

OAK LODGE WATER SERVICES

BOARD OF DIRECTORS



MAY 16, 2023



**PUBLIC MEETING
OAK LODGE WATER SERVICES
BOARD OF DIRECTORS
MAY 16, 2023 at 6:00 p.m.**

1. Call to Order and Hybrid Meeting Facilitation Protocols
2. Public Hearing: FY 2024 Approved Budget
3. Presentation of Draft Intergovernmental Agreement with the City of Gladstone for Wastewater Services
4. Consent Agenda
 - a. March 2023 Financial Report
 - b. Approval of April 18, 2023 Board Meeting Minutes
 - c. Approval of Agreement for Government Affairs Services with Thorn Run Partners, LLC.
5. Consideration of Resolution No. 2023-0016 Adopting the FY 2024 Budget
6. Consideration of Resolution No. 2023-0017 Approving a FY 2023 Budget Transfer
7. Presentation of Quarterly Capital Projects Prioritization Report
8. Business from the Board
9. Department Reports
 - a. General Manager
 - b. Human Resources
 - c. Finance
 - d. Public Works
 - e. Plant Operations
10. Recess to Executive Session

Convene Executive Session under ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.
11. Adjourn Executive Session

If necessary, Board may take action on items discussed in Executive Session.
12. Adjourn Regular Meeting



AGENDA ITEM

Title	Call to Order
Item No.	1
Date	May 16, 2023

Summary

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

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



AGENDA ITEM

Title	Public Hearing: FY 2024 Approved Budget
Item No.	2
Date	May 16, 2023

Summary

Members of the public are invited to comment or provide testimony related to the FY 2023-2024 Approved Budget.

Written comments may not be read out loud or addressed during the meeting, but all public comments will be entered into the record.

The Board of Directors may elect to limit the total time available for public comment or for any single speaker depending on meeting length.

External Email – Confirm Sender and Beware of Links and Attachments



Public Comment

Written Public Comment Webform:	
First Name:	MICHAEL
Last Name:	SWYTER
Group or Organization Affiliation:	
Address:	5020 Southeast Glen Echo Avenue
Contact Information:	michael.swyter@gmail.com
	<p>First, thank you to the Budget Committee Members-as I've only had the opportunity to listen to recordings I've been struck by the amount of good questions that have been asked. The only question(s) that I thought should have been asked so far regarded accountability. Regarding accountability-one project was estimated at 2 million-and came in at 11 million. While inflation is high, supply chains were bad in the past and an issue— I really couldn't find any or have any knowledge of a product/material/item that would explain such a gross error. One accounting of funds was off by \$346,000-but it was stated that it "wasn't" fraud or waste. Looking through the budget/notes/presentations it appears</p>

**Written
Comments:**

everyone got raises and no one was terminated. That doesn't seem to be appropriate in either case. The CIP and proposed rate increases are too aggressive-and by these actions in the recent past and certain line items in the budget (including one line of overtime which is being raised 500%) you can easily see that they are indeed too much, too fast. The reason we/you are in the position we are is now two fold-aging infrastructure and cost overruns from the past with the District managing only a few projects. The Board is absolutely correct in asking staff to start a longer look at Budget needs-they are to be commended for that. There is also a very solid argument that rates need to be raised. But to raise rates at incredible amounts without accountability for past mistakes and built in measures that demand accountability going forward is not good management. Really bad cost overruns are already an issue-while as discussed inflation and supply chain issues have played a part, but the bad estimates for projects have been really bad and have had a staggering effect on the financial position of the District (and to the detriment of ratepayers). There is no scenario that I can think of that accelerating the pace of said projects insures rate payer money or treats it with the fiduciary duty it demands. Thank you again to the Budget Committee-your time is valued. Mike Swyter

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STAFF REPORT

To Board of Directors
From Sarah Jo Chaplen, General Manager
Brad Albert, Public Works Director/District Engineer
Title Presentation of Draft Intergovernmental with the City of Gladstone for Wastewater Services
Item No. 3
Date May 16, 2023

Summary

The Board will be conducting a worksession to review a proposed new intergovernmental agreement (IGA) with the City of Gladstone (“Gladstone”) relating to water, wastewater, and storm water. Representatives from Gladstone will be participating in the worksession.

Background/Discussion Points

Oak Lodge Water Services (“OLWS”) and Gladstone have adjacent and overlapping territorial boundaries. Within those boundaries, each entity operates a water and a wastewater collection system, and manages stormwater.

Territorial boundaries and utility systems have evolved over time, and OLWS and Gladstone have generally worked together to build their utility systems in an efficient manner throughout their combined territories. As a result, portions of Gladstone’s water utility system serve customers located within OLWS’s territorial jurisdiction, and portions of OLWS’s water utility system serve customers located within Gladstone’s territorial jurisdiction. The wastewater collection systems of each entity are interconnected, with the vast majority of wastewater in these areas flowing to OLWS’s treatment plant (those areas not flowing to OLWS flow to WES). For stormwater, Gladstone has the primary responsibility for managing stormwater run-off from the rights-of-way it controls, whereas Clackamas County (“County”) has the primary responsibility for managing stormwater run-off from the rights-of-way in OLWS’s territory outside of Gladstone’s boundary. However, OLWS helps the County manage some stormwater facilities, and portions of each stormwater system lie within the boundaries of the other entity.

As part of their efforts to develop and coordinate their utility systems, OLWS’s predecessors and Gladstone have entered into at least six different intergovernmental agreements (“IGA”) originating from the 1970’s, which themselves have been amended. Some of these agreements have broadly outlined each entity’s roles and responsibilities, while others have addressed the provision of utility services to specific customers. However, it has become clear to the entities’

professional staff that the previous IGAs no longer adequately capture the full relationship between the two entities. For many of the previous IGAs, the language is vague, leaving staff from both entities with many questions regarding the intent of those IGAs, or requiring lots of interpretation that may change over time.

The consolidation of the Oak Lodge Water District with the Oak Lodge Sanitary District, and now the conversion of that consolidated district to the Oak Lodge Water Services Authority, has created an opportunity for OLWS and Gladstone to revisit their relationship on a comprehensive basis. Staff and attorneys from each entity have been meeting periodically over the past several years to discuss the details of a new IGA that would combine many of the provisions of the previous IGA's into one place, update those provisions to match current business practices, and allow the entities to coordinate their utility systems on an even stronger basis going forward. Those efforts resulted in the IGA that is attached as Exhibit 1. During the worksession, we will present the details of the IGA, which are briefly summarized below, and be available to answer the Board's questions.

- 1. Term.** We are proposing a 40-year term for this IGA. Given the lifespan of utility facilities, such a long term is common for utility agreements. Indeed, OLWS and Gladstone are still operating under an IGA that is already more than 50 years old. This length of time will allow the entities to engage in meaningful, long-term planning.
- 2. Service Areas.**
 - a. Section 4.1 of the IGA establishes the "Water Service Area" of each entity. Under these provisions, a water customer is deemed to be the customer of the entity that owns the water main from which that service is provided.
 - b. Section 4.2 of the IGA establishes the "Wastewater Service Area" of each entity. Under these provisions, a wastewater customer is deemed to be the customer of the entity that owns the water main from which water service is provided to that same customer.
 - c. The production of wastewater is highly correlated to water usage. The approach in the IGA is intended, to the extent practicable, to have each customer receive water and wastewater service from the same provider. Combining these linked services on the same bill will provide customers with more clarity regarding their charges, and it will allow a single utility provider to engage with that customer for all water-related purposes.
 - d. The IGA, however, does contemplate that there may be exceptions where it is more efficient for a customer to receive different services from different providers. Staff from both entities have identified an initial list of four properties where such an exception is warranted. For these properties, OLWS is the water service provider, but Gladstone would remain the wastewater service provider. This is because these four properties are connected to a wastewater collection system that is owned and operated by Gladstone both upstream and downstream of these properties. Staff therefore did not think it made sense for OLWS to be responsible for a small portion of the collection system that is bound on both sides by Gladstone's collection system.

- e. Of note, for wastewater, the IGA does not govern any customers whose wastewater flows to WES, even if that customer is within both OLWS's and Gladstone's boundaries.
 - f. Section 4.3 of the IGA retains the current approach for stormwater, with Gladstone being responsible for the entire area within the City's boundaries. OLWS will continue to coordinate with the County for all other areas in the OLWS boundary.
- 3. Rights and Obligations to Customers.** Article 6 of the IGA clarifies that each entity has the sole right to provide a utility service and establish the rates for that service within the established Service Areas. With those rights come certain obligations, such as performing all tests and inspections and communicating with customers. A primary goal here is to establish a structure that allows each customer to know with certainty which entity is providing its utility services, but also to give OLWS and Gladstone certainty with regard to the areas where each is expected to provide a utility service.
 - 4. Permits and SDCs.** Article 7 of the IGA clarifies how OLWS and Gladstone will conduct various permitting activities. These range from OLWS's use of Gladstone rights-of-way, including continued payment of Gladstone's ROW Use Fee, to coordinating the review of private development as part of the land use process. Article 7 also clarifies each entity's ability to assess System Development Charges ("SDCs"). This is especially important because some developers have been confused in the past when trying to determine which SDCs apply to a specific development and what the basis for those charges was.
 - 5. Gladstone as an OLWS Customer.** Because Gladstone does not have its own wastewater treatment facility, it contracts with OLWS (and WES) to provide that service. Gladstone and OLWS also maintain multiple interties between their two water systems. Article 9 of the IGA consolidates these transactions from prior IGAs, and it more clearly sets forth the methodology used to calculate OLWS's charges to Gladstone for these purposes.
 - 6. Utility System Obligations.** Article 10 of the IGA re-establishes OLWS's and Gladstone's commitments to maintaining their utility systems. One area where this is most important relates to the wastewater systems, which are interconnected in various locations, both of which flow to OLWS's treatment plant. One of the pressures on OLWS's treatment plant is Inflow and Infiltration (I&I). OLWS has made meaningful gains in reducing I&I in its collection system. Gladstone has been supportive of that effort and, together, the entities recently performed an inspection of Gladstone's wastewater collection system. As a result of that inspection, Gladstone is agreeing to make more than \$700,000 in improvements through the end of 2027 that will further reduce I&I in the system. Gladstone will then conduct similar inspections every six years and identify further improvements that may be needed. Staff from both entities believe that the initial investment by Gladstone and the regular cadence of future inspections will create a much better system and, ultimately, extend the life and capacity of OLWS's treatment plant.

Recommendation

Staff requests the Board to review the IGA and discuss the various provisions during the worksession with Staff and with Gladstones' representatives. The Gladstone City Council will be conducting a similar worksession on May 23, 2023. The current plan is to bring the IGA to the Gladstone City Council for adoption on July 11, 2023, and then to the Board for adoption on July 18, 2023.

Suggested Board Motion

Because this item is a worksession, no decision is required and, therefore, Staff does not recommend any motion to be made. Staff will incorporate any input from the Board into the IGA if necessary and will respond to that input in future presentations.

Attachments

1. Draft IGA

**INTERGOVERNMENTAL AGREEMENT
BETWEEN OAK LODGE WATER SERVICES
AND
THE CITY OF GLADSTONE
RELATING TO THE PROVISION OF DOMESTIC WATER, WASTEWATER, AND
STORMWATER SERVICES**

This Intergovernmental Agreement (“**Agreement**”) is executed and entered into as of the date last signed (“**Effective Date**”) by and between the Oak Lodge Water Services Authority, an Oregon joint water and sanitary authority organized under ORS Chapter 450 (“**Oak Lodge**”), and the City of Gladstone, an Oregon municipal corporation (“**Gladstone**”), each referred to herein as a “**Party**” and collectively as the “**Parties**”.

RECITALS

- A. The Parties each own and operate a domestic water supply system and a wastewater collection system within their respective territorial jurisdictions. The Parties also each manage stormwater within their respective territorial jurisdictions.
- B. Portions of Gladstone’s water utility system serve customers located within Oak Lodge’s territorial jurisdiction. Portions of Oak Lodge’s water utility system serve customers located within Gladstone’s territorial jurisdiction.
- C. Portions of the Parties’ wastewater collection systems are interconnected. Wastewater from both Parties’ wastewater collection systems flows to Oak Lodge’s wastewater treatment plant where Oak Lodge treats the wastewater.
- D. Gladstone has the primary responsibility for managing stormwater run-off from the right-of-way it controls within its territorial jurisdiction. This management includes ownership, operation, and maintenance of stormwater facilities.
- E. Clackamas County (“**County**”) has the primary responsibility for managing stormwater run-off from the right-of-way the County owns within the County’s territorial jurisdiction, which includes areas outside of Gladstone’s territorial jurisdiction but inside Oak Lodge’s territorial jurisdiction. Oak Lodge also regulates aspects of stormwater as part of its obligations under the Federal Clean Water Act, which it implements through its Watershed Protection Services. By agreement with the County, Oak Lodge provides regular maintenance of portions of the County’s stormwater management system within Oak

Lodge's territorial jurisdiction, but Oak Lodge does not own or operate those stormwater facilities.

- F. ORS 190.010 authorizes Oak Lodge and Gladstone to enter into intergovernmental agreements for the performance of any or all functions and activities each has authority to perform.
- G. Gladstone and Oak Lodge's predecessors, Oak Lodge Sanitary District and Oak Lodge Sanitary District No. 2, executed that certain Interim Agreement, dated September 14, 1971, setting forth the parties' rights and obligations for the interconnection of their wastewater collection systems ("1971 Sewer IGA"); which agreement the parties later refined through that certain Sanitary Sewer Treatment Agreement, dated January 15, 2019, as amended ("2019 Sewer IGA").
- H. Gladstone and Oak Lodge's predecessor, Oak Lodge Sanitary District, executed that certain Intergovernmental Cooperation Agreement, dated January 29, 1990 ("1990 Sewer IGA"), whereby Gladstone delegated and consented to providing Oak Lodge with the legal authority and responsibility for performance of technical and administrative activities necessary for implementation of a pretreatment program within portions of Gladstone.
- I. In 1990, Gladstone and Oak Lodge's predecessor, Oak Lodge Water District, executed an Intergovernmental Cooperation Agreement ("1990 Water IGA") establishing the parties' rights and obligations for the interconnection of their water systems; which agreement the parties later refined through that certain Intergovernmental Cooperative Agreement, dated May 22, 2007 ("2007 Water IGA").
- J. Gladstone and Oak Lodge's predecessor, Oak Lodge Water District, executed that certain Water Services Agreement, dated November 14, 1994 ("1994 Water IGA"), establishing the Parties' agreement to serve certain properties within each Party's territorial jurisdiction.
- K. The Parties desire to build on their history of regional cooperation to ensure a cost-effective provision of reliable utility services to present and future customers, while preserving beneficial opportunities for the sustainable development of each Party's utility systems.

Based on the foregoing, the Parties agree as follows:

AGREEMENT

Article 1. Definitions

- 1.1. **Effective Date:** The date this Agreement becomes effective, as set forth in the Preamble.

- 1.2. **Equivalent Dwelling Unit (“EDU”):** A unit of measurement used to quantify a customer’s use of a Utility Service based on volume or capacity attributable to that customer as defined by the Party providing the Utility Service.
- 1.3. **Event of Default:** The failure of a Party to keep, perform, or observe any promise, covenant or agreement set forth in this Agreement and which entitles the other Party to a remedy as set forth in Article 12.
- 1.4. **Force Majeure Event:** An event defined in Section 13.12.1.
- 1.5. **Initial Wastewater Improvement List:** The list of capital improvement projects the Parties developed that will replace or repair certain portions of Gladstone’s Wastewater System as set forth in Section 10.3.1.
- 1.6. **Initial Wastewater System Inspection:** The inspection the Parties performed and on which the Initial Wastewater Improvement List is based as set forth in Section 10.3.1.
- 1.7. **Intertie:** A point of connection between the Parties’ Water Systems as identified in Section 9.1.
- 1.8. **Service Area:** The geographic area in which that Party actually provides a Utility Service whether now or in the future as set forth in this Agreement. Each Service Area may be described generically as a Service Area or specifically as a Water Service Area, Wastewater Service Area, or Stormwater Service Area.
- 1.9. **Stormwater Service:** The development, operation, or maintenance of stormwater facilities necessary to manage stormwater consistent with state and federal permits including, but not limited to, rate setting, system development charge policies and procedures, and account administration.
- 1.10. **Stormwater System:** A system of catch basins, ditches, and other facilities a Party uses to manage stormwater in furtherance of providing Stormwater Service.
- 1.11. **Term:** The period of time this Agreement is in effect, which period is defined in Section 2.1.
- 1.12. **Termination Date:** The earlier of the last day of the Term as set forth in Section 2.1 and the date of termination provided in a Termination Notice.
- 1.13. **Termination Notice:** A notice provided by a Party indicating its decision to terminate this Agreement as set forth in Section 2.3.
- 1.14. **Territorial Area:** The entire area within a Party’s municipal boundaries in which it is authorized to provide a Utility Service or implement a regulation, whether or not a Utility Service is currently being provided or a regulation has been imposed. Each Party’s Territorial Area as of the Effective Date is as set forth in Article 3.
- 1.15. **Utility Service:** Refers to either Water Service, Wastewater Service, Stormwater Service, or any combination of those services a Party provides or is capable of providing.
- 1.16. **Utility System:** Refers to a Party’s Wastewater System, Stormwater System, Water System, or any combination thereof.
- 1.17. **Wastewater Improvement List:** The list of potential capital improvement projects the Parties develop after a Wastewater System Inspection that will

replace or repair certain portions of Gladstone's Wastewater System as set forth in Section 10.3.2.

- 1.18. **Wastewater Service:** The development, operation, and maintenance of wastewater collection facilities necessary to serve retail or wholesale customers including, but not limited to, collection pipes, pumps, rate setting, system development charge policies and procedures, and account administration.
- 1.19. **Wastewater System:** The physical facilities a Party uses for wastewater collection and conveyance in the furtherance of providing Wastewater Service.
- 1.20. **Wastewater System Inspection:** The periodic inspection of Gladstone's Wastewater System as set forth in Section 10.3.2.
- 1.21. **Water Service:** The development, operation, and maintenance of water system facilities necessary for a Party to serve retail or wholesale customers including, but not limited to, water supply, storage, fire flow, rate setting, system development charge policies and procedures, and account administration.
- 1.22. **Water System:** The physical facilities a Party uses for the provision to the public of piped water for human consumption in furtherance of providing Water Service.

Article 2. Term and Termination

- 2.1. This Agreement's term commences upon the Effective Date and continues to June 30, 2063 ("**Term**"), unless extended or terminated earlier by mutual consent of the Parties.
- 2.2. The Parties may terminate this Agreement at any time by mutual, written agreement.
- 2.3. Either Party may terminate this Agreement by providing notice ("**Termination Notice**"), in writing, to the other Party stating the date of termination ("**Termination Date**").
 - 2.3.1. The Termination Date shall be June 30th of the year of termination, and no sooner than ten (10) years from the date of the Termination Notice.
 - 2.3.2. If a Party provides a Termination Notice pursuant to Section 2.3, that Party may not withdraw the Termination Notice without the consent of the non-terminating Party.
- 2.4. Effect of Termination. Upon the Termination Date of this Agreement, each Party shall continue to serve the then-current Service Area for each Utility. Except for Sections 6.1, 6.2, 6.3, and 10.1, which shall survive termination of this Agreement, all other obligations and commitments pursuant to this Agreement shall cease.

Article 3. Territorial Areas

- 3.1. The Parties agree that the figure attached as Exhibit 1 accurately depicts Oak Lodge's Territorial Area as of the Effective Date.
- 3.2. The Parties agree that the figure attached as Exhibit 2 accurately depicts Gladstone's Territorial Area as of the Effective Date.
- 3.3. Each Party shall give the other Party notice of any changes to its Territorial Area within thirty (30) days of the date the change becomes effective.

