meeting.