Article 4. Service Areas and Service

4.1. Water Service

- 4.1.1. The Parties agree that the figure(s) attached as Exhibit 3 accurately depict(s) the location of the water mains that are part of each Party's Water System in the area where the Parties' Territorial Areas overlap.
- 4.1.2. A water customer shall be deemed to be the customer of the Party that owns the water main from which that customer receives water, regardless of the customer's location with respect to that Party's Territorial Area.
- 4.1.3. Oak Lodge's Water Service Area shall be deemed to include only the area that consists of all customers identified in 4.1.2 connected to an Oak Lodge water main.
- 4.1.4. Gladstone's Water Service Area shall be deemed to include only the area that consists of all customers identified in 4.1.2 connected to a Gladstone water main.
- 4.1.5. The Parties agree that the figure(s) attached as Exhibit 4 accurately depict(s) each Party's Service Area for Water Service as contemplated by Section 4.1.3 and Section 4.1.4.
- 4.1.6. Nothing in this Agreement shall prevent the Parties from determining that a customer or set of customers in one Party's Water Service Area may be more efficiently served by a connection to the other Party's Water System. In such event, the Parties shall make that determination through a written agreement, which shall serve to modify each Party's Water Service Area accordingly. The Parties shall maintain an updated list that identifies the address of each customer in each of the Party's Water Service Areas.

4.2. **Wastewater Service**

4.2.1. The Parties agree to establish each Party's Wastewater Service Area as follows:

4.2.1.1. Oak Lodge's Wastewater Service Area shall consist of:

4.2.1.1.1. All areas within Oak Lodge's Territorial Area, except those areas described in Section 4.2.1.2.2 and 4.2.1.4; and

4.2.1.1.2. Those areas within Gladstone's Territorial Area which are connected to Oak Lodge's Water System, or which the Parties have agreed to make part of Oak Lodge's Wastewater Service Area, as identified on Exhibit 5.

4.2.1.2. Gladstone's Wastewater Service Area shall consist of:

4.2.1.2.1. Those areas within Gladstone's Territorial Area that are not within Oak Lodge's Wastewater Service Area as described in Section 4.2.1.1 and that are not within the area described in Section 4.2.1.4; and

4.2.1.2.2. Those areas within Oak Lodge's Territorial Area which are connected to Gladstone's Water System, or which the Parties have agreed to make part of Gladstone's Wastewater Service Area, as identified on Exhibit 5. Pursuant to the foregoing, Exhibit 5 includes four properties, listed in the table in Exhibit 5.1, as part of Gladstone's Wastewater Service Area that are connected to Oak Lodge's Water System.

4.2.1.3. The Parties agree that the figure(s) attached as Exhibit 5 accurately depict(s) each Party's Service Area for Wastewater Service as set forth in Section 4.2.1.1 and Section 4.2.1.2.

4.2.1.4. Those areas within the Clackamas Water Environmental Services (WES) jurisdictional boundaries and served by WES facilities shall not be considered within either Party's Wastewater Service Area for purposes of this Agreement. Notwithstanding anything to the contrary in this Agreement, customers subject to this provision shall remain WES customers.

4.2.2. Nothing in this Agreement shall prevent the Parties from determining that a customer or set of customers in one Party's Wastewater Service Area may be

more efficiently served by a connection to the other Party's Wastewater System. In such event, the Parties shall make that determination through a written agreement, which shall serve to modify each Party's Wastewater Service Area accordingly. The Parties shall maintain an updated list that identifies the address of each customer in each Party's Wastewater Service Area.

- 4.2.3. In the event a customer receives Wastewater Service from one Party that uses Wastewater facilities (e.g. a lateral or main) owned by the other Party, the Party providing the service is hereby authorized, after providing reasonable notice to the other Party and at its own expense, to modify, repair, or replace the Wastewater facilities owned by the other Party to the extent necessary to provide adequate Wastewater Service to that customer.

4.3. **Stormwater Service**

- 4.3.1. For purposes of this Agreement, Oak Lodge shall not be deemed to have a Stormwater Service Area, but will continue to operate under an agreement with the County to maintain stormwater facilities that are not within Gladstone's Stormwater Service Area.
- 4.3.2. Except as provided in Section 4.3.3, Gladstone's Stormwater Service Area shall consist of the entire area within Gladstone's Territorial Area.
- 4.3.3. Notwithstanding Section 4.3.2, any property or area draining to Gladstone's Stormwater System through a catch basin or ditch that originates outside Gladstone's Territorial Area and within Oak Lodge's Territorial Area shall not be considered part of Gladstone's Stormwater Service Area for purposes of this Agreement.

Article 5. Annexation

- 5.1. This Agreement shall have no effect on either Party's authority to annex territory to that Party's Territorial Area.
- 5.2. In the event Gladstone annexes territory in Oak Lodge's Territorial Area, Gladstone shall provide notice as required by Section 3.3 and the area being annexed shall be added to Gladstone's Stormwater Service Area, subject to the exceptions in 4.3.3.

Article 6. Service Area Rights and Obligations

- 6.1. Within each Party's Service Area, that Party shall have the sole right and obligation to operate, maintain, repair and enhance its Utility System(s), including setting rates for use of its Utility Systems.
- 6.2. Each Party shall own all meters that are part of its Utility System(s). As such, each Party shall have responsibility for testing and maintaining those meters consistent with prudent utility practices.
- 6.3. Only the Party providing a Utility Service shall bill the customers receiving the Utility Service.
- 6.4. Except as provided in Section 6.5 and Section 8.4, each Party shall have the sole right and obligation to communicate with all customers in its Service Areas regarding its Utility Service.
- 6.5. Emergency Communications. The Parties shall develop a protocol for responding to emergency calls regarding facilities in the other Party's Service Area or part of the other Party's Utility System.

Article 7. Permitting and System Development Charges

- 7.1. Permitting.
 - 7.1.1. If Oak Lodge requires a permit from Gladstone for development within Gladstone's Territorial Area, Oak Lodge shall apply for and pay for the permit at the rate documented in Gladstone's then-applicable rate schedule.
 - 7.1.2. Oak Lodge acknowledges that portions of its Utility Systems are currently subject to a Gladstone "ROW Use Fee".
 - 7.1.2.1. Oak Lodge agrees that any portion of its Water System or Wastewater System governed by this Agreement shall be subject to Gladstone's current ROW Use Fee.
 - 7.1.2.2. Gladstone agrees that Oak Lodge may collect revenue from any or all customers within its Service Areas to generate sufficient funds to pay the ROW Use Fee, including by passing through any ROW Use Fee to Oak Lodge customers.
 - 7.1.3. Except as provided in this Agreement, Oak Lodge shall not be required to obtain any other consent to occupy Gladstone rights-of-way or to pay any other charges for the development, maintenance, and operation of its Utility Systems within Gladstone's Territorial Area.

- 7.1.4. Gladstone shall notify Oak Lodge of any application for a development permit within Gladstone's Territorial Area that is also within an Oak Lodge Service Area and allow Oak Lodge to determine if the applicable Utility Service can be provided to the proposed development.
- 7.1.5. If Oak Lodge receives notice from Clackamas County of any application for a development permit within Oak Lodge's Territorial Area that is also within a Gladstone Service Area, Oak Lodge will immediately forward that notice to Gladstone for comment to the County.
- 7.2. System Development Charges. Each Party shall have the sole right and obligation to determine the amount of a System Development Charge it will charge within its applicable Service Area, and the Parties agree to take all actions necessary to ensure their respective ordinances and regulations allow for the imposition and collection of System Development Charges within their Service Areas.
 - 7.2.1. The Parties agree that water System Development Charges may be assessed on a property only by the Party whose Service Area for Water Service includes that property.
 - 7.2.2. The Parties agree that wastewater System Development Charges may be assessed on a property only by the Party whose Service Area for Wastewater Service includes that property.
 - 7.2.3. The Parties agree that stormwater System Development Charges may be assessed on a property only by Gladstone in Gladstone's Stormwater Service Area and only by Oak Lodge outside of Gladstone's Stormwater Service Area.

Article 8. Implementation and Coordination

- 8.1. Gladstone designates its Public Works Director as its primary point of contact for all communications with Oak Lodge regarding the subject matter herein.
- 8.2. Oak Lodge designates its District Engineer as the primary point of contact for all communications with Gladstone regarding the subject matter herein.
- 8.3. At any time, the Parties may mutually agree in writing to modify the Service Areas for a Utility Service.
- 8.4. Prior to one Party providing a Utility Service in a portion of a Service Area where it does not provide that Utility Service as of the Effective Date, the Parties will coordinate on communications to customers in that area to inform the customers of the change in service provider.
- 8.5. The Parties will develop a specific plan with respect to operation, maintenance, metering and billing for emergency interties or repairs.

Article 9. Gladstone as Oak Lodge Customer

9.1. Distinct from Utility Services the Parties provide to the public, the Parties maintain three separate connections between their Water Systems at the following locations (each an “**Intertie**” and collectively “**Interties**”):

- 17802 Oatfield Rd, Gladstone, OR 97027 (currently 6-inch meter)
- 5210 Rinearson Rd, Gladstone, OR 97027 (currently 6-inch meter)
- 16711 SE Valley View Rd, Gladstone, OR 97027 (currently 10-inch meter)

As part of the Interties, Gladstone uses an Oak Lodge 24-inch water transmission line and a 27-inch water transmission line to obtain water in emergency conditions and to build hydraulic head from Valley View to back feed part of Gladstone’s Water System.

9.1.1. The Parties agree to continue providing water through the Interties during emergency conditions.

9.1.1.1. An emergency condition is considered to be an occurrence created by a physical failure of facilities (including failure of water supply transmission pipelines), fire suppression activities, or premeditated shutdown of water supply facilities when such conditions result in insufficient water supply to water customers of either Party that would threaten the health or safety of those customers.

9.1.1.2. The Party supplying water during an emergency condition shall endeavor to supply the maximum quantity of water to the other Party and take all reasonable actions necessary to accomplish the same so long as such actions are consistent with minimum standards for the operation of its own Water System.

9.1.1.3. The Parties acknowledge that current system pressures only allow for water to flow from Oak Lodge’s Water System to Gladstone’s Water System. However, with modifications, water could flow into either Water System.

9.1.2. Oak Lodge agrees to continue providing water to Gladstone’s Water System from the Interties to meet an on-demand condition. An on-demand condition is considered to be an occurrence which results in a decrease in the water pressure normally present on Gladstone’s Water System. Such decrease in pressure below a predetermined level will result in the utilization of a pressure regulating facility, through which Oak Lodge water will flow, augmenting Gladstone’s water supply. Gladstone shall provide Oak Lodge with reasonable notice prior to taking water from the Interties during an on-demand condition.

9.1.3. Oak Lodge shall own the meters that measure water volumes passing through each Intertie.

- 9.1.3.1. Oak Lodge shall be responsible for testing and maintaining all meters associated with transmitting water between Oak Lodge's Water System to Gladstone's Water System.
- 9.1.3.2. In the event it is determined that a metering error has occurred, any charge for transmitting water between Gladstone's Water System and Oak Lodge's Water System will be trued up (either a surcharge or refund, as appropriate) with the next payment as applicable.
- 9.1.4. In the event it becomes necessary for the Parties to replace, modify, or upgrade the Intertie facilities, the Parties will negotiate in good faith to determine a method to share the costs for such activities.
- 9.1.5. Each Party agrees to pay, on a monthly basis, for any water provided by the other Party through the Interties. The rate for any such water shall be:
 - 9.1.5.1. If charged to Oak Lodge by Gladstone, (1) the then-applicable wholesale rate charged by the North Clackamas County Water Commission ("NCCWC") per 100 cubic feet and (2) an additional charge of \$0.05 per 100 cubic feet;
 - 9.1.5.2. If charged to Gladstone by Oak Lodge, (1) the then-applicable wholesale rate charged by NCCWC per 100 cubic feet; (2) an additional charge of \$0.05 per 100 cubic feet for water provided through the Interties at Oatfield Road and Rinearson Road, and \$0.15 for water provided through the Intertie at Valley View Road; and (3) fifty percent (50%) of Oak Lodge's then-current base charge applicable to the meter size at each Intertie.
- 9.2. Waste from Gladstone's Wastewater System flows to, and is treated by, Oak Lodge's wastewater treatment plant.
 - 9.2.1. Gladstone shall pay Oak Lodge a bi-monthly service fee for waste water treatment plant services based on Oak Lodge's then-applicable rates on the basis of Equivalent Dwelling Units or similar methodology ("EDU"), which will be determined as follows:
 - 9.2.1.1. Oak Lodge will calculate a proposed wastewater rate per EDU for a fiscal year and provide notice to Gladstone of the proposed rate by March 15th immediately preceding the fiscal year.
 - 9.2.1.2. Oak Lodge will notify Gladstone of the rate proposed by its Budget Committee by April 30th immediately prior to start of the new fiscal year.
 - 9.2.1.3. Oak Lodge will notify Gladstone of the final rate proposed by Oak Lodge's Board upon adoption of that rate.
 - 9.2.1.4. To determine the appropriate charges to Gladstone, Gladstone will provide

to Oak Lodge no later than May 15th of each year a report confirming the number of EDUs in Gladstone's Wastewater Service Area connected to Oak Lodge's Wastewater System and the winter water usage (October to March) for each service address associated with those EDUs. Oak Lodge will use that information to determine the specific charge applicable to Gladstone for all EDU's. Oak Lodge will bill Gladstone bi-monthly based on the final rate set forth in Section 9.2.1.3 as applied to the total number of EDUs reported by Gladstone.

9.2.2. Oak Lodge will also continue to have a "Connection Fee" or "Hook-up Fee" for any new connections in Gladstone's Wastewater Service Area that are connected to Oak Lodge's Wastewater System. The fee or charge will be equivalent to Oak Lodge's then-current SDC.

9.2.2.1. The Parties acknowledge that the City will pass the charges set forth in Section 9.2.2 through to the specific customers in the City whose use of the Gladstone Wastewater System results in the charges.

9.2.2.2. Gladstone will remit the charges set forth in Section 9.2.2 to Oak Lodge prior to allowing any new connections that flow to Oak Lodge's Wastewater System.

Article 10. Utility System Obligations

10.1. For each of its Utility Systems, each Party shall be solely responsible for the following:

10.1.1. Issuing all permits, and collecting any associated fees, required for any connection to the Party's Utility System.

10.1.2. Performing locates, inspections, or repairs necessary to keep the Party's Utility System in good working condition consistent with prudent utility practices.

10.1.3. Performing all billing and collection activities for customers taking service from the Party's Utility System.

10.1.4. Communicating with customers and resolving any customer disputes.

10.1.5. Enforcing all rules and regulations applicable to the Party's Utility System.

10.2. With respect to Wastewater Service:

10.2.1. Gladstone agrees to adhere to Oak Lodge's Rules and Regulations governing connections to Oak Lodge's Wastewater System for any property owned or controlled by Gladstone.

10.3. Inspections and Repair

10.3.1. Initial Inspection

- 10.3.1.1. On March 11, 2021, the Parties concluded an inspection, using a Pipeline Assessment Certification Program (PACP) Standard rating practice, on all pipes in Gladstone's Wastewater Service Area ("**Initial Wastewater System Inspection**").
- 10.3.1.2. The purpose of the Initial Wastewater System Inspection was to identify priority repairs or replacements for Gladstone's Wastewater System. Following the Initial Wastewater Inspection, the Parties prepared a list of all facilities on Gladstone's Wastewater System that received a "4" or a "5" rating using the PACP Standard ("**Initial Wastewater Improvement List**", Exhibit 6).
- 10.3.1.3. Gladstone shall repair or replace all facilities on the Initial Wastewater Improvement List no later than December 31, 2027.

10.3.2. Subsequent Inspections and Repairs

- 10.3.2.1. No later than March 2027, and then at least every 6 years thereafter, Gladstone shall inspect, using a PACP Standard rating practice, all pipes in its Wastewater Service Area ("**Wastewater System Inspection**") and provide records of these inspections to Oak Lodge. The inspection shall not include any areas encompassing a then-active CIP project.
- 10.3.2.2. Unless otherwise agreed to by the Parties, Gladstone shall conduct the Wastewater System Inspection.
- 10.3.2.3. In the event Gladstone determines it does not have the resources to conduct a Wastewater System Inspection, Oak Lodge shall conduct the Wastewater System Inspection, provided Gladstone notifies Oak Lodge of its inability to conduct the inspection no later than the July 1st preceding the applicable March inspection deadline under Section 10.3.2.1. If Oak Lodge conducts the inspection, Gladstone shall reimburse Oak Lodge for the actual inspection costs.
- 10.3.2.4. The purpose of the Wastewater System Inspection is to identify priority repairs or replacements for Gladstone's Wastewater System. Following each Wastewater Inspection, the Parties will prepare a list of all facilities on Gladstone's Wastewater System that receive a "4" or a "5" rating using the PACP Standard ("**Wastewater Improvement List**").

10.3.2.5. As Gladstone's budget and other obligations allow, Gladstone shall prioritize repairing or replacing facilities on the Wastewater Improvement List prior to the conclusion of the next Wastewater System Inspection.

10.4. Gladstone shall notify Oak Lodge of any proposed new connections or changes in use to properties in Gladstone's Wastewater Service Area so that Oak Lodge can determine if pretreatment services are required. In the event pretreatment services are required, Gladstone shall ensure all applicable requirements of the Oregon Department of Environmental Quality are satisfied before allowing the new connection or change in use.

Article 11. Dispute Resolution

11.1. In the event of a dispute concerning the performance of duties under this Agreement, the Parties will make a reasonable effort to reach an informal resolution of the dispute that is fair and equitable to both.

11.2. If the Parties are unable to resolve a dispute informally, despite reasonable efforts, the Parties shall endeavor to settle the dispute by a mediation administered by a mediator chosen by the Parties. If any aspect of the dispute is not settled through mediation, the Parties shall be entitled to pursue any legal proceeding.

11.3. Each party is responsible for its own attorney fees and expert fees. Each Party shall pay half of the costs arising out of and relating to retaining the services of a mediator.

Article 12. Default/Remedies/Limits of Liability

12.1. Events of Default. There is an event of default ("**Event of Default**") if a Party fails to keep, perform, or observe any promise, covenant or agreement set forth in this Agreement.

12.2. Notice and Opportunity to Cure. Upon an Event of Default, the non-defaulting Party may cancel and terminate this Agreement upon giving 30 days' advance written notice to the defaulting Party of the intention to terminate, at the end of which time this Agreement shall terminate, unless the Event of Default, which must have been stated in the notice, has been cured within such 30 days. If the defaulting Party cannot reasonably cure any alleged default within 30 days, such cure period shall be extended for such further period as the defaulting Party reasonably requires, provided that during such extended period the defaulting Party endeavors to cure such alleged default diligently and with reasonable continuity.

12.3. Remedies. If an Event of Default occurs and is continuing or is not timely cured, the non-defaulting Party may pursue any and all remedies available at law or in equity.

Article 13. Miscellaneous

13.1. North Clackamas County Water Commission. No provision in this Agreement

affects the Parties' participation in the North Clackamas County Water Commission, and this Agreement shall be construed so as not to contravene any obligation of the Parties with respect to their participation in that commission.

- 13.2. Compliance with Laws. Each Party shall comply with all federal, state, and local laws applicable to its operations and obligations under this Agreement.
- 13.3. Good Faith and Fair Dealing. The performances required by the provisions of this Agreement shall be undertaken in good faith, with each Party dealing fairly with the other.
- 13.4. Further Assurances. At any time and from time to time after the Effective Date, the Parties shall cooperate with each other to execute and deliver any other documents, instruments of transfer or assignment, files, books and records, and do all further acts and things as may reasonably be required to carry out the intent of the Parties under this Agreement.
- 13.5. Applicable Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Oregon, without resort to any jurisdiction's conflict of laws, rules, or doctrines. A Party shall file any lawsuit regarding the interpretation or enforcement of this Agreement in the Circuit Court for Clackamas County.
- 13.6. Non Waiver. Failure by either Party to enforce a provision of the Agreement shall not constitute a continuing waiver, shall not constitute a relinquishment of the Party's right to performance in the future, and shall not operate as a waiver of the Party's right to enforce any other provision of the Agreement.
- 13.7. Assignment and Delegation. A Party shall not assign, sell, subcontract, dispose of or transfer rights or delegate its duties under the Agreement, either in whole or in part, without the other Party's prior written consent. Notwithstanding the foregoing, the rights under the Agreement may be assigned or transferred by operation of law, change of control, or merger of one Party with another public entity without the prior written consent of the non-assigning, non-transferring Party.
- 13.8. Binding Effect. All covenants, conditions, and terms of this Agreement shall extend to and be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto, if any.
- 13.9. Merger. This Agreement, including any attached exhibits, constitutes the entire and integrated agreement between the Parties and supersedes all prior contracts, negotiations, representations or agreements, either written or oral. All prior and contemporaneous agreements between the Parties on the matters contained in the Agreement are expressly merged and superseded by the Agreement. Such prior agreements include the 1971 Sewer IGA, the 1990 Sewer IGA, the 1990 Water IGA, the 1994 Water IGA, the 2007 Water IGA, and the 2019 Sewer IGA, including all amendments related thereto.

13.10. Severability. If any term or provision, or portions of any term or provision, is determined to be illegal, invalid, void, or unenforceable, the remaining terms and provisions of the Agreement shall remain in full force if the essential terms and conditions of the Agreement for each Party remain valid, binding, and enforceable.

13.11. Notice. Any notice required or permitted under this Agreement shall be made in writing and shall be (i) delivered in person or (ii) sent by certified mail, return receipt requested, deposited in a United States Post Office with postage charges prepaid. The date on which notice is deemed complete is upon delivery if delivered in person or, if sent by mail, upon five days after mailing. Notice must be delivered to:

If to Oak Lodge:	If to Gladstone:
Oak Lodge Water Services Attn: General Manager 14996 SE River Road Oak Grove, OR 97267	City of Gladstone Attn: City Administrator 18505 Portland Avenue Gladstone, OR 97027

13.12. Force Majeure.

13.12.1. Force Majeure Event Defined. Neither Party shall be held responsible for delay or default caused by war, insurrection, acts of terrorism, strikes, lockouts, labor disputes, riots, terrorist acts or other acts of political sabotage, volcanoes, floods, earthquakes, fires, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priorities, severe weather, or any other uncontrollable or unforeseeable act or circumstance beyond a Party’s reasonable control and without fault or negligence of the Party (“**Force Majeure Event**”).

13.12.2. Reasonable Efforts to Remove or Eliminate Force Majeure Event. A Party affected by the Force Majeure Event shall make all reasonable efforts to remove or eliminate the cause of the Force Majeure Event and shall diligently pursue performance of its obligations under the Agreement after the Force Majeure Event ceases.

13.12.3. Written Notice; Effect of Delay. If there is a delay as a result of a Force Majeure Event, the Party delayed shall give written notice of the delay and the reason of the delay to the non-delayed Party within thirty days after the Party delayed learns of the Force Majeure Event. The Party delayed may request an extension of time up to the length of time of the delay due to a Force Majeure Event.

13.13. Amendment. Unless expressly provided in this Agreement, no provision of this Agreement may be waived, modified, amended, discharged, or terminated except by an instrument in writing signed by the Party against which the enforcement of

such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such writing.

- 13.14. Counterparts. This Agreement may be executed in one or more counterparts and by the different Parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, that all of which shall together constitute one and same instrument. Each copy of the Contract so executed shall constitute an original. The exchange of signed copies of the Contract by electronic mail in Portable Document Format, or its equivalent, shall constitute effective execution and delivery of the Contract. Signatures on the pages sent through electronic mail shall be deemed to be their original signatures for all purposes.
- 13.15. Captions. The captions and headings in this Agreement are for convenience of reference only and have no legal force or effect. Such captions and headings shall not be considered a part of this Agreement for purposes of interpreting, construing or applying this Agreement and will not define, limit, extend, explain or describe the scope or extent of this Agreement or any of its terms and conditions.
- 13.16. No Third-Party Beneficiaries. Oak Lodge and Gladstone are the only parties to the Agreement and are the only parties entitled to enforce its terms. Nothing in the Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, either directly, indirectly, or otherwise, to third parties unless such third parties are identified by name in the Agreement and expressly described in the Agreement as intended beneficiaries.

OAK LODGE WATER SERVICES AUTHORITY

CITY OF GLADSTONE

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



CONSENT AGENDA

To Board of Directors
From Sarah Jo Chaplen, General Manager
Title Consent Agenda
Item No. 4
Date May 16, 2023

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. **March 2023 Financial Report**
- b. **Approval of April 18, 2023 Board Meeting Minutes**
- c. **Approval of Agreement for Federal Government Affairs with Thorn Run Partners**

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."

<p>Approved By _____</p>	<p>Date _____</p>
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MONTHLY FINANCIAL REPORT

To	Board of Directors
From	Gail Stevens, Finance Director
Title	March 2023 Financial Reports
Item No.	4a
Date	May 16, 2023

Reports

- March 2023 Monthly Overview (Including Cash and Investment Balances)
- March 2023 Budget Account Roll Up Report

**Oak Lodge Water Services
Monthly Overview
March 2023**

This report summarizes the revenues and expenditures for March 2023. 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:		
March 31, 2023	Interest Rate	Balance
Account		
Wells Fargo Bank Checking-3552		\$ 684,248
Wells Fargo Bank Checking-9966		1,051,645
LGIP	3.75%	11,664,575
Total		\$ 13,400,468

The OLWS' checks, electronic withdrawals, and bank drafts total \$1.2 million for March 2023. There was 1 voided check totaling \$100.00.

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 charge fees.

GL Account	Service Charge	Budget Estimate	Period Amount	Year-to-Date Amount	Percentage of Budget
10-00-4211	Water sales	\$ 4,351,000	\$ 293,637	\$ 3,215,896	73.9%
20-00-4212	Wastewater charges	9,199,000	675,848	6,629,709	72.1%
30-00-4213	Watershed protection	1,592,000	128,963	1,174,505	73.8%
	Subtotal	\$ 15,142,000	\$ 1,098,448	\$ 11,020,110	72.8%

With respect to revenues, the percentage of budget is affected by seasonal variations. The expectation is that OLWS would recognize a greater percentage of revenue in the first half of the fiscal year than in the second half.

Expenses by Budget Category

The table below matches the Budget for the number of months reported to the same number of months of actual expenses. The **Budget YTD** column provides the portion of the Budget for comparison, whereas the financial reports compare actuals to the full annual budget. This view allows for a review at the category level to ensure expenditures remain within the budget within each category.

Expense Category	FY 2023	BUDGET	ACTUALS	% Spent
	Adopted Budget	Year-to-Date Mar. 2023	Year-to-Date Mar. 2023	
Personnel Services	\$ 5,374,000	4,030,500	3,713,664	92%
Materials & Services	\$ 5,430,953	4,073,215	3,411,542	84%
Capital Outlay	\$ 7,282,340	5,461,755	3,189,095	58%
		<u>\$ 13,565,470</u>	<u>\$ 10,314,302</u>	76%

With respect to expenditures, at the end of March expenditures are overall 60.4% of budget, excluding Contingencies, with 75% of the fiscal year completed.

Review of expenditure lines that are above 80.0% of budget:

1. **5130 – Overtime** is 81.3% of budget. Both the Treatment Plant team and Collections team worked on repairs and evening projects resulting in higher overtime costs in March 2023. This account will be reviewed for each department with the FY 2022-23 Q3 Budget Review to determine if any transfers are necessary.
2. **5260 – Unemployment** is 86.3% of budget. This is due to timing of invoices, only once per quarter. Expect the final unemployment charges for the fiscal year to remain within the budget.
3. **6510 – Office Supplies** is 81.0% of budget. This is due to replacement of aged furniture at the plant and continued higher prices for on-going items, such as copy paper. This account will be reviewed as part of the FY 2022-23 Q3 Budget Review.

Low Income Rate Relief Program Overview

The Authority allows eligible customers to obtain a discounted rate on a portion of their bill. The Authority budgets resources to fund the revenue losses due to the program at the rate of 0.5% of budgeted service charge revenue. The budgeted amount serves as a cap to the program's cost which can only be exceeded with approval from the OLWS' Board of Directors. The program cap is **\$75,710** for FY 2022-23.

The LIRR Program provides the following discounts:

- Drinking water customers receive a 50% discount on their water base rate. Consumption is billed at full Authority tiered rates.

- Wastewater customers receive a 50% discount on both their base rate and consumption.
- Watershed Protection customers receive a 50% discount on their base rate.

The number of customers for each utility receiving the low-income rates for March 31, 2023 billing are below. The total number of customers enrolled in LIRR is split between the two billing cycles and can vary in total by utility.

	Budget	Budget Year-to-Date Mar. 2023	Actual Year-to-Date Mar. 2023	% Spent
LIRR Program Cap	\$ 75,710	56,783	46,169	81%

	# of Customers Current Month	Discount Provided	Fiscal Year To Date
Drinking Water	72	1,345	11,219
Wastewater	66	2,917	29,483
Watershed Protection	66	637	5,467
		4,899	46,169

General Ledger

Account Roll up



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Period 09 - 09

Fiscal Year 2023

Sort Level	Description	Budget	Period Amt	End Bal	% Expend /Collect
Revenue	Revenue				
4210	Water Sales - CRW	\$ 30,000.00	\$ 2,056.58	\$ 31,522.45	105.1%
4211	Water sales	\$ 4,351,000.00	\$ 293,636.65	\$ 3,215,895.76	73.9%
4212	Wastewater Charges	\$ 9,199,000.00	\$ 675,848.43	\$ 6,629,709.07	72.1%
4213	Watershed protection fees	\$ 1,592,000.00	\$ 128,962.49	\$ 1,174,504.99	73.8%
4215	Penalties & late charges	\$ 23,000.00	\$ 3,101.35	\$ 21,857.04	95.0%
4220	System Development Charges	\$ 100,000.00	\$ -	\$ 46,485.00	46.5%
4221	System Development-Reimburse	\$ 50,000.00	\$ 17,393.00	\$ 132,626.60	265.3%
4225	System Development-Improvement	\$ 50,000.00	\$ 16,158.00	\$ 121,185.00	242.4%
4227	System Development-Compliance	\$ -	\$ 438.00	\$ 3,431.00	0.0%
4230	Contract services	\$ 57,400.00	\$ 4,000.00	\$ 41,400.00	72.1%
4240	Service installations	\$ 10,000.00	\$ 2,252.00	\$ 30,695.00	307.0%
4280	Rents & leases	\$ 180,000.00	\$ 14,862.85	\$ 140,859.20	78.3%
4290	Other charges for services	\$ 45,000.00	\$ 10,892.00	\$ 36,315.15	80.7%
4610	Investment revenue	\$ 80,000.00	\$ 37,032.66	\$ 243,106.97	303.9%
4630	Miscellaneous revenues	\$ 37,000.00	\$ 14,194.50	\$ 56,308.28	152.2%
4640	Proceeds from sale of capital	\$ -	\$ -	\$ 47,500.00	0.0%
		\$ 15,804,400.00	\$ 1,220,828.51	\$ 11,973,401.51	75.8%
4910	Transfer in from Fund 10	\$ 1,936,000.00	\$ 161,333.00	\$ 1,452,001.00	75.0%
4920	Transfer in from Fund 20	\$ 6,855,000.00	\$ 285,000.00	\$ 4,426,000.00	64.6%
4930	Transfer in from Fund 30	\$ 1,258,000.00	\$ 84,000.00	\$ 881,000.00	70.0%
Revenue	Revenue	\$ 25,853,400.00	\$ 1,751,161.51	\$ 18,732,402.51	72.5%
Expense	Expense				
<u>Personnel Services</u>					
5110	Regular employees	\$ 3,519,000.00	\$ 260,596.97	\$ 2,431,215.92	69.1%
5120	Temporary/Seasonal employees	\$ -	\$ 1,176.40	\$ 1,176.40	0.0%
5130	Overtime	\$ 129,000.00	\$ 12,429.39	\$ 104,891.67	81.3%
5210	Employee Ins	\$ 702,000.00	\$ 47,981.53	\$ 462,108.32	65.8%
5230	Social Security	\$ 277,000.00	\$ 20,717.72	\$ 188,194.70	67.9%
5240	Retirement	\$ 629,000.00	\$ 50,452.81	\$ 463,572.33	73.7%
5250	Trimet/WBF/Paid Leave OR	\$ 31,000.00	\$ 3,210.70	\$ 23,519.26	75.9%
5260	Unemployment	\$ 20,000.00	\$ 1,138.08	\$ 17,264.08	86.3%
5270	Workers compensation	\$ 46,000.00	\$ 1,615.38	\$ 14,538.42	31.6%
5290	Other employee benefits	\$ 21,000.00	\$ 1,050.41	\$ 7,183.22	34.2%
		\$ 5,374,000.00	\$ 400,369.39	\$ 3,713,664.32	69.1%
<u>Materials & Services</u>					
6110	Legal services	\$ 375,000.00	\$ 37,492.00	\$ 248,287.17	66.2%
6120	Accounting & audit services	\$ 76,000.00	\$ -	\$ -	0.0%
6155	Contracted Services	\$ 922,250.00	\$ 108,898.18	\$ 605,184.54	65.6%
6175	Records Management	\$ 8,500.00	\$ 587.84	\$ 4,870.64	57.3%

Sort Level	Description	Budget	Period Amt	End Bal	% Expend /Collect
6180	Dues & subscriptions	\$ 60,000.00	\$ 2,719.16	\$ 30,116.15	50.2%
6220	Electricity	\$ 408,000.00	\$ 34,969.50	\$ 277,799.94	68.1%
6230	Telephone	\$ 63,000.00	\$ 4,592.69	\$ 36,148.80	57.4%
6240	Natural gas	\$ 9,500.00	\$ 767.60	\$ 5,885.94	62.0%
6250	Solid waste disposal	\$ 52,000.00	\$ 6,609.47	\$ 21,960.68	42.2%
6290	Other utilities	\$ 15,600.00	\$ 703.27	\$ 12,065.24	77.3%
6310	Janitorial services	\$ 26,000.00	\$ 2,756.70	\$ 20,285.10	78.0%
6320	Buildings & grounds	\$ 104,000.00	\$ 5,434.60	\$ 62,951.63	60.5%
6330	Vehicle & equipment maint.	\$ 75,000.00	\$ 10,715.87	\$ 58,601.53	78.1%
6340	Distribution system maint	\$ 225,000.00	\$ 15,870.91	\$ 148,434.06	66.0%
6342	Collection system maint.	\$ 245,000.00	\$ 4,279.97	\$ 120,010.22	49.0%
6350	Computer maintenance	\$ 313,103.00	\$ 47,606.21	\$ 227,956.25	72.8%
6410	Mileage	\$ 7,200.00	\$ 357.75	\$ 4,468.47	62.1%
6420	Staff training	\$ 93,000.00	\$ 8,502.66	\$ 56,210.13	60.4%
6430	Certifications	\$ 8,000.00	\$ 469.60	\$ 4,682.60	58.5%
6440	Board travel & training	\$ 9,000.00	\$ 75.00	\$ 992.97	11.0%
6510	Office supplies	\$ 34,200.00	\$ 2,315.87	\$ 27,687.42	81.0%
6520	Fuel & oils	\$ 51,000.00	\$ 2,539.86	\$ 31,547.99	61.9%
6525	Chemicals	\$ 65,000.00	\$ 5,137.97	\$ 49,232.33	75.7%
6530	Small tools & equipment	\$ 40,000.00	\$ 1,925.61	\$ 27,734.14	69.3%
6540	Safety supplies	\$ 68,500.00	\$ 4,296.82	\$ 47,403.05	69.2%
6550	Operational Supplies	\$ 34,000.00	\$ 1,035.62	\$ 19,912.78	58.6%
6560	Uniforms	\$ 38,000.00	\$ 3,564.02	\$ 26,203.65	69.0%
6590	Other supplies	\$ 5,000.00	\$ -	\$ 474.66	9.5%
6610	Board compensation	\$ 2,500.00	\$ -	\$ -	0.0%
6620	Election Costs	\$ 32,000.00	\$ -	\$ -	0.0%
6710	Purchased water	\$ 1,170,000.00	\$ 60,326.21	\$ 821,207.32	70.2%
6715	Water quality program	\$ 16,000.00	\$ -	\$ 4,526.75	28.3%
6720	Insurance	\$ 300,000.00	\$ 21,795.35	\$ 145,617.14	48.5%
6730	Communications	\$ 98,100.00	\$ 14,957.68	\$ 29,451.72	30.0%
6740	Advertising	\$ 6,500.00	\$ 250.00	\$ 3,895.24	59.9%
6760	Equipment Rental	\$ 57,000.00	\$ 3,914.86	\$ 32,213.59	56.5%
6770	Bank charges	\$ 160,000.00	\$ 22,460.72	\$ 102,856.80	64.3%
6780	Taxes, Fees & Permits	\$ 151,000.00	\$ 5,738.81	\$ 94,147.42	62.3%
6900	Miscellaneous expense	\$ 7,000.00	\$ -	\$ 518.32	7.4%
		\$ 5,430,953.00	\$ 443,668.38	\$ 3,411,542.38	62.8%
<u>Debt Service and Special Payments</u>					
6810	2010 SRF Loan Principal	\$ 946,261.00	\$ -	\$ 946,261.00	100.0%
6811	2010 IFA Loan Principal	\$ 310,030.00	\$ -	\$ 310,029.66	100.0%
6813	JPM Bank Loan Principal	\$ 1,420,000.00	\$ -	\$ -	0.0%
6814	Principal Payment-KS Statebank	\$ 115,741.00	\$ -	\$ 115,740.74	100.0%
6815	Zions Bank loan-principal	\$ 188,000.00	\$ -	\$ 188,000.00	100.0%
6820	2010 SRF Loan Interest	\$ 282,964.00	\$ -	\$ 282,964.00	100.0%
6822	2010 IFA Loan Interest	\$ 168,839.00	\$ -	\$ 168,839.41	100.0%
6823	JPM Bank Loan Interest	\$ 306,050.00	\$ -	\$ 153,025.00	50.0%
6824	Interest Paid-KS Statebank	\$ 4,259.00	\$ -	\$ 4,259.26	100.0%
6825	Zions Bank loan-interest	\$ 21,063.00	\$ -	\$ 21,062.70	100.0%
		\$ 3,763,207.00	\$ -	\$ 2,190,181.77	58.2%
<u>Capital Outlay</u>					
7200	Infrastructure	\$ 556,045.00	\$ 68,128.66	\$ 455,236.00	81.9%
7400	Improvement other than Bldgs	\$ 75,000.00	\$ -	\$ 44,810.00	59.7%
7520	Equipment	\$ 610,490.00	\$ 21,464.82	\$ 358,192.52	58.7%

Sort Level	Description	Budget	Period Amt	End Bal	% Expend /Collect
7530	Information Technology	\$ 359,273.00	\$ 241,671.56	\$ 287,051.07	79.9%
7600	Capital Improvement Projects	\$ 5,681,532.00	\$ 93,820.68	\$ 2,043,805.84	36.0%
		\$ 7,282,340.00	\$ 425,085.72	\$ 3,189,095.43	43.8%
<u>Transfers</u>					
8105	Transfers out to Fund 05	\$ 3,936,000.00	\$ 328,000.00	\$ 2,952,000.00	75.0%
8150	Transfers out to Fund 50	\$ 3,435,000.00	\$ -	\$ 1,861,000.00	54.2%
8171	Transfers out to Fund 71	\$ 928,000.00	\$ 77,333.00	\$ 696,001.00	75.0%
8172	Transfers out to Fund 72	\$ 1,500,000.00	\$ 125,000.00	\$ 1,125,000.00	75.0%
8173	Transfers out to Fund 73	\$ 250,000.00	\$ -	\$ 125,000.00	50.0%
		\$ 10,049,000.00	\$ 530,333.00	\$ 6,759,001.00	67.3%
		\$ 31,899,500.00	\$ 1,799,456.49	\$ 19,263,484.90	60.4%
9000	Contingency	\$ 2,945,861.00	\$ -	\$ -	0.0%
Expense	Expense	\$ 34,845,361.00	\$ 1,799,456.49	\$ 19,263,484.90	55.3%
Revenue Total		\$ 25,853,400.00	\$ 1,751,161.51	\$ 18,732,402.51	72.5%
Expense Total		\$ 34,845,361.00	\$ 1,799,456.49	\$ 19,263,484.90	55.3%
Grand Total		\$ (8,991,961.00)	\$ (48,294.98)	\$ (531,082.39)	5.9%



AGENDA ITEM

To	Board of Directors
From	Laural Casey, District Recorder
Title	Approval of Meeting Minutes
Item No.	4b
Date	May 16, 2023

Summary of Minutes for Approval

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

Attachments

1. April 18, 2023 Board Meeting Minutes



**OAK LODGE WATER SERVICES
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
APRIL 18, 2023**

Board of Directors

Susan Keil	Chair
Kevin Williams	Vice Chair
Paul Gornick	Treasurer
Ginny Van Loo	Director
Heidi Bullock	Director

Oak Lodge Water Services Staff

Sarah Jo Chaplen	General Manager
Brad Albert	Public Works Director/District Engineer
Aleah Binkowski-Burk	Human Resources/Payroll Manager
Gail Stevens	Finance Director
David Hawkins	Plant Superintendent
Chad Martinez	Collection Operations Supervisor
Laural Casey	District Recorder
Alexa Morris	Outreach and Communications Specialist

Consultants & Organizational Representatives

Laura Westmeyer	Cable Huston
Chris Duckworth	CDR Labor Law

Chair Keil was not present at the start of the meeting.

1. Call to Order & Hybrid Meeting Facilitation Protocols

Vice Chair Williams called the meeting to order at 6:00 p.m.

General Manager Chaplen overviewed the general protocols of a hybrid meeting.

Vice Chair Williams introduced guests visiting in an official capacity: Chris Hawes, Chair of the Sunrise Water Authority Board of Commissioners, and Sherry French, President of the Clackamas River Water Board of Commissioners.

2. Call for Public Comment

There was no public comment.

3. Consent Agenda

Items on the Consent Agenda Included:

- The February 2023 Financial Report
- Approval of March 21, 2023 Board Meeting Minutes
- Approval of Contract with Trojan Technologies

Director Van Loo moved to approve the Consent Agenda. Treasurer Gornick seconded. District Recorder Casey conducted a roll call vote. Voting Aye: Directors Williams, Gornick, Van Loo, and Bullock.

MOTION CARRIED

4. Consideration of Resolution No. 2023-0015 Adopting Updated Public Contracting and Purchasing Rules

General Manager Chaplen overviewed the updates made to the Public Contracting and Purchasing Rules.

Treasurer Gornick moved to adopt Resolution No. 2023-0015 adopting updated Public Contracting and Purchasing Rules and superseding and replacing Resolution 18-15. Director Van Loo seconded. District Recorder Casey conducted a roll call vote. Voting Aye: Directors Williams, Gornick, Van Loo, and Bullock.

MOTION CARRIED

5. Consideration of Agreement Renewal with Madison Farms for Biosolids Land Application

Plant Superintendent Hawkins overviewed the current agreement with Madison Farms and Oregon DEQ requirements for biosolids land application.

The Board asked questions regarding OLWS' options for land application in the Willamette Valley, trucking costs, and other fees.

Director Van Loo moved to approve the General Manager to sign a contract for the land application of biosolids with Madison Biosolids, Inc. Treasurer Gornick seconded. District Recorder Casey conducted a roll call vote. Voting Aye: Directors Williams, Gornick, Van Loo, and Bullock.

MOTION CARRIED

6. Business from the Board

Director Van Loo and Treasurer Gornick provided an update on current customer outreach efforts.

Vice Chair Williams provided a verbal update on his written report.

7. Department Reports

The Management Team provided monthly highlights including:

- Ongoing customer communication and outreach,
- Website additions including active capital projects,
- New staff members,
- Roof and HVAC issues at the various OLWS buildings,
- A significant decrease in delinquent accounts,
- Lift Stations 2 and 5 smoke testing and capital projects,
- Collection system cleaning and in-field training,
- A sanitary sewer overflow at Lift Station 2,
- Continued removal of beaver dams,
- Cooperation with Clackamas County during bike lane/sidewalk project on Jennings Avenue,
- Service and replacement of hydrants,
- Large meter testing, and
- Installation of the first Neuros blower at the WWTP.

Chair Keil entered the meeting.

Chair Keil asked questions regarding agenda items three and four.

8. Recess to Executive Session

Vice Chair Williams recessed to executive session at 6:39 p.m. under ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

9. Adjourn Executive Session

Vice Chair Williams adjourned the executive session at 7:17 p.m.

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

10. Adjourn Meeting

Vice Chair Williams adjourned the meeting at 7:17 p.m.

Respectfully submitted,

Susan Keil
Chair, Board of Directors

Kevin Williams
Vice Chair, Board of Directors

Date: _____

Date: _____



STAFF REPORT

To Board of Directors
From Sarah Jo Chaplen, General Manager
Title Approval of Personal Services Agreement for Government Affairs Services with Thorn Run Partners, LLC.
Item No. 4c
Date April 18, 2023

Summary

Staff are seeking approval for the General Manager to enter into a Personal Services Agreement for Government Affairs Services with Thorn Run Partners, LLC. The contract amount is \$100,000.

Background

The Capital Improvement Plan for the FY 2023-24 budget is heavily impacted by changes to the National Pollutant Discharge Elimination System (NPDES) permit issued by the Oregon Department of Environmental Quality (DEQ) to OLWS. The existing Wastewater Treatment Plant cannot reliably meet DEQ's updated discharge requirements to the Willamette River, resulting in potential fines and reduced water quality. Construction of a tertiary treatment facility is needed to treat wastewater to a higher degree to meet these requirements. In addition to the Wastewater Treatment Plant issues, studies show that some sites in the collection system have become vulnerable to inflow and infiltration. The additional water causes added pressure on the collection system, the pumping stations, and the treatment system, occasionally leading to sanitary sewer overflows, for which DEQ can fine OLWS. Experts who provide Government Affairs Services can assist with identifying and potentially obtaining funding options for capital projects. Staff identified multiple Government Affairs Services and has determined that Thorn Run Partners, LLC is highly qualified and available to provide these services.

Past Board Actions

The Board has directed staff to explore options to fund these capital projects.

Budget

Funding for this agreement comes from the Administrative Fund, Technical Services Division, contracted services. Staff have also consulted with the Finance Director and the District's Legal

Counsel. Currently, in the FY 2023-2024 Approved Budget \$100,000 has been allocated for Government Affairs Services to assist with the obtaining of grants so OLWS can address required capital projects. The Board can decide to add more monies for these services as OLWS' needs evolve. The limit for a direct appointment is \$100,000, although a one-time amendment can occur up to 25%, provided the amendment is within the scope of the original contract, the amendment is necessary to complete the work being performed and it would be unreasonable or impracticable to seek another provider within the time frames needed to complete the work. If further work is needed after this direct appointment, a new procurement would likely need to be completed.

Recommendation

Staff requests Board approval for the General Manager to sign a Personal Services Contract for Government Affairs Services with Thorn Run Partners, LLC. in the amount of \$100,000.

Suggested Board Motion

"I move to approve the General Manager to sign a Personal Services Agreement for Government Affairs Services with Thorn Run Partners, LLC. beginning July 1, 2023."

Attachments

1. Draft Personal Services Agreement for Government Affairs Services with Thorn Run Partners, LLC.



PERSONAL SERVICES AGREEMENT FOR GOVERNMENT AFFAIRS SERVICES

This Personal Services Agreement for Government Affairs Services (the "Agreement"), is made and entered into by and between Oak Lodge Water Services Authority, a joint water and sanitary authority organized under ORS Chapter 450 ("OLWS") and Thorn Run Partners, LLC, a District of Columbia limited liability company ("Contractor").

RECITALS

WHEREAS, OLWS desires to engage Contractor to provide government affairs services ("Services"); and

WHEREAS, Contractor is willing and qualified to perform the requested Services;

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the Parties agree as follows:

1. **Contractor's Scope of Services**

Contractor shall perform Services in accordance with the terms and conditions set forth herein, and as provided in the Scope of Services, which is attached hereto as **Exhibit A** (the "Work") and by this reference is made a part of this Agreement. OLWS, through its General Manager, and Contractor may revise the Work as needed to achieve the purposes of this Agreement, provided that any such changes shall be mutually agreed to in writing.

2. **Effective Date and Duration**

This Agreement shall become effective as of July 1, 2023, and shall automatically expire on April 30, 2025, unless earlier terminated by OLWS or extended by mutual written agreement of both parties.

3. **Contractor's Fee and Payment**

A. **Fees**

OLWS shall pay Contractor for the Services performed under this Agreement in accordance with the rates and fee schedule set forth in **Exhibit A**.

B. **Payment Schedule**

Payments shall be made upon receipt of invoices based upon the Work completed. Invoices shall be submitted by Contractor periodically, but not more frequently than monthly. Payment by OLWS shall release OLWS from any further obligation for payment to Contractor for Services performed or expenses incurred as of the date of the invoice. Payment shall be made only for Work actually completed as of the date of invoice. Payment shall not be considered acceptance or approval by OLWS of any work or waiver of any defects therein.

D. **Cost Records**

Contractor shall furnish cost records for all invoices to substantiate all charges. For such purposes, the books of account of the Contractor shall be subject to audit by OLWS. Contractor shall complete work and cost records for all billings in accordance with generally accepted accounting principles.

E. Contractor Identification

Contractor shall furnish to OLWS its employer identification number, as designated by the Internal Revenue Service, or social security number, as OLWS deems applicable.

F. Payment – General

- 1)** Contractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167. Contractor represents and warrants that Contractor has complied with, and will continue to comply with, all Oregon state and local tax laws before the execution of this Agreement, and throughout the term of this Agreement. Failure to comply with this provision is a breach and OLWS may terminate this Agreement for cause.
- 2)** Contractor shall pay employees at least time and a half pay for all overtime worked in excess of 40 hours in any one week, except for individuals who are excluded under ORS 653.010 to 653.261 or under 29 USC sections 201 to 209 from receiving overtime. Contractor shall comply with ORS 652.220 (prohibition on discriminatory wage rates). Compliance with such provision is a material element of this Agreement. Failure to comply with this provision is a breach and OLWS may terminate this Agreement for cause.
- 3)** Contractor shall promptly, as due, make payment to any person, co-partnership, association, or corporation, furnishing medical, surgical and hospital care or other needed care and attention incident to sickness or injury to the employees of Contractor or all sums which Contractor agrees to pay for such services and all moneys and sums which Contractor collected or deducted from the wages of employees pursuant to any law, contract, or agreement for the purpose of providing or paying for such service.
- 4)** Contractor shall make payments promptly, as due, to all persons supplying services or materials for work covered under this Agreement. Contractor shall not permit any lien or claim to be filed or prosecuted against OLWS on account of any Services or materials furnished.
- 5)** If Contractor fails, neglects, or refuses to make prompt payment of any claim for labor, materials, or services furnished to Contractor by any person as such claim becomes due, OLWS may pay such claim and charge the amount of the payment against funds due or to become due to the Contractor. The payment of the claim in this manner shall not relieve Contractor or its surety from obligation with respect to any unpaid claims.
- 6)** Contractor shall comply with all federal, state, and local laws, regulations, executive orders, and ordinances applicable to the Work provided under this Agreement, including, without limitation, ORS 279B.020 (labor hours), ORS 279B.220 (payment conditions), ORS 279B.230 (medical care and workers' compensation), ORS 279B.235 (labor hours and pay rates), ORS 279B.225 (salvaging of materials) and ORS 279B.045 (tax laws).
- 7)** Contractor shall maintain, at its own expense, worker's compensation insurance for all subject workers as required by ORS Chapter 656 and meeting the minimum requirements therein.

4. Ownership of Documents: Records

- A. OLWS shall be furnished, at no additional cost to OLWS, copies of all draft and final documents related to the Work. OLWS shall have unlimited authority to use final materials received from Contractor in any way OLWS deems necessary. Any use, re-use, or alteration of any materials other than as contemplated by the applicable Scope of Services shall be at OLWS's sole risk, unless written permission has been received from Contractor prior to any such use.
- B. Upon request by Contractor, OLWS shall make copies for the use of Contractor and without cost to Contractor, OLWS records pertinent to the Work to be performed by Contractor pursuant to this Agreement.
- C. OLWS shall own only those final documents related to the Work that Contractor provides to OLWS pursuant Section 4(A).

5. Assignment and Delegation

Neither party shall assign, subcontract, or transfer any interest in or duty under this Agreement without the prior written consent of the other party, and no assignment shall be of any force or effect whatsoever unless and until the other party has so consented, which consent shall be in the sole discretion of the non-assigning party. If OLWS agrees to assignment of tasks to a subcontract, Contractor shall remain fully responsible for the negligent acts or omissions of any subcontractors and of all persons employed by them, and neither the approval by OLWS of any subcontractor or assignment, nor anything contained herein shall be deemed to create any contractual relation between any subcontractor and OLWS.

6. Contractor is an Independent Contractor

- A. OLWS shall be entitled to provide input to Contractor with respect to the Work, but Contractor is not subject to the direction and control of OLWS. Contractor shall be an independent contractor for all purposes and shall be entitled to no compensation other than the compensation provided for under Section 3 of this Agreement.
- B. Contractor is not an employee of OLWS. Contractor acknowledges Contractor's status as an independent contractor and acknowledges that Contractor is not an employee of OLWS for purposes of any law. All persons retained by Contractor to provide services under this Agreement are employees or agents of Contractor and not of OLWS. Contractor acknowledges that it is not entitled to benefits of any kind to which a OLWS employee is entitled, and that it shall be solely responsible for workers compensation coverage for its employees and all other payments and taxes required by law. Furthermore, in the event that Contractor is found by a court of law or an administrative agency to be an employee of OLWS for any purpose, OLWS shall be entitled to offset compensation due, or to demand repayment of any amounts paid to Contractor under the terms of the Agreement, to the full extent of any benefits or other remuneration Contractor receives (from OLWS or third party) as a result of said finding, and to the full extent of any payments that OLWS is required to make (to Contractor or to a third party) as a result of said finding.
- C. Contractor hereby represents that no employee of OLWS or any partnership or corporation in which an OLWS employee has an interest, has or will receive any remuneration of any type from Contractor, either directly or indirectly, in connection with the performance of this Agreement, except as specifically declared in writing.

- D. Contractor and its employees, if any, are not active members of the Oregon Public Employees Retirement System, and are not employed for a total of 600 hours or more in the calendar year by any public employer participating in the Retirement System.
- E. Contractor certifies that it currently has an appropriate business license or will obtain one prior to delivering Services under this Agreement.
- F. Contractor is not an officer, employee, or agent of OLWS as those terms are used in ORS 30.265.

7. Indemnity

- A. OLWS has relied upon the professional ability and training of the Contractor as a material inducement to enter into this Agreement. Contractor represents to OLWS that the Services under this Agreement will be performed in accordance with the professional standards of skill and care ordinarily exercised by members of the Contractor's profession under similar conditions and circumstances, as well as the requirements of applicable federal, state, and local laws. Acceptance of Contractor's Work by OLWS shall not operate as a waiver or release of any right or remedy that may be available by OLWS under law. Acceptance of documents by OLWS does not relieve Contractor of any responsibility for negligent or wrongful design, replacement, and/or repair deficiencies, errors, or omissions.
- B. Contractor shall fully defend, indemnify, and hold harmless OLWS, its employees, board members, officers, volunteers, and agents, from any and all claims, lawsuits, demands, causes of action, liability, loss, damage, equitable relief, personal injury and/ or wrongful death, whether brought by an individual or any other entity, or imposed by a court of law or by administrative action of any federal, state, or local governmental body or agency, arising out of, in any way whatsoever, any acts, omissions, negligence, or willful misconduct on the part of the Contractor, its employees, board members, volunteers, or agents. This indemnification applies to and includes, without limitation, the payment of all penalties, fines, judgements, awards, decrees, attorney's fees, and related costs and expenses, and any reimbursements to OLWS for any and all legal fees, expenses, and costs incurred by OLWS in connection therewith.

8. Insurance

Contractor and its subcontractors shall maintain insurance in amounts and coverage that are acceptable to OLWS in full force and effect throughout the term of this Agreement. Such insurance shall cover risks arising directly or indirectly out of Contractor's Services hereunder, including the operations of approved subcontractors. Such insurance shall include provisions that such insurance is primary insurance with respect to the interests of OLWS and that any other insurance maintained by OLWS is excess and not contributory insurance with the insurance required hereunder.

The policy or policies of insurance maintained by the Contractor and its subcontractors shall provide at least the following limits and coverages:

A. Commercial General Liability Insurance

Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this Agreement, Commercial General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form. This coverage shall include Contractual Liability insurance for the indemnity provided under this Agreement and Product and Completed Operations. Such insurance shall be primary and non-contributory. The following insurance will be carried: Coverage Limit General Aggregate: \$2,000,000 per occurrence and 3,000,000 in the Aggregate.

B. Commercial Automobile Insurance

Contractor shall also obtain, at Contractor's expense, and keep in effect during the term of this Agreement, Commercial Automobile Liability coverage on an "occurrence" form, including coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than \$2,000,000.

C. Workers' Compensation Insurance the Contractor, its subcontractors, if any, and all employers providing work, labor, or materials under this Agreement who are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers.

Out of State Contractors must provide workers' compensation coverage for their workers that complies with ORS 656.126. This shall include Employer's Liability Insurance with coverage limits of not less than \$500,000 each accident.

D. Additional Insured Provision

The Commercial General Liability Insurance Policy and Automobile Policy shall name OLWS, its officers, directors, volunteers, and employees as additional insureds with respect to any liabilities that occur in connection with this Agreement.

E. Notice of Cancellation or Non-Renewal

Contractor is responsible to provide OLWS at least 30 days' written notice prior to any cancellation, material change, or intent to not renew insurance coverage. Any failure to comply with this provision will not affect the insurance coverage owed to OLWS under this Agreement. The 30 days' notice of cancellation provision shall be physically endorsed onto the policy.

F. Insurance Carrier Rating

Coverage provided by the Contractor must be underwritten by an insurance company or Pool deemed acceptable by OLWS. OLWS reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

G. Certificates of Insurance

As evidence of the insurance coverage required by the Agreement, the Contractor shall furnish a Certificate of Insurance to OLWS upon execution of this Agreement. No Services shall be performed until the required certificates have been received and approved by OLWS. A renewal certificate will be sent to the address below at least 30 days prior to coverage expiration.

Certificates of Insurance should read "Insurance certificate pertaining to contract for Government Affairs Services" OLWS, its officers, directors, and employees shall be added as additional insureds with respect to this Agreement. Contractor shall request its insurance provider to include "Contractor insurance coverage is primary" in the description portion of the certificate.

H. Primary Coverage Clarification

The parties agree that Contractor's coverage shall be primary to the extent permitted by law. The parties further agree that other insurance maintained by OLWS is excess and is not contributory insurance for any reason regarding the insurance required in this section.

I. Cross-Liability Clause

A cross-liability clause or separation of insureds clause will be included in general liability.

Contractor 's insurance policy shall contain provisions that such policies shall not be canceled or their limits of liability reduced without 30 days' prior notice to OLWS. A copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, (or alternatively, at the discretion of OLWS, a certificate in a form satisfactory to OLWS) certifying to the issuance of such insurance shall be forwarded to:

Contract No. _____
OLWS Attn: Sarah Jo Chaplen
Business Phone: 503- 353-4230
14496 SE River Road
Oak Grove, Oregon 97267

Such policies or certificates must be delivered prior to commencement of the Work. Thirty days' cancellation notice shall be provided to OLWS by mail to the name at the address listed above in event of cancellation or non-renewal of the insurance.

The procuring of such required insurance shall not be construed to limit Contractor's liability hereunder. Notwithstanding said insurance, Contractor shall be obligated for the total amount of any damage, injury, or loss to the extent caused by negligence or wrongful acts in the performance of the Services with this Agreement.

9. Termination Without Cause

At any time and without cause, OLWS shall have the right, in its sole discretion, to terminate this Agreement by giving 10 days' written notice to Contractor. If OLWS terminates the Agreement pursuant to this paragraph, it shall pay Contractor for Services rendered through the effective date of termination.

10. Breach and Remedy

Upon breach of this Agreement, the parties shall have all rights and remedies provided by law or under this Agreement. In addition, in the event of a breach of this Agreement by Contractor, OLWS may complete the work or remedy the issue either itself, by agreement with another contractor, or by a combination thereof. OLWS may deduct the cost of completing the work or remedying the issue identified in the notice of breach from the remaining unpaid balance of the fee(s) owed to Contractor under this or other Agreements, if any.

11. Non-Waiver

The failure of either party to insist upon or enforce strict performance by the other party of any of the terms of this Agreement, or to exercise any rights hereunder, shall not be construed as a waiver or relinquishment of its rights to assert or rely upon such terms or rights on a future occasion.

12. Method and Place of Giving Notice, Submitting Bills, and Making Payments

All notices, bills, and payments shall be made in writing and may be given by personal delivery, mail, or email. Payments may be made by personal delivery, mail, or electronic transfer. The following addresses shall be used to transmit notices, bills, payments, and other information:

OLWS	Contractor
Attn: Sarah Jo Chaplen	Attn: Dan Bates
14496 SE River Road Oak Grove, Oregon 97267	610 SW Alder Suite 1008 Portland, OR 97205
Phone: 503-353-4230	Phone: 503-927-2032
Email Address: sarahjo@olwsd.org	Email Address: dbates@thornrun.com

and when so addressed, shall be deemed given upon deposit in the United States mail, postage prepaid, or when emailed, shall be deemed given upon receipt by OLWS' servers. In all other instances, notices, bills, and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills, and payments are to be given, by giving written notice pursuant to this paragraph.

13. Merger

This writing is intended both as a final expression of the Agreement between the parties with respect to the included terms, and as a complete and exclusive statement of the terms of the Agreement. No modification of this Agreement shall be effective unless and until it is made in writing and signed by both parties.

14. Force Majeure

Neither OLWS nor Contractor shall be considered in default because of any delays in completion and responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the parties so disabled, including but not restricted to, an act of God or of a public enemy, civil unrest, volcano, earthquake, fire, flood, epidemic, quarantine restriction, area-wide strike, freight embargo, unusually severe weather, or delay of subcontractor or supplies due to such cause; provided that the parties so disabled shall within ten days from the beginning of such delay, notify the other party in writing of the cause of delay and its probable extent. Such notification shall not be the basis for a claim for additional compensation. Each party shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligations under the Agreement.

15. Non-Discrimination

Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statues, rules, and regulations. Contractor also shall comply with the Americans with Disabilities Act of 1990, as amended, ORS 659A.142, and all regulations and administrative rules established pursuant to those laws.

16. Errors

If requested by OLWS, Contractor shall perform such additional work as may be deemed necessary by OLWS, to correct errors in the Work required under this Agreement, without undue delays and without additional cost.

17. Governing Law

The provisions of this Agreement shall be construed in accordance with the provisions of the laws of the State of Oregon. Any action or suits involving any question arising under this Agreement must be brought in the appropriate court of the State of Oregon.

18. Conflict Between Terms

Should there be a conflict between the terms of this Agreement and any proposal submitted by Contractor in connection with this Agreement, the terms of this Agreement shall control and nothing herein shall be considered as an acceptance of the terms of any conflicting proposal.

19. Access to Records

OLWS shall have access to such books, documents, papers, and records of Contractor that are pertinent to this Agreement for the purpose of making an audit, examination, copies, excerpts, and transcripts.

20. Audit

Contractor shall maintain records to help ensure conformance with the terms and conditions of this Agreement, and to help ensure adequate performance and accurate expenditures within the contract period. Contractor agrees to permit OLWS, the State of Oregon, the federal government, and their duly authorized representatives, to audit all records pertaining to this Agreement for such purpose.

21. Severability

In the event any provision or portion of this Agreement is held to be unenforceable or invalid by a court of competent jurisdiction, the validity of the remaining terms and provisions of the Agreement shall not be affected, and the remaining terms and provisions of the Agreement shall be in full force and effect.

22. Complete Agreement

This Agreement and the attached exhibits constitute the entire Agreement between the parties. No waiver, consent, modification, or change of terms of this Agreement shall bind either party, unless in writing and signed by both parties. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instances and for the specific purpose given. There are no other understandings, agreements, or representations, oral or written, regarding the subject matter of this Agreement. Contractor, by the signature of its authorized representative, hereby acknowledges that Contractor has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by the undersigned duly authorized representatives of each party, effective as of the latest date executed below.

OAK LODGE WATER SERVICES AUTHORITY

Thorn Run Partners, LLC

Signature

Signature

Print Name & Title

Print Name & Title

Date

Date

**EXHIBIT A
SCOPE OF WORK**

DRAFT

THORN RUN PARTNERS SCOPE OF WORK FOR OAK LODGE WATER SERVICES DISTRICT**Federal Scope**

- **Develop a Federal Agenda** – Thorn Run Partners (TRP) will work with Oak Lodge Water Services District (OLWS) to develop a Federal Agenda. The Federal Agenda will describe pertinent Federal funding opportunities, outline legislative and policy issues, their potential impacts, and recommend OLWS positions.
- **Assist in the development and submission of Federal appropriations/authorization requests** – As appropriate, TRP will work with OLWS to develop and submit Congressionally directed spending requests and authorizations for applicable projects and programs.
- **Monitor and advise on federal grant opportunities** – TRP will provide OLWS with Federal grant opportunities and assist with developing grant applications. This includes discussing grant criteria and funding requirements with the issuing agency, providing appropriate counsel, and working with OLWS' Congressional delegation to support any grant applications.
- **Monitor proposed laws and recommend legislative positions** – TRP will closely monitor the progress of pertinent bills and legislation. We will assist in developing OLWS' stance and contact relevant members of Congress on your behalf to emphasize your position.
- **Monitor existing and proposed regulations** – TRP will closely monitor the development and introduction of proposed rules and regulations and coordinate with relevant Federal agencies to make sure they are apprised of OLWS' interest.
- **Communication with the Congressional Delegation** – TRP will engage in communication with OLWS' Congressional delegation and staff. TRP will work to establish new Congressional and Federal agency relationships for OLWS. TRP will correspond between your Congressional delegation and other relevant members of Congress to ensure your viewpoint and suggestions are heard regarding legislation that affects OLWS.
- **Arrange meetings for OLWS personnel with Congressional members, staff, and Federal agency officials** – TRP will schedule meetings for OLWS with members of Congress, Congressional staff, and Federal agency officials prior to official trips to Washington, D.C. TRP will work with OLWS in advance to ensure that those attending the meeting are knowledgeable about the topics and equipped with documents to supplement the conversation. A member of OLWS' TRP client team will accompany officials to all meetings. After the meetings, TRP will complete any follow-up needed from the meetings and build upon the progress made during the trip.
- **Timely communication with OLWS** – TRP will maintain a constant dialogue to regularly update OLWS on our work as well as assess priorities. Apart from personal engagement, OLWS will receive the *TRP Tip Sheet* daily, which is a morning summary of Capitol Hill activity, political insight, notable news stories, and links to relevant TRP memos and reports. TRP will also provide written items, such as:
 - Analyses of budget requests and forecasts for policies and programs;
 - Reports of, and testimonies from, relevant committee hearings and markups;
 - Memos on pertinent federal initiatives or topics;
 - Federal agency and departmental regulations, guidelines, directives, and other instruments of administrative policy;

- Copies of proposed legislation and associated reports;
- “White papers” and materials geared toward elected officials and their staffs that justify OLWS’ objectives in simple and straightforward language, providing Congress and the Executive Branch with the information they need to be successful on your behalf;
- Support or request letters for Congressional sponsors to use with relevant committees or federal agencies; and
- Any necessary forms for appropriations or authorizations requests.

State Scope

- **Assist OLWS to Develop a State level Government Relations Strategy** – TRP will work with OLWS to develop a strategic government relations strategy that results in direct funding over the next several biennia. This includes both “in-session” strategies as well as an interim strategy.
- **Raise Profile of OLWS in State Capitol** – TRP will assist OLWS in introduce and strengthen its “brand” at the State Capitol, including education of both legislators and strategic allies and interested stakeholders.
- **Monitor Legislation and Budget proposals for OLWS** – TRP will track and help analyze bills and executive proposals that affect OLWS and provide opportunities for state funding. Engage both the Legislative and Executive Branch in the state budget process to strategically place OLWS in a successful position for funding.
- **Provide Advice and Counsel to OLWS** – TRP will provide strategic advice and political strategy. The firm will provide “eyes and ears” in committees, stakeholder meetings and other relevant events.
- **Represent OLWS in the Oregon Legislature and before Executive Branch** – TRP will represent OLWS interests on relevant proposals and funding requests and help OLWS to identify organizations with allied interests, and participate in relevant advocacy coalitions active in the Capitol.

Rates

The Work shall be performed at a flat rate of \$10,000.00 per month



STAFF REPORT

To Board of Directors
From Gail Stevens, Finance Director
Title Consideration of Resolution No. 2023-0016 Adopting the Fiscal Year 2023-24 Budget
Item No. 5
Date May 16, 2023

Summary

Oregon Revised Statutes (ORS) Chapter 294 requires the District to develop and adopt a budget prior to the end of the current fiscal year. ORS Chapter 294 prescribes the requirements for budget development and adoption including publication and notice requirements.

Background

The Oak Lodge Water Services Budget Committee met in April to discuss the fiscal year 2023-2024 proposed budget. The Budget Committee unanimously approved the budget as proposed on April 27, 2023.

Recommendation

It is recommended the Board approve Resolution No. 2023-0016 Adopting the Fiscal Year 2023-2024 Budget.

Suggested Board Motion

"I move to adopt Resolution No. 2023-0016 adopting the fiscal year 2023-2024 Approved Budget and make appropriations."

Attachments

1. Resolution No. 2023-0016 with Schedule A
2. Approved Budget for Fiscal Year 2023-2024

OAK LODGE WATER SERVICES

RESOLUTION NO. 2023-0016

A RESOLUTION ADOPTING THE OAK LODGE WATER SERVICES AUTHORITY BUDGET FOR FISCAL YEAR 2023-24 AND MAKING APPROPRIATIONS.

WHEREAS, under the direction of the duly appointed Budget Officer for the Oak Lodge Water Services Authority (“OLWS”), a budget for fiscal year 2023-24 was prepared for the OLWS’ annual fiscal year commencing July 1, 2023; and

WHEREAS, the OLWS Budget Committee held public meetings on April 11, April 20, April 25, and April 27, 2023, whereby the Budget Committee invited public comment, deliberated, and approved the budget; and

WHEREAS, in accordance with Oregon Local Budget Law, the budget and financial summary were properly noticed and published, and the budget is on file and available for public inspection at the OLWS Administration Building located at 14496 SE River Road, Oak Grove, OR 97267 and on OLWS’ website; and

WHEREAS, pursuant to ORS 294.456, the OLWS Board of Directors desires to adopt the budget and make appropriations for fiscal year 2023-24 before the close of the current fiscal year to provide for ongoing OLWS operations.

NOW, THEREFORE, BE IT RESOLVED BY THE OAK LODGE WATER SERVICES BOARD OF DIRECTORS:

Section 1. The budget for the Oak Lodge Water Services Authority for the fiscal year beginning July 1, 2023 and ending June 30, 2024 as approved by the Budget Committee is hereby adopted in the total amount of \$49,656,881. This budget is currently on file at the OLWS Administration Building and is available online on OLWS’ website.

Section 2. The amounts set forth in Exhibit A, attached hereto and incorporated herein by this reference, are appropriated for the purposes stated for the fiscal year beginning July 1, 2023.

INTRODUCED AND ADOPTED THIS 16th DAY OF MAY 2023.

OAK LODGE WATER SERVICES

By _____ By _____
Susan Keil, Chair Kevin Williams, Vice Chair

Schedule AAdministrative Services Fund

Personal Services	\$	2,676,000	
Material & Services	\$	2,579,300	
Capital Outlay	\$	-	
Special Payments	\$	-	
Contingency	\$	676,293	
Total			\$ 5,931,593

Drinking Water Fund

Personal Services	\$	1,096,000	
Material & Services	\$	1,841,900	
Debt Service	\$	209,100	
Transfers	\$	3,128,000	
Contingency	\$	669,708	
Total			\$ 6,944,708

Wastewater Reclamation

Personal Services	\$	1,924,000	
Material & Services	\$	1,362,600	
Transfers	\$	9,630,000	
Contingency	\$	672,947	
Total			\$ 13,589,547

Watershed Protection

Personal Services	\$	186,000	
Material & Services	\$	292,400	
Debt Service	\$	-	
Transfers	\$	1,282,600	
Contingency	\$	131,161	
Total			\$ 1,892,161

Wastewater Revenue Bond Debt Service

Debt Service	\$	3,423,000	
Total			\$ 3,423,000
Reserve For Future	\$	589,978	

Drinking Water Capital Fund

Capital Outlay	\$	3,720,000	
Contingency	\$	370,000	
Total			\$ 4,090,000
Reserve For Future	\$	1,502,700	

Wastewater Reclamation Capital Fund

Capital Outlay	\$	6,538,000	
Contingency	\$	653,800	
Total			\$ 7,191,800
Reserve For Future	\$	1,868,289	

Watershed Protection Capital Fund

Capital Outlay	\$	300,000	
Contingency	\$	50,000	
Total			\$ 350,000
Reserve For Future	\$	2,283,105	

Total Appropriations (All Funds) \$ 43,412,809

Total Unappropriated and Reserve Amounts (All Funds) \$ 6,244,072

Total Adopted Budget \$ 49,656,881



Approved Budget

2023-2024



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



About Us

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

Drinking Water Services

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

Wastewater Services

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

Watershed Protection Services

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

Clackamas River

OLWS withdraws water from the Clackamas River, which is an extremely high-quality raw water source. The Clackamas River watershed covers almost 1,000 square miles, mostly located in Clackamas County. Timothy Lake and Ollalie Lake make up the headwaters of the Clackamas River, and many tributary streams contribute to the flow of the river. Drinking water for OLWS is produced by three treatment techniques: slow sand filtration, conventional filtration, and membrane filtration. The Allen F. Herr Water Treatment Facility began production in August 1999. OLWS, Sunrise Water Authority, and the City of Gladstone - known as the North Clackamas County Water Commission (NCCWC) - jointly own the slow sand and membrane filtration systems. Approximately 100 miles of water mains make up the distribution system that carries water to OLWS customers. OLWS has four reservoirs with a combined storage of 15.6 million gallons.



**FY 2023-2024
APPROVED BUDGET**

BUDGET COMMITTEE

APPOINTED OFFICIALS

Robert Weber, Position 1

Mark Elliott, Position 2

Ron Weigel, Position 3

Lewis Wardrip, Position 4

Ron Nichelini, Position 5

ELECTED BOARD OF DIRECTORS

Susan Keil, President

Kevin Williams, Vice President/Secretary

Paul Gornick, Treasurer

Ginny Van Loo, Director

Heidi Bullock, Director

BUDGET OFFICER

Gail Stevens, Finance Director



**FY 2023-24
APPROVED BUDGET**

TABLE OF CONTENTS

GENERAL BUDGET INFORMATION	Page
Budget Calendar	5
Organization Chart	6
Budget Message	7
Summary Budget Highlights	18
Resources Summary	21
Requirements Summary	22
FUNDS	
Administrative Services Fund	23
Drinking Water Fund	27
Wastewater Reclamation Fund	29
Watershed Protection Fund	32
Wastewater Revenue Bond Debt Service Fund	34
Drinking Water Capital Fund	36
Wastewater Reclamation Capital Fund	37
Watershed Protection Capital Fund	38
DESCRIPTIONS	
Budget Line Item Descriptions - Appropriations	39
APPENDIXES	
A) Capital Improvement Plan FY 2024-2029	

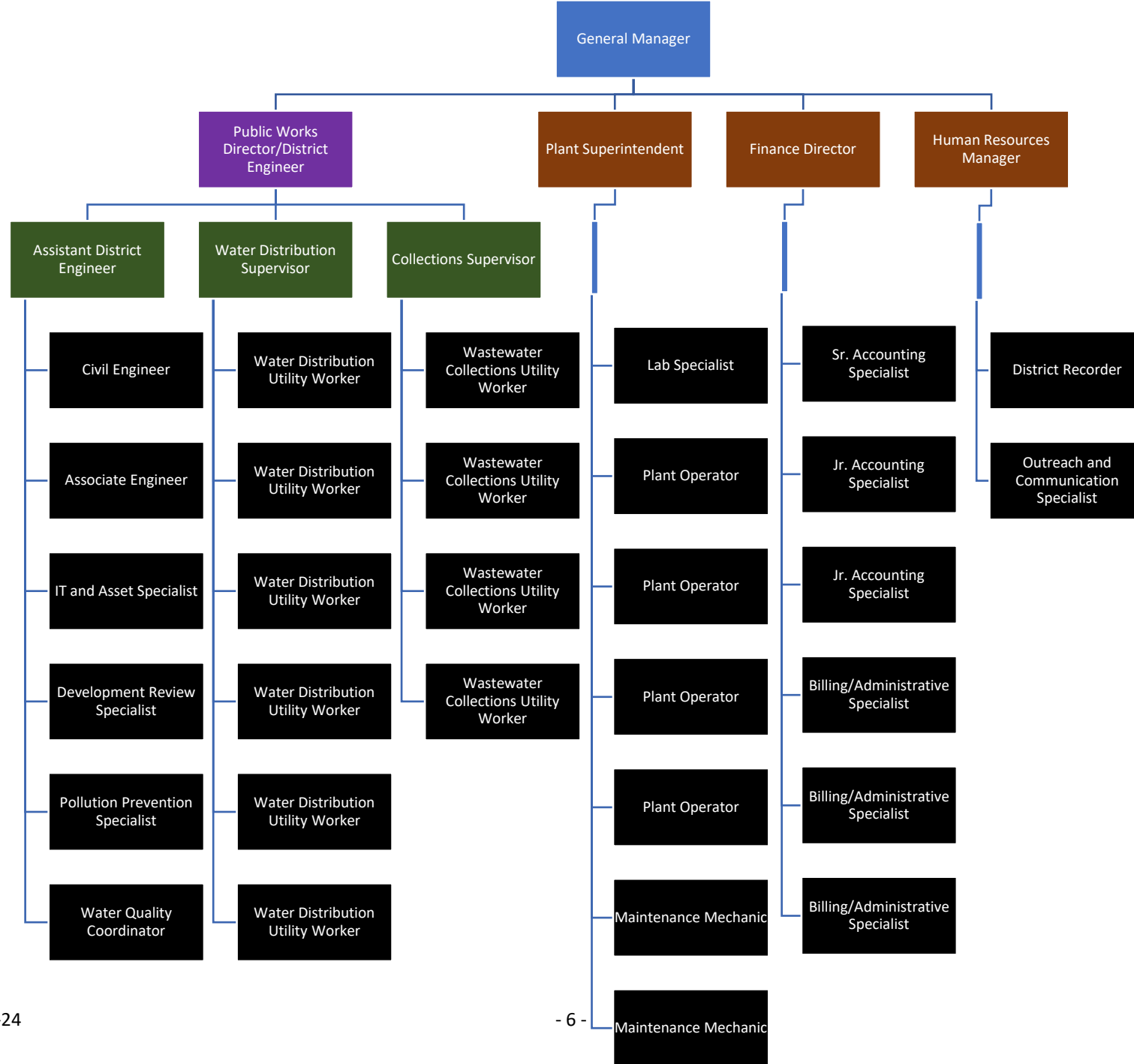


FY 2023-2024 BUDGET CALENDAR

Tuesday, April 11, 2023	Budget Committee Meeting
Thursday, April 20, 2023	Budget Committee Meeting
Tuesday, April 25, 2023	Budget Committee Meeting
Thursday, April 27, 2023	Budget Committee Meeting
Tuesday, May 16, 2023	Board of Directors Meeting

All meetings are hybrid. The public may attend through Zoom video conference or in-person at:

14496 SE River Rd.
Oak Grove, Oregon





BUDGET MESSAGE

Members of the Oak Lodge Water Services Authority (formerly known as Oak Lodge Water Services or OLWS) Budget Committee, we are pleased to present the OLWS Fiscal Year (FY) 2023-24 Approved Budget.

INAUGURAL BUDGET FOR OAK LODGE WATER SERVICES AUTHORITY

On May 5, 2022, the Clackamas County Board of County Commissioners held a final public hearing and adopted Board Order 2022-36 forming the Oak Lodge Water Services Authority and dissolving the Oak Lodge Water Services District. In the County Order, July 1, 2022 was the effective date of the Authority formation. As proposed by the District's Board of Directors, the County Order provided for a period of overlap between the date of the Authority formation and the date of the District dissolution. The overlap allowed sufficient time for any needed transfers, and for the winding up of the District's affairs.

A five-member Board of Directors (Board) was elected at the Special Election on August 23, 2022. The first meeting of the Board of the Oak Lodge Water Services Authority was held on September 16, 2022.

For fiscal year (FY) 2022-23 the Oak Lodge Water Services Authority Board adopted the balance of the Budget originally adopted by the Oak Lodge Water Services District.

The FY 2023-24 Budget will be the first one proposed to the Oak Lodge Water Services Authority Budget Committee, and then approved to go to the Oak Lodge Water Services Authority Board for a Public Hearing and final Adoption.

The Oak Lodge Water Services Authority will be referred to as 'Oak Lodge Water Services' or abbreviated as OLWS, which provides consistency in our name to customers and requires no development of a new logo. The official naming convention 'Oak Lodge Water Services Authority' will only be used in legal documents.

STATE OF OLWS

OLWS provides a high level of service to customers in the form of water quality, reliable wastewater collection and treatment, watershed protection, and exceptional customer service for nearly 29,000 people.

There are four main areas of focus throughout OLWS' work which are reflected in the FY 2023-24 Proposed Budget:

1. Planning for the future
2. Building resilience
3. Security
4. Financial stewardship



BUDGET MESSAGE

Planning for the Future

Communities throughout the State and Nation face system failures due to insufficient and aging infrastructure. Many water and wastewater systems built and financed by previous generations are approaching the end of their useful life, requiring significant upgrades. Much like the homes we live in, our water and wastewater systems require routine maintenance and continuous improvements. Deferred investment often leads to costly repairs and emergency replacements down the line.

In the American Water Works Associations' (AWWA) annual "State of the Water Industry Report" for 2022, a ranking of issues facing the water sector were identified. The top 3 most pressing challenges are:

1. Renewal and replacement of aging water and wastewater infrastructure.
2. Financing for Capital Improvements
3. Long-term drinking water supply availability.

The reliable and cost-effective delivery of water and wastewater services support the public health, safety, and economic vitality of all communities. It is important to maintain the water and wastewater systems that are essential to our way of life.

According to AWWA, "because pipe assets last a long time, water systems that were built in the later part of the 19th century and throughout most of the 20th century, have for the most part, never experienced the need for pipe replacement on a large scale." The challenge has been that much of the water and wastewater infrastructure is less visible than other infrastructure concerns (such as bridges) because it is buried underground. As a result, people do not think about water, wastewater, and surface waterpipes.

Delaying infrastructure investment can result in degrading water and wastewater services, increasing service disruptions, increasing sanitary sewer overflows (SSOs) and increasing expenditures for emergency repairs. Much like when a roof begins to fail on a house, the potential damage to the rest of the house increases if repairs and replacements are delayed. Moreover, as regulatory changes occur (whether at the Federal or State level) additional infrastructure investments will be needed to continue to deliver the essential services of water, wastewater, and surface water.

The "replacement era" is upon utilities across the United States and OLWS needs to meet this same challenge. Investing in our community is where we need to focus. These investments in local infrastructure support the health, sustainability, and prosperity of our community. Deferring needed investments today will only result in greater expenses tomorrow and pass on a greater burden to our children and grandchildren.



BUDGET MESSAGE

There are two urgent items OLWS needs to address in the short-term to reliably meet updated discharge requirements to the Willamette River set by the Oregon Department of Environmental Quality (DEQ).

- The addition of tertiary treatment (a third level of treatment) is needed to treat wastewater to a higher degree and meet DEQ's standards.
- The replacement of aged infrastructure in the collection system (e.g., pipes) to reduce inflow and infiltration, which causes sanitary sewer overflows.

The OLWS infrastructure, owned and paid for by OLWS customers, is used to deliver all of our services. Information about the condition of those assets, as well as preferred maintenance and replacement, is essential information that enables the planning of future work and financial forecasting. The Master Plans for each service area aid in the prioritization of work and the identification of areas where capital investments are needed to ensure the OLWS infrastructure continues to work.

A Capital Improvement Plan (CIP) is a planning and management tool used to create a longer-term plan for capital projects as outlined in the Master Plans. OLWS prepares a 6-year CIP updated annually to include anticipated timing and costs for recommended projects within the water, collections and treatment systems, and the surface water systems. Each CIP project is assigned a prioritization score based on weighted criteria identified by OLWS. Criteria include asset criticality and condition, customer criticality, regulatory mandates, relationship to other projects, ability to leverage outside funding, level of service, alignment with OLWS Board goals and adopted plans, public interest, and operations and maintenance effectiveness and efficiency. Several reasons can cause the need to re-prioritize projects which include regulatory requirements, condition assessments, adjacent capital project timeline changes, and changes in field conditions. The recommended CIP takes prioritization scoring into account and strives to level spending. Quarterly reports are made to the OLWS Board regarding progress on the CIP projects.

OLWS has recently updated both the Water Master Plan (WMP) and the Wastewater Master Plan (WWMP). The 20-year WMP was adopted by the Board on October 20, 2020. The 30-year WWMP, adopted March 21, 2023, significantly added to the information needed to plan for the aged infrastructure at the wastewater treatment plant and for the collection system out in the field. For the first time in over 30 years the collection system was assessed as a whole. The analysis highlighted that OLWS has significant inflow and infiltration (I & I) issues which must be addressed.

Master Plans can also aid in identifying current and future potential regulatory changes for OLWS. A new National Pollutant Discharge Elimination System (NPDES) permit (#100986) from the Department of Environmental Quality (DEQ) has been in effect as of April 2022. The OLWS



BUDGET MESSAGE

wastewater and treatment system must comply with Federal, State, and County regulations associated with publicly owned wastewater systems. During the preparation of the WWMP, the new DEQ permit modified some of the waste discharge parameters for the disposal of treated wastewater into the Willamette River. The permit has a number of significant budgetary implications in the years ahead for OLWS both for infrastructure and operations. In order to consistently meet permit, Tertiary Treatment (a third level of treatment) will now be needed to treat wastewater to a higher degree to meet DEQ's standards.

Prudent planning for infrastructure renewal requires credible, analysis-based estimates of where, when, and how much pipe replacement or expansion for growth is required. There will be "demographic echoes" in which waves of infrastructure reinvestment are driven by a combination of the original patterns of pipe investment, the pipe materials used, and local operating environments (such as how acidic the soil is in parts of the OLWS service area.)

A large proportion of OLWS water and wastewater pipes are approaching the end of their useful life. Our objective is to make these infrastructure investments at the optimal time for maintaining current service levels and to avoid replacing pipes while the repairs are still cost-effective. Ideally, pipe replacement occurs at the end of a pipe's "useful life"; that is, the point in time when replacement or rehabilitation becomes less expensive in going forward than the costs of numerous unscheduled breaks and emergency repairs. Ultimately, overlooking or postponing infrastructure renewal investments in the near term will only add to the scale of the challenge the community's infrastructure faces in the future.

OLWS is actively researching grants, bonds, low interest loans, and system development charge opportunities to help fund these important improvements. However, increases in customer rates are a necessary part of the funding equation. Future budgets will require thoughtful Budget Committee input as to the best options for all of our customers.

Resilience

The work of the Master Plans assists in the identification of projects which build on past infrastructure investments to increase resiliency. One such example is drinking water intertie projects with the City of Milwaukie and Clackamas River Water, which would be used should an earthquake or some other harm to the Clackamas River occur. Resiliency for our customers is also increased through the intergovernmental relationships OLWS has with other partners in the region (e.g., for additional trucks or pumping equipment) and through emergency management planning, as well as exercises. Financial resiliency is also an important part of the consideration for the Board and the Budget Committee. The inflationary cost increases and delays currently being experienced in OLWS supply chains have been anticipated and planned for in the Proposed Budget. However, new ones may arise. Part of a resilient strategy will be the need to have a greater stock of supplies on hand. One example OLWS has continued to deal with this past year



BUDGET MESSAGE

is delays in water meter orders, which OLWS has over 8,500 currently in service. There have also been delays in chemicals and pumps for the Wastewater Treatment Plant, as well as computer parts.

Security

This has become an increased area of focus over the past year. OLWS continues to examine how best to protect OLWS' current physical assets. Cyber security planning is underway to protect both OLWS' data and physical assets from hacking. There are a variety of projects on the water and wastewater Supervisory Control and Data Acquisition (SCADA) systems to strengthen OLWS' ability to quickly respond to alarms on OLWS infrastructure to fix issues to either prevent emergencies or enable OLWS to get through the emergency.

Financial Stewardship

The areas of focus continue to be:

- Compliance – funding of required regulatory capital projects.
- Asset Management – for all the three service areas continuing to use good asset management to inform the OLWS Capital Maintenance Program which enables financial planning to occur.
- Financial Forecasting Tool – continue to develop and refine this tool using the information from the two Master Plans and our asset management data.
- Non-Revenue Water – identifying and fixing places in our water system where the full revenue from water is not being recovered, for example, leaks of water from a pipe, or a water meter not measuring correctly.
- Grants and Loans – More Federal Grants and loans will be available FY 2023-24. It is uncertain as to the precise blend of loans and grant packets which will be available to OLWS. It is anticipated the funding of the Capital Plan will take a combination of financial funding streams to fully fund what is needed in terms of infrastructure investment.

OLWS needs to be positioned to address the capital challenges head on in the coming years.

OLWS would not have been able to continue to deliver services without the flexibility and creativity of each OLWS team member and the historical investments made to strengthen the resiliency of the utility infrastructure owned by OLWS customers. As we look at the future, it is this pattern of thoughtful, comprehensive planning and prudent investment by the Budget Committee and the Board which will position OLWS in good stead for a future of continued reliable service delivery as desired and expected by customers.



BUDGET MESSAGE

THE FY 2023-24 BUDGET

The FY 2023-24 Budget reflects the current policy direction of the OLWS Board. That direction is to provide high-quality, reliable service at a reasonable cost of service to customers. The Budget reflects a continued level of service in the coming fiscal year with increases specifically for changed regulatory requirements in operational expenditures, and with necessary increased investment in capital expenditures to start addressing the aged infrastructure and system improvements due to changed regulatory requirements as a result of the new OLWS DEQ permit.

Capital plans and initiatives for OLWS drive spending in each of the next few years (see the Capital Improvement Plan section of the Budget) as OLWS continues to address the needs of the aged wastewater treatment plant, wastewater collections, drinking water distribution infrastructure, and surface water systems. Moreover, changes by the NPDES permit for the wastewater treatment plant will require significant additional infrastructure investments such as tertiary filtration.

Materials and services costs, as well as personnel services, are experiencing increases due to the inflationary pressure on supply chains. However, OLWS continues to mitigate cost increases with process improvements, efficiencies, and re-investment in system inspections and maintenance.

The Budget is a comprehensive document containing detailed revenues and expenditures for all funds operated by OLWS. The operating and capital budgets contained within this document have been prepared in accordance with Oregon Local Budget Law, per Oregon Revised Statutes (ORS) 294.305 to 294.565, the State Rules for (ORS) Chapter 264 Water Districts, (ORS) Chapter 450 Sanitary Districts, and (ORS) Chapter 198 Special Districts. The Budget requires the input of the OLWS Budget Committee to examine different options for funding required capital projects, particularly in the wastewater area.

SUMMARY OVERVIEW

The following summary highlights specific items contained in the 2023-24 budget, and estimated effects on rates.

Financial Policies

OLWS' suite of financial policies approved by the Board has been applied to the 2023-24 budget. OLWS places emphasis on maintenance of appropriate fund balances in operating funds (Administrative Services, Drinking Water, Wastewater, and Watershed Protection Funds). Over the prior three budgets, OLWS heavily utilized existing fund balances to cover operational and capital cost increases, in line of rate increases, bringing combined fund balances down by 23 percent. While operating funds have budgeted contingencies for unexpected and unknown

BUDGET MESSAGE

items, as well as transfers to cover debt service, and to capital funds for current and future construction, major maintenance, or replacement of infrastructure, fund balances needed to be maintained at sufficient level for the stabilization of future rates. While OLWS does not budget for full cost recovery related to depreciation of OLWS assets, the Budget has provided for consideration of vehicles and equipment replacement in future years.

When considering the overall resources of OLWS, fund balances and reserves combine to provide one leg of a three-legged approach, with the other two legs being rates and financing. When managed together, they provide a stable strategy for operations and the acquisition and replacement of capital assets. The financing leg is represented in Debt Service payments and any potential new financing is not included until these funds are available to OLWS.

Personnel Services Estimates

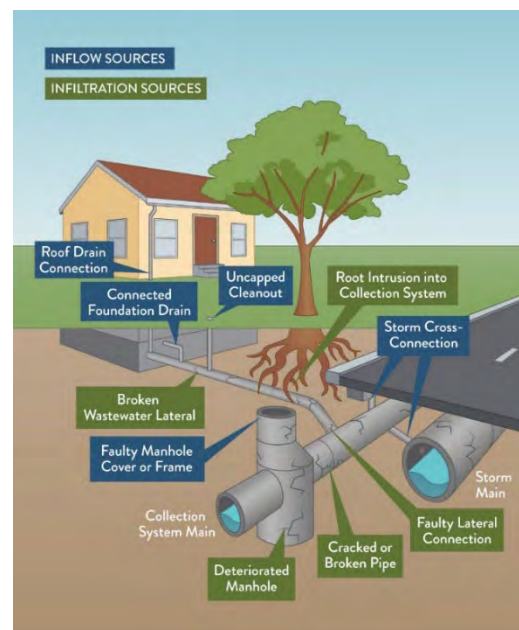
OLWS is currently in negotiations with the AFSCME bargaining unit which represents the administrative and operations team members. The current three-year contract expires July 1, 2023.

The rates identified in this budget for the Public Employees Retirement System (PERS) continue to be positively impacted by past Side Account Contributions to reduce OLWS’ Unfunded PERS Liability. During the 2019-20, 2020-21, and 2021-22 fiscal years OLWS made a lump sum contribution of \$300,000, \$552,000, and \$550,000 respectively to “buy down” unfunded actuarial liability. Due to higher funding needs for required capital projects, the FY 2022-23 Budget does not include any new contribution to PERS for the same purpose. Continued contributions will resume in future budgets as this is a key strategy and is in the best financial interest of OLWS over the long run.

Capital Planning

OLWS’ six-year Capital Improvement Plan (CIP) provides a blueprint for sustaining and improving the community’s water, wastewater, and stormwater systems. It details individual projects and provides strategies for funding and financing. The CIP is reviewed and updated annually to reflect evolving needs, priorities, and funding opportunities.

The CIP for the FY 2023-24 budget is heavily impacted by changes to the NPDES permit issued by DEQ, which OLWS operates under. The existing Wastewater Treatment Plant cannot reliably meet updated



BUDGET MESSAGE

discharge requirements to the Willamette River that have been set by DEQ, resulting in potential fines and reduced water quality. Construction of a tertiary treatment facility is needed to treat wastewater to a higher degree to meet necessary requirements. In addition to the Wastewater Treatment Plant, studies show that some sites in the collection system have become vulnerable to inflow and infiltration (see graphic). This describes when surface and ground water enter the collection pipeline system, particularly during strong storm events. The additional water causes added pressure on the collection system, the pumping stations, and the treatment system, occasionally leading to sanitary sewer overflows, for which OLWS can be fined by DEQ.

In addition, as in prior fiscal years, a long-term capital plan for each of the water, wastewater, and watershed protection services are included.

The WMP offers a long-term outlook of the community’s water resources, including available water supply, current and future demands, and emerging water quality considerations. It evaluates the condition of water infrastructure (pipelines, pump stations, tanks, etc.) and provides recommendations for replacement and repairs. Additionally, the WMP explores the system’s ability to withstand unexpected emergencies such as fires, floods, or earthquakes. OLWS updated its WMP in 2020 to ensure adequate water supply and reliable services for decades to come.

The WWMP is a long-term planning tool that evaluates the wastewater system’s current condition, capacity, constraints, and recommendations for improvement. The 30-year plan evaluates OLWS’ ability to comply with state and federal regulations, withstand climate uncertainty, and continue to provide reliable services. The 2023 WWMP identified substantial upgrades needed to handle stronger storm events, meet regulations, reduce the risk of sanitary sewer overflows, and promote healthy local waterways.

Addressing vulnerabilities now offers important benefits to OLWS and its customers:

- Greatly reduces the risk of sanitary sewer overflows.
- Avoids costly fines for non-compliance with environmental regulations.
- Supports continued reliable and resilient wastewater service for customers.
- Upholds OLWS’ commitment to keep streams and rivers clean.



Promotes continued reliable and resilient wastewater service



Greatly reduces risk of SSOs



Avoids costly fines for non-compliance with environmental policies



Upholds OLWS’ commitment to keep rivers clean



BUDGET MESSAGE

The FY 2023-24 Budget includes funding for capital projects related to projects identified in the WMP, the WWMP and for watershed protection. All construction costs in the Master Plans have been cost indexed for construction cost increases in our regional area, this ensures OLWS is utilizing the most accurate data at the time of budget development. Details of these projects can be found in the Capital Improvement Plan section of this Budget.

Capital expenditures are made from capital funds. Resources to the capital funds are in the form of transfers from the respective operating funds (i.e., Drinking Water Fund to Water Capital Fund). Transfers are in turn funded through rates. Looking forward in the capital plans of OLWS, there may be opportunities to employ other financing strategies in the form of debt financing or partnerships with other governmental entities to accomplish specific capital projects.

BUDGET ASSUMPTIONS

The FY 2023-24 proposed Budget incorporates the following assumptions:

Revenue Assumptions

- Annual population growth of 0%
- Increase in rates for Water, Wastewater, and Watershed Protection.
- Maintained conservative base units for revenue forecasting.
- Non-payment of bills by customers at 2% (based on history).

Expenditure Assumptions

- Medical and Dental estimates an increase in rates of 5%
- PERS employer contribution rate increased 4.3% for FY 2023-24, which is lower due to prior contributions to PERS Side Accounts.
- Step increases for eligible employees.
- Continued funding of the on-going Low Income Rate Relief Program (income based)

Overall Strategies for the 2023-24 Budget and Beyond

- Continue to refine the new Financial Forecasting Tool.
- Project, plan and re-prioritize capital needs while ensuring compliance with federal and state permit requirements.
- Manage rates for each utility independently to limit funding needs while operating and maintaining each system.
- Continue to maintain prudent fund balances and reserves to provide a stable financial structure for available funding opportunities.



BUDGET MESSAGE

CONCLUDING THOUGHTS

Supply chain issues are impacting OLWS in three ways: the length of time needed to receive key supplies, the costs of those supplies, and the amount of prudent inventory needing to be kept on hand.

OLWS continues to focus on long-range planning and building a strong asset management program for all the infrastructure and equipment needed to deliver services. The new permits from DEQ continue to have impacts for OLWS. An updated NPDES permit for the Wastewater Treatment Plant meant a renewed land application of biosolids permit. The MS4 permit was updated in 2021. It included new standards for water quality and testing protocols. These permits will bring added costs, but also improve the quality of our natural resources and in turn improve the quality of our community's quality of life.

The information from the WMP (updated in 2020) and the WWMP (updated in 2023), as well as the certainty around the new requirements from DEQ enables OLWS to better plan and anticipate the infrastructure projects and costs required to continue to best serve customers. This future planning is essential to stabilize rates, potential borrowings, and grants to provide financial resources at the time needed for the funding equation to match the capital demands.

Investments in local infrastructure support the health, sustainability, and prosperity of our community. OLWS is taking steps to update its aged water distribution system, wastewater collection system, the Wastewater Treatment Plant, and surface water system to continue to provide customers with safe and reliable service today and for years to come.

Addressing these issues now will allow OLWS to comply with current wastewater regulations, avoid fines, and continue to provide high-quality reliable service to its customers. It will also position OLWS to better handle stronger storm events caused by a shifting climate; meet future, more stringent regulatory requirements; and reduce the risk of future sanitary sewer overflows.

OLWS services are delivered 24 hours a day. OLWS strives to do this with an emphasis on cost-effective operations balancing both the short- and long-term maintenance, replacement, resiliency, and expansion needs of the utility infrastructure owned by all OLWS' customers.

ACKNOWLEDGMENTS

The OLWS FY 2023-24 Budget was developed by the OLWS Leadership Team with assistance from OLWS staff. The members of the Leadership Team come from various backgrounds and perspectives to represent the interests of OLWS. We want to acknowledge their hard-work, efforts, and engagement. We greatly appreciate the OLWS staff. We also want to thank the Budget Committee and the Board of Directors for all their hard work to ensure the FY 2023-24 Budget addresses what is needed for service delivery to customers now and into the future.



BUDGET MESSAGE

OLWS is always ready to respond to service emergencies 24 hours a day, 7 days a week, 365 days a year. Our customers depend upon us. Like other local governments, OLWS must continue to be nimble to address our ever-changing environment, which includes protecting public health, caring for the environment, responding to emergencies as well as addressing the changes required by State and/or Federal regulators.

We hereby respectfully submit the OLWS Approved Budget for FY 2023-24.

A handwritten signature in black ink that reads "Sarah Jo A. Chaplen".

Sarah Jo Chaplen
General Manager

A handwritten signature in black ink that reads "Gail Stevens".

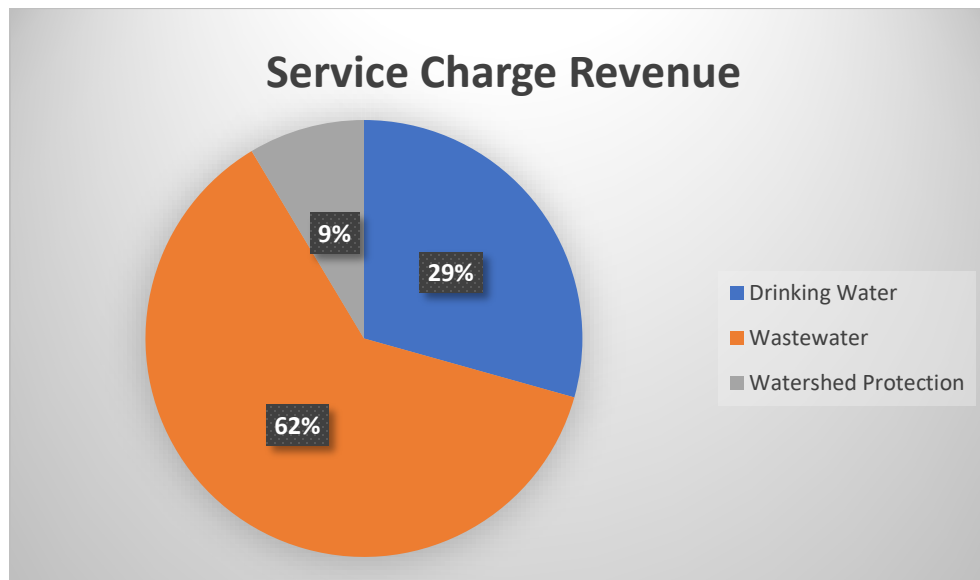
Gail Stevens
Finance Director and Budget Officer

SUMMARY BUDGET HIGHLIGHT

The FY 2023-24 budget for the OLWS totals \$49.7 million (total resources and total uses) and can be summarized as follows: \$5.9 million for Administrative Services, \$6.9 million for Drinking Water, \$13.6 million for Wastewater, \$1.9 million for Watershed Protection, \$4.0 million for Debt Service, and \$17.3 million in capital.

Resources

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



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

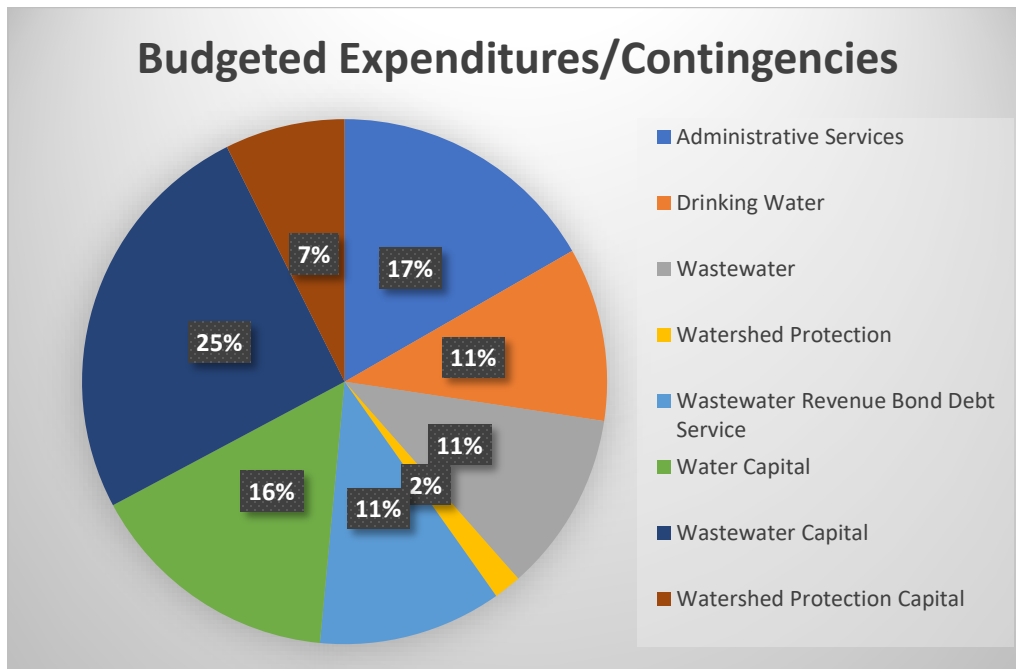
Fees are set in June each year with a July 1 effective date. Fees are set based on estimated requirements for each fund as a whole and in consideration of future operations and capital plans as projected.

Uses

SUMMARY BUDGET HIGHLIGHT

Operating expenditures are budgeted by division within the Administrative Services Fund, and by category within each of the other funds. Personnel services and capital make up the majority of budgeted expenditures of OLWS for FY 2023-24. Personnel services comprise 16.5% of OLWS' budgeted expenditures (excluding transfers) and capital spending makes up another 29.6%. The remaining budgeted requirements of OLWS include materials and services at 17.1%, debt service at 10.2%, and contingencies and reserves at 26.6%.

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



Personnel Services

OLWS budget includes 39 full-time regular (FTE) positions. Benefit costs reflect increases in health insurance and quoted rates from providers. Employee insurance rates, which includes medical, dental, life, short-term disability, and long-term disability reflect a 5.0% increase.

PERS contributions are the other largest component of employee benefits. PERS rates on a biennial basis, and the scheduled rates for FY 2023-24 and 2024-25 were set at 24.37% for Tier 1 and 2 members, and 21.19% for OPSRP members. OLWS has contributed \$300,000 in FY 2019-20, \$552,000 in FY 2020-21, and \$550,000 in FY 2022-23. These contributions have resulted in rates of 21.90% for Tier 1 and 2 members, and 18.72% for OPSRP members. Currently, 10% of OLWS payroll is Tier 1 and 2, and 90% is OPSRP.

Materials and Services



SUMMARY BUDGET HIGHLIGHT

This category represents operational expenditures for goods and services supporting OLWS. Legal, audit and accounting, and other contractual services are budgeted within this category, as are utilities, repairs and maintenance, and supplies. The increases budgeted for FY 2023-24 result primarily from stepping up maintenance efforts related to the water and wastewater systems and anticipated inflationary increases in utilities, goods, and services costs from vendors.

Capital Expenditures

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

The 2023-24 budget provides for capital spending in the Drinking Water Capital Fund of \$3.7 million, the Wastewater Capital Fund of \$6.5 million, and the Watershed Protection Capital Fund of \$300 thousand. Each of the capital funds budgets for contingency to allow for flexibility in management of planned projects, funding for future year capital plans, and consideration for future replacement of equipment and vehicles.

OAK LODGE WATER SERVICES AUTHORITY
 RESOURCES SUMMARY – BY PROGRAM
 FY 2023-24

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Fund	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
Administrative Services						
\$ -	\$ -	\$ 1,168,115	Fund Balance	\$ 1,450,193	\$ 1,450,193	\$ -
-	-	70,400	Other revenue	77,400	77,400	-
-	-	1,008,000	Transfer In - Fund 10	1,128,000	1,128,000	-
-	-	1,920,000	Transfer In - Fund 20	2,148,000	2,148,000	-
-	-	1,008,000	Transfer In - Fund 30	1,128,000	1,128,000	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,174,515</u>	Total	<u>\$ 5,931,593</u>	<u>\$ 5,931,593</u>	<u>\$ -</u>
Drinking Water						
\$ -	\$ -	\$ 1,015,771	Fund Balance	\$ 580,708	\$ 580,708	\$ -
-	-	4,351,000	Water Charges	6,091,000	6,091,000	-
-	-	273,000	Leases & Other Revenue	273,000	273,000	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,639,771</u>	Total	<u>\$ 6,944,708</u>	<u>\$ 6,944,708</u>	<u>\$ -</u>
Wastewater						
\$ -	\$ -	\$ 1,207,862	Fund Balance	\$ 535,947	\$ 535,947	\$ -
-	-	9,199,000	Wastewater Charges	12,879,000	12,879,000	-
-	-	100,000	System Development Charges	-	-	-
-	-	20,000	Other revenue	20,000	20,000	-
-	-	-	Transfer In - Fund 30	154,600	154,600	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,526,862</u>	Total	<u>\$ 13,589,547</u>	<u>\$ 13,589,547</u>	<u>\$ -</u>
Watershed Protection						
\$ -	\$ -	\$ 467,895	Fund Balance	\$ 81,121	\$ 81,121	\$ -
-	-	1,592,000	Watershed Charges	1,783,040	1,783,040	-
-	-	28,000	Other Revenue	28,000	28,000	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,087,895</u>	Total	<u>\$ 1,892,161</u>	<u>\$ 1,892,161</u>	<u>\$ -</u>
Wastewater Revenue Bond Debt Service						
\$ -	\$ -	\$ 592,666	Fund Balance	\$ 527,978	\$ 527,978	\$ -
-	-	1,000	Other Revenue	3,000	3,000	-
-	-	3,435,000	Transfers In	3,482,000	3,482,000	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,028,666</u>	Total	<u>\$ 4,012,978</u>	<u>\$ 4,012,978</u>	<u>\$ -</u>
Drinking Water Capital						
\$ -	\$ -	\$ 3,911,900	Fund Balance	\$ 3,442,700	\$ 3,442,700	\$ -
-	-	100,000	System Development Charges	100,000	100,000	-
-	-	30,000	Other Revenue	50,000	50,000	-
-	-	928,000	Transfers In	2,000,000	2,000,000	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,969,900</u>	Total	<u>\$ 5,592,700</u>	<u>\$ 5,592,700</u>	<u>\$ -</u>
Wastewater Capital						
\$ -	\$ -	\$ 4,006,108	Fund Balance	\$ 2,730,089	\$ 2,730,089	\$ -
-	-	-	System Development Charges	100,000	100,000	-
-	-	-	Proceeds from Borrowing	2,200,000	2,200,000	-
-	-	30,000	Other Revenue	30,000	30,000	-
-	-	1,500,000	Transfers In	4,000,000	4,000,000	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,536,108</u>	Total	<u>\$ 9,060,089</u>	<u>\$ 9,060,089</u>	<u>\$ -</u>
Watershed Protection Capital						
\$ -	\$ -	\$ 2,173,058	Fund Balance	\$ 2,613,105	\$ 2,613,105	\$ -
-	-	10,000	Other Revenue	20,000	20,000	-
-	-	250,000	Transfers In	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,433,058</u>	Total	<u>\$ 2,633,105</u>	<u>\$ 2,633,105</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,396,775</u>	TOTAL RESOURCES	<u>\$ 49,656,881</u>	<u>\$ 49,656,881</u>	<u>\$ -</u>

OAK LODGE WATER SERVICES AUTHORITY
 REQUIREMENTS SUMMARY – BY PROGRAM
 FY 2023-24

ACTUALS 20-21	ACTUALS 21-22	BUDGET 22-23	Fund	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
			Administrative Services			
\$ -	\$ -	\$ 2,250,000	Personnel Services	\$ 2,676,000	\$ 2,676,000	\$ -
-	-	2,136,103	Materials & Services	2,579,300	2,579,300	-
-	-	788,412	Contingency	676,293	676,293	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,174,515</u>	Total	<u>\$ 5,931,593</u>	<u>\$ 5,931,593</u>	<u>\$ -</u>
			Drinking Water			
\$ -	\$ -	\$ 1,107,000	Personnel Services	\$ 1,096,000	\$ 1,096,000	\$ -
-	-	1,681,600	Materials & Services	1,841,900	1,841,900	-
-	-	209,063	Debt Service	209,100	209,100	-
-	-	1,936,000	Transfers	3,128,000	3,128,000	-
-	-	706,108	Contingency	669,708	669,708	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,639,771</u>	Total	<u>\$ 6,944,708</u>	<u>\$ 6,944,708</u>	<u>\$ -</u>
			Wastewater			
\$ -	\$ -	\$ 1,877,000	Personnel Services	\$ 1,924,000	\$ 1,924,000	\$ -
-	-	1,343,450	Materials & Services	1,362,600	1,362,600	-
-	-	6,855,000	Transfers	9,630,000	9,630,000	-
-	-	451,412	Contingency	672,947	672,947	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,526,862</u>	Total	<u>\$ 13,589,547</u>	<u>\$ 13,589,547</u>	<u>\$ -</u>
			Watershed Protection			
\$ -	\$ -	\$ 160,000	Personnel Services	\$ 186,000	\$ 186,000	\$ -
-	-	249,800	Materials & Services	292,400	292,400	-
-	-	120,000	Debt Service	-	-	-
-	-	1,258,000	Transfers	1,282,600	1,282,600	-
-	-	300,095	Contingency	131,161	131,161	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,087,895</u>	Total	<u>\$ 1,892,161</u>	<u>\$ 1,892,161</u>	<u>\$ -</u>
			Wastewater Revenue Bond Debt Service			
\$ -	\$ -	\$ 3,434,144	Debt Service	\$ 3,423,000	\$ 3,423,000	\$ -
-	-	594,522	Reserve for future expenditure	589,978	589,978	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,028,666</u>	Total	<u>\$ 4,012,978</u>	<u>\$ 4,012,978</u>	<u>\$ -</u>
			Drinking Water Capital			
\$ -	\$ -	\$ 2,839,000	Capital Outlay	\$ 3,720,000	\$ 3,720,000	\$ -
-	-	288,000	Contingency	370,000	370,000	-
-	-	1,842,900	Reserve for future expenditure	1,502,700	1,502,700	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,969,900</u>	Total	<u>\$ 5,592,700</u>	<u>\$ 5,592,700</u>	<u>\$ -</u>
			Wastewater Capital			
\$ -	\$ -	\$ 4,023,340	Capital Outlay	\$ 6,538,000	\$ 6,538,000	\$ -
-	-	481,834	Contingency	653,800	653,800	-
-	-	1,030,934	Reserve for future expenditure	1,868,289	1,868,289	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,536,108</u>	Total	<u>\$ 9,060,089</u>	<u>\$ 9,060,089</u>	<u>\$ -</u>
			Watershed Protection Capital			
\$ -	\$ -	\$ 300,000	Capital Outlay	\$ 300,000	\$ 300,000	\$ -
-	-	50,000	Contingency	50,000	50,000	-
-	-	2,083,058	Reserve for future expenditure	2,283,105	2,283,105	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,433,058</u>	Total	<u>\$ 2,633,105</u>	<u>\$ 2,633,105</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,396,775</u>	TOTAL REQUIREMENTS	<u>\$ 49,656,881</u>	<u>\$ 49,656,881</u>	<u>\$ -</u>

Administrative Services Fund
Fund 05

Purpose: The Administrative Services Fund centralizes the support services within OLWS to provide an efficient and fair means to capture and allocate support service costs. Divisions of this fund include Administration & Finance, Human Resources, Technical Services, and Vehicle Maintenance. Each of these support services are funded through transfers from the Drinking Water, Wastewater Reclamation, and Watershed Protection operating funds on a predetermined basis of allocation.

FTE: The Administrative Services Fund is comprised of 17.3 full-time employees (FTE). Positions are outlined in the division descriptions below.

Administration & Finance – Division 01

The Administration & Finance Division is comprised of eight full time employees:

- General Manager
- Finance Director
- Senior Accounting Specialist
- Junior Accounting Specialist (2)
- Billing/Administrative Specialist (3)

Human Resources – Division 02

The Human Resources Division is comprised of three full time employees:

- Human Resources Manager
- District Recorder
- Outreach and Communication Specialist

Technical Services – Division 03

The Technical Services Division is comprised of six full time employees:

- Assistant District Engineer
- Civil Engineer
- Associate Engineer
- IT and Asset Specialist
- Development Review Specialist
- Pollution Prevention Specialist

The Public Works Director/District Engineer allocates 0.3 FTE to the Administrative Services Fund.

Vehicle Maintenance – Division 04

The Vehicle Maintenance Division is not directly assigned FTE.

OAK LODGE WATER SERVICES AUTHORITY
APPROVED BUDGET – FY 2023-24

Fund 05 - Administrative Services Fund

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Object Code	Item	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
05-00- Resources							
\$ -	\$ -	\$ 1,168,115	3500	Beginning Fund Balance	\$ 1,450,193	\$ 1,450,193	
-	-	57,400	4230	Contract Services Revenue	57,400	57,400	
-	-	3,000	4610	Investment Revenue	10,000	10,000	
-	-	10,000	4630	Miscellaneous Revenues	10,000	10,000	
05-29- Transfers In							
\$ -	\$ -	\$ 1,008,000	4910	Transfer In from Fund 10	\$ 1,128,000	\$ 1,128,000	
-	-	1,920,000	4920	Transfer In from Fund 20	2,148,000	2,148,000	
-	-	1,008,000	4930	Transfer In from Fund 30	1,128,000	1,128,000	
\$ -	\$ -	\$ 5,174,515	Total Resources		\$ 5,931,593	\$ 5,931,593	\$ -

Division 01 - Finance/Administration

05-01- Personnel Services - 8 FTE							
\$ -	\$ -	\$ 705,000	5110	Regular employees	\$ 812,000	\$ 812,000	
-	-	17,000	5130	Overtime	10,000	10,000	
-	-	125,000	5210	Health/Dental insurance	142,000	142,000	
-	-	55,000	5230	Social Security	63,000	63,000	
-	-	138,000	5240	Retirement	162,000	162,000	
-	-	6,000	5250	Trimet/WBF/Paid Leave OR	23,000	23,000	
-	-	20,000	5260	Unemployment	5,000	5,000	
-	-	1,000	5270	Workers compensation	1,000	1,000	
-	-	2,000	5290	Other employee benefits	-	-	
\$ -	\$ -	\$ 1,069,000	Total Personnel Services		\$ 1,218,000	\$ 1,218,000	\$ -

05-01- Materials and Services							
Professional and technical services							
\$ -	\$ -	\$ 375,000	6110	Legal services	\$ 375,000	\$ 375,000	
-	-	76,000	6120	Accounting and audit services	76,000	76,000	
-	-	200,000	6155	Contracted Services	200,000	200,000	
-	-	60,000	6180	Dues and subscriptions	62,000	62,000	
Utilities							
-	-	13,000	6220	Electricity	16,000	16,000	
-	-	4,000	6240	Natural gas	4,000	4,000	
-	-	10,000	6290	Other utilities	10,000	10,000	
Repairs and maintenance							
-	-	15,000	6310	Janitorial services	20,000	20,000	
-	-	35,000	6320	Buildings and grounds	37,000	37,000	
Travel and Training							
-	-	2,700	6410	Mileage	1,000	1,000	
-	-	12,000	6420	Staff training	13,000	13,000	
-	-	2,000	6440	Board expense	2,000	2,000	
Supplies							
-	-	32,000	6510	Office supplies	35,000	35,000	
-	-	2,000	6730	Communications	2,000	2,000	
-	-	4,000	6760	Equipment rental	4,000	4,000	
-	-	160,000	6770	Bank charges	165,000	165,000	
-	-	2,000	6780	Taxes, Fees, Permits	1,000	1,000	
-	-	1,000	6790	Miscellaneous expense	1,000	1,000	
\$ -	\$ -	\$ 1,005,700	Total Materials and Services		\$ 1,024,000	\$ 1,024,000	\$ -

Fund 05 - Administrative Services Fund

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Object Code	Item	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
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Division 02 - Human Resources

05-02- Personnel Services - 3 FTE

\$ -	\$ -	\$ 278,000	5110	Regular employees	\$ 304,000	\$ 304,000	\$ -
-	-	2,500	5130	Overtime	5,000	5,000	-
-	-	36,000	5210	Health/Dental insurance	41,000	41,000	-
-	-	22,000	5230	Social Security	24,000	24,000	-
-	-	50,000	5240	Retirement	57,000	57,000	-
-	-	3,000	5250	Trimet/WBF/Paid Leave OR	4,000	4,000	-
-	-	-	5260	Unemployment	-	-	-
-	-	1,000	5270	Workers compensation	1,000	1,000	-
-	-	1,000	5290	Other employee benefits	15,000	15,000	-
\$ -	\$ -	\$ 393,500	Total Personnel Services		\$ 451,000	\$ 451,000	\$ -

**05-02- Materials and Services
 Professional and technical services**

\$ -	\$ -	\$ 52,000	6155	Contracted Services	\$ 64,500	\$ 64,500	\$ -
-	-	8,500	6175	Records Management	8,500	8,500	-
				Utilities			
-	-	63,000	6230	Telephone	59,700	59,700	-
				Travel and Training			
-	-	1,000	6410	Mileage	1,000	1,000	-
-	-	25,000	6420	Staff Training	24,600	24,600	-
-	-	7,000	6440	Board Expense	5,000	5,000	-
				Supplies			
-	-	2,200	6510	Office supplies	1,000	1,000	-
-	-	2,000	6540	Safety Supplies	2,000	2,000	-
-	-	38,000	6560	Uniforms	42,000	42,000	-
-	-	2,500	6610	Board Compensation	2,500	2,500	-
-	-	32,000	6620	Elections Costs	5,000	5,000	-
-	-	300,000	6720	Insurance	235,000	235,000	-
-	-	38,100	6730	Communications	38,000	38,000	-
-	-	6,000	6740	Advertising	7,000	7,000	-
-	-	1,000	6790	Miscellaneous Expense	1,000	1,000	-
\$ -	\$ -	\$ 578,300	Total Materials and Services		\$ 496,800	\$ 496,800	\$ -

OAK LODGE WATER SERVICES AUTHORITY
 APPROVED BUDGET – FY 2023-24

Fund 05 - Administrative Services Fund

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Object Code	Item	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
Division 03 - Technical Services							
05-03- Personnel Services - 6.3 FTE							
\$ -	\$ -	\$ 549,000	5110	Regular employees	\$ 674,000	\$ 674,000	\$ -
-	-	2,500	5130	Overtime	5,000	5,000	-
-	-	83,000	5210	Health/Dental insurance	135,000	135,000	-
-	-	43,000	5230	Social Security	53,000	53,000	-
-	-	102,000	5240	Retirement	130,000	130,000	-
-	-	5,000	5250	Trimet/WBF/Paid Leave OR	9,000	9,000	-
-	-	-	5260	Unemployment	-	-	-
-	-	1,000	5270	Workers compensation	1,000	1,000	-
-	-	2,000	5290	Other employee benefits	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 787,500</u>	Total Personnel Services		<u>\$ 1,007,000</u>	<u>\$ 1,007,000</u>	<u>\$ -</u>
05-03- Materials and Services							
Professional and technical services							
\$ -	\$ -	\$ 90,500	6155	Contracted Services	\$ 462,000	\$ 462,000	\$ -
Utilities							
-	-	313,103	6350	Computer Maintenance	434,500	434,500	-
Travel and Training							
-	-	1,000	6410	Mileage	1,000	1,000	-
-	-	10,500	6420	Staff Training	15,000	15,000	-
-	-	2,000	6430	Certifications	1,000	1,000	-
Supplies							
-	-	-	6530	Small Tools and Equipment	1,000	1,000	-
-	-	5,000	6540	Safety Supplies	5,000	5,000	-
-	-	3,000	6550	Operational Supplies	3,000	3,000	-
-	-	1,000	6790	Miscellaneous Expense	1,000	1,000	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 426,103</u>	Total Materials and Services		<u>\$ 923,500</u>	<u>\$ 923,500</u>	<u>\$ -</u>
Division 04 - Vehicle Services							
05-04- Materials and Services							
\$ -	\$ -	\$ 75,000	6330	Vehicle/equipment maintenance	\$ 80,000	\$ 80,000	
-	-	51,000	6520	Fuel and oils	55,000	55,000	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,000</u>	Total Materials and Services		<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>\$ -</u>
05-29- Contingency							
\$ -	\$ -	\$ 788,412	9000	Contingency	\$ 676,293	\$ 676,293	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 788,412</u>	Total Contingency		<u>\$ 676,293</u>	<u>\$ 676,293</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,174,515</u>	Total Appropriations		<u>\$ 5,931,593</u>	<u>\$ 5,931,593</u>	
\$ -	\$ -	\$ -	Unappropriated ending fund balance		\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,174,515</u>	Total Requirements		<u>\$ 5,931,593</u>	<u>\$ 5,931,593</u>	<u>\$ -</u>

**Drinking Water Fund
 Fund 10**

Purpose: The Drinking Water Fund maintains and operates a drinking water distribution system to efficiently meet the needs of the community through uninterrupted service delivery. The cost of purchased water, protection of community health, and reduction of non-revenue water are funded through water service charges billed to customers.

The Drinking Water Fund provides transfers to the Administrative Services Fund and Drinking Water Capital Fund for services related to the operation and maintenance of the distribution system.

FTE: The Drinking Water Fund is comprised of 7.3 full-time employees:

- Water Distribution Supervisor
- Water Distribution Utility Worker (6)

The Public Works Director/District Engineer allocates 0.3 FTE to the Drinking Water Fund.

Fund 10 - Drinking Water Fund

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Object Code	Item	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
10-00- Resources							
\$ -	\$ -	\$ 1,015,771	3500	Beginning Fund Balance	\$ 580,708	\$ 580,708	
-	-	30,000	4210	Wholesale Water Charges	30,000	30,000	
-	-	4,351,000	4211	Water Charges	6,091,000	6,091,000	
-	-	15,000	4215	Penalties and late charges	15,000	15,000	
-	-	10,000	4240	Service installations	10,000	10,000	
-	-	180,000	4280	Rents and leases	180,000	180,000	
-	-	10,000	4290	Other charges for services	10,000	10,000	
-	-	3,000	4610	Investment revenue	3,000	3,000	
-	-	25,000	4630	Miscellaneous revenues	25,000	25,000	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,639,771</u>	Total Resources		<u>\$ 6,944,708</u>	<u>\$ 6,944,708</u>	<u>\$ -</u>

Division 20 - Drinking Water Operations

10-20- Personnel Services - 7.3 FTE							
\$ -	\$ -	\$ 723,000	5110	Regular employees	\$ 707,000	\$ 707,000	
-	-	31,000	5130	Overtime	37,000	37,000	
-	-	134,000	5210	Health/Dental insurance	132,000	132,000	
-	-	56,000	5230	Social Security	55,000	55,000	
-	-	133,000	5240	Retirement	136,000	136,000	
-	-	6,000	5250	Trimet/WBF/Paid Leave OR	9,000	9,000	
-	-	19,000	5270	Workers compensation	20,000	20,000	
-	-	5,000	5290	Other employee benefits	-	-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,107,000</u>	Total Personnel Services		<u>\$ 1,096,000</u>	<u>\$ 1,096,000</u>	<u>\$ -</u>

Fund 10 - Drinking Water Fund

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Object Code	Item	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
10-20- Materials and Services							
Professional and technical services							
\$ -	\$ -	\$ 166,500	6155	Contracted Services	\$ 270,900	\$ 270,900	
Utilities							
-	-	38,000	6220	Electricity	41,000	41,000	
-	-	3,500	6240	Natural Gas	3,000	3,000	
-	-	3,600	6290	Other Utilities	4,000	4,000	
Repairs and Maintenance							
-	-	10,000	6320	Buildings and Grounds	10,000	10,000	
-	-	200,000	6340	Distribution System Maintenance	200,000	200,000	
Travel and Training							
-	-	500	6410	Mileage	500	500	
-	-	12,500	6420	Staff Training	15,000	15,000	
-	-	2,000	6430	Certifications	2,000	2,000	
Supplies							
-	-	9,000	6530	Small Tools and Equipment	15,000	15,000	
-	-	15,000	6540	Safety Supplies	15,000	15,000	
-	-	7,000	6550	Operational Supplies	10,000	10,000	
-	-	1,170,000	6710	Purchased Water	1,200,000	1,200,000	
-	-	16,000	6715	Water Quality Program	28,500	28,500	
-	-	8,000	6760	Equipment Rental	8,000	8,000	
-	-	19,000	6780	Taxes, Fees, Permits	18,000	18,000	
-	-	1,000	6790	Miscellaneous Expense	1,000	1,000	
\$ -	\$ -	\$ 1,681,600	Total Materials and Services		\$ 1,841,900	\$ 1,841,900	\$ -
10-24- Debt Service							
Principal Payments							
\$ -	\$ -	\$ 188,000	6815	2019 Zions Bank Loan - Due 2/1	\$ 193,000	\$ 193,000	
Interest Payments							
-	-	21,063	6825	2019 Zions Bank Loan - Due 8/1 & 2/1	16,100	16,100	
\$ -	\$ -	\$ 209,063	Total Debt Service		\$ 209,100	\$ 209,100	\$ -
10-29- Transfers Out							
\$ -	\$ -	\$ 1,008,000	8105	Transfer Out to Fund 05	\$ 1,128,000	\$ 1,128,000	
-	-	928,000	8171	Transfer Out to Fund 71	2,000,000	2,000,000	
\$ -	\$ -	\$ 1,936,000	Total Transfers		\$ 3,128,000	\$ 3,128,000	\$ -
10-29- Contingency							
\$ -	\$ -	\$ 706,108	9000	Contingency	\$ 669,708	\$ 669,708	
\$ -	\$ -	\$ 706,108	Total Contingency		\$ 669,708	\$ 669,708	\$ -
\$ -	\$ -	\$ 4,539,771	Total Appropriations		\$ 5,853,708	\$ 5,853,708	
\$ -	\$ -	\$ -	Unappropriated ending fund balance		\$ -	\$ -	\$ -
\$ -	\$ -	\$ 4,539,771	Total Requirements		\$ 5,853,708	\$ 5,853,708	\$ -

Wastewater Fund
Fund 20

Purpose: The Wastewater Reclamation Fund maintains and operates a wastewater collection system and wastewater treatment plant. Divisions include Wastewater Treatment and Wastewater Collections. The cost of meeting regulatory requirements, providing uninterrupted service, and protecting the environment and community health are funded through wastewater service charges billed to customers.

The Wastewater Fund provides transfers to the Administrative Services Fund and Wastewater Capital Fund for services related to the operation and maintenance of the wastewater collection system and wastewater treatment plant. The Wastewater Fund also provides transfers to the Wastewater General Obligation Debt Service Fund and Wastewater Revenue Bond Debt Service Funds for payment of debt.

FTE: The Wastewater Reclamation Fund is comprised of 13.3 full-time employees. Positions are outlined in the division descriptions below.

Wastewater Treatment – Division 21

The Wastewater Treatment Division is comprised of 8 full time employees:

- Plant Superintendent
- Plant Operator (4)
- Lab Specialist
- Maintenance Mechanic (2)

Wastewater Collections – Division 22

The Wastewater Collections Division is comprised of 5.3 full time employees:

- Wastewater Collections Supervisor
- Wastewater Collections Utility Worker (4)

The Public Works Director/District Engineer allocates 0.3 FTE to the Wastewater Fund, specifically to the Wastewater Collections Division.

OAK LODGE WATER SERVICES AUTHORITY
APPROVED BUDGET – FY 2023-24

Fund 20 - Wastewater Fund

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Object Code	Item	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
20-00- Resources							
\$ -	\$ -	\$ 1,207,862	3500	Beginning Fund Balance	\$ 535,947	\$ 535,947	
-	-	9,199,000	4212	Wastewater Charges	12,879,000	12,879,000	
-	-	7,000	4215	Penalties and Late Charges	7,000	7,000	
-	-	100,000	4220	System Development Charges	-	-	
-	-	10,000	4290	Other Charges for Services	10,000	10,000	
-	-	1,000	4610	Investment Revenue	1,000	1,000	
-	-	2,000	4630	Miscellaneous Revenues	2,000	2,000	
20-29- Transfers In							
-	-	-	4930	Transfer In - Fund 30	154,600	154,600	
\$ -	\$ -	\$ 10,526,862	Total Resources		\$ 13,589,547	\$ 13,589,547	\$ -

Division 21 - Wastewater Treatment Operations

20-21- Personnel Services - 8 FTE							
\$ -	\$ -	\$ 681,000	5110	Regular employees	\$ 693,000	\$ 693,000	
-	-	40,000	5130	Overtime	43,000	43,000	
-	-	185,000	5210	Health/Dental insurance	209,000	209,000	
-	-	53,000	5230	Social Security	54,000	54,000	
-	-	123,000	5240	Retirement	130,000	130,000	
-	-	6,000	5250	Trimet/WBF/Paid Leave OR	9,000	9,000	
-	-	12,000	5270	Workers compensation	13,000	13,000	
-	-	5,000	5290	Other employee benefits	-	-	
\$ -	\$ -	\$ 1,105,000	Total Personnel Services		\$ 1,151,000	\$ 1,151,000	\$ -

20-21- Materials and Services

Professional and technical services							
\$ -	\$ -	\$ 253,750	6155	Contracted Services	\$ 221,500	\$ 221,500	
Utilities							
-	-	307,000	6220	Electricity	325,000	325,000	
-	-	2,000	6240	Natural gas	1,000	1,000	
-	-	52,000	6250	Solid Waste Disposal	44,000	44,000	
-	-	-	6290	Other utilities	1,500	1,500	
Repairs and maintenance							
-	-	11,000	6310	Janitorial services	14,000	14,000	
-	-	58,000	6320	Buildings and grounds	63,000	63,000	
-	-	200,000	6340	System Maintenance	200,000	200,000	
Travel and Training							
-	-	1,000	6410	Mileage	1,000	1,000	
-	-	9,000	6420	Staff training	10,000	10,000	
-	-	2,000	6430	Certifications	2,000	2,000	
Supplies							
-	-	65,000	6525	Chemicals	77,000	77,000	
-	-	10,000	6530	Small Tools and Equipment	13,000	13,000	
-	-	20,000	6540	Safety Supplies	20,000	20,000	
-	-	14,000	6550	Operational Supplies	5,000	5,000	
-	-	-	6570	In-House Laboratory Supplies	20,000	20,000	
-	-	5,000	6590	Other Supplies	-	-	
-	-	500	6740	Advertising	-	-	
-	-	45,000	6760	Equipment rental	20,000	20,000	
-	-	100,700	6780	Taxes, Fees, Permits	74,000	74,000	
-	-	1,000	6790	Miscellaneous expense	1,000	1,000	
\$ -	\$ -	\$ 1,156,950	Total Materials and Services		\$ 1,113,000	\$ 1,113,000	\$ -

OAK LODGE WATER SERVICES AUTHORITY
APPROVED BUDGET – FY 2023-24

Fund 20 - Wastewater Fund

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Object Code	Item	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
Division 22 - Wastewater Collections Operations							
20-22- Personnel Services - 5.3 FTE							
\$ -	\$ -	\$ 507,000	5110	Regular employees	\$ 503,000	\$ 503,000	
-	-	31,000	5130	Overtime	22,000	22,000	
-	-	109,000	5210	Health/Dental insurance	117,000	117,000	
-	-	40,000	5230	Social Security	39,000	39,000	
-	-	65,000	5240	Retirement	73,000	73,000	
-	-	4,000	5250	Trimet/WBF/Paid Leave OR	7,000	7,000	
-	-	11,000	5270	Workers compensation	12,000	12,000	
-	-	5,000	5290	Other employee benefits	-	-	
\$ -	\$ -	\$ 772,000	Total Personnel Services		\$ 773,000	\$ 773,000	\$ -
20-22- Materials and Services							
Professional and technical services							
\$ -	\$ -	\$ 12,500	6155	Contracted Services	\$ 58,600	\$ 58,600	
Utilities							
-	-	50,000	6220	Electricity	53,000	53,000	
-	-	2,000	6290	Other Utilities	2,000	2,000	
Repairs and Maintenance							
-	-	1,000	6320	Buildings and Grounds	1,000	1,000	
-	-	45,000	6340	System Maintenance	45,000	45,000	
Travel and Training							
-	-	1,000	6410	Mileage	1,000	1,000	
-	-	18,000	6420	Staff Training	20,000	20,000	
-	-	2,000	6430	Certifications	2,000	2,000	
Supplies							
-	-	15,000	6530	Small Tools and Equipment	25,000	25,000	
-	-	9,000	6540	Safety Supplies	12,000	12,000	
-	-	5,000	6550	Operational Supplies	5,000	5,000	
-	-	25,000	6780	Taxes, Fees, Permits	24,000	24,000	
-	-	1,000	6790	Miscellaneous Expense	1,000	1,000	
\$ -	\$ -	\$ 186,500	Total Materials and Services		\$ 249,600	\$ 249,600	\$ -
20-29- Transfers Out							
\$ -	\$ -	\$ 1,920,000	8105	Transfer Out to Fund 05	\$ 2,148,000	\$ 2,148,000	
-	-	3,435,000	8150	Transfer Out to Fund 50	3,482,000	3,482,000	
-	-	1,500,000	8172	Transfer Out to Fund 72	4,000,000	4,000,000	
\$ -	\$ -	\$ 6,855,000	Total Transfers		\$ 9,630,000	\$ 9,630,000	\$ -
20-29- Contingency							
\$ -	\$ -	\$ 451,412	9000	Contingency	\$ 672,947	\$ 672,947	
\$ -	\$ -	\$ 451,412	Total Contingency		\$ 672,947	\$ 672,947	\$ -
\$ -	\$ -	\$ 10,526,862	Total Appropriations		\$ 13,589,547	\$ 13,589,547	\$ -
\$ -	\$ -	\$ -	Unappropriated ending fund balance		\$ -	\$ -	\$ -
\$ -	\$ -	\$ 10,526,862	Total Requirements		\$ 13,589,547	\$ 13,589,547	\$ -

Watershed Protection Fund

Fund 30

Purpose: The Watershed Protection Fund manages and operates the Watershed Protection Program. Watershed education and protection are funded through watershed protection charges billed to customers.

The Watershed Protection Fund provides transfers to the Administrative Services Fund and Watershed Protection Capital Fund for services related to the management and operation of the Watershed Protection Program.

FTE: The Watershed Protection Fund is comprised of 1.1 full-time employees.

- Water Quality Coordinator

The Public Works Director/District Engineer allocates 0.1 FTE to the Watershed Protection Fund and directly manages the Water Quality Coordinator.

Fund 30 - Watershed Protection Fund

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Object Code	Item	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
30-00- Resources							
\$ -	\$ -	\$ 467,895	3500	Beginning Fund Balance	\$ 81,121	\$ 81,121	
-	-	1,592,000	4213	Watershed Protection Charges	1,783,040	1,783,040	
-	-	1,000	4215	Penalties and late charges	1,000	1,000	
-	-	25,000	4290	Other charges for services	25,000	25,000	
-	-	2,000	4610	Investment revenue	2,000	2,000	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,087,895</u>	Total Resources		<u>\$ 1,892,161</u>	<u>\$ 1,892,161</u>	<u>\$ -</u>

OAK LODGE WATER SERVICES AUTHORITY
APPROVED BUDGET – FY 2023-24

Fund 30 - Watershed Protection Fund

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Object Code	Item	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
Division 23 - Watershed Protection Operations							
30-23- Personnel Services - 1.1 FTE							
\$ -	\$ -	\$ 96,000	5110	Regular employees	\$ 113,000	\$ 113,000	
-	-	5,000	5130	Overtime	1,000	1,000	
-	-	30,000	5210	Health/Dental insurance	38,000	38,000	
-	-	8,000	5230	Social Security	9,000	9,000	
-	-	18,000	5240	Retirement	22,000	22,000	
-	-	1,000	5250	Trimet/WBF/Paid Leave OR	2,000	2,000	
-	-	1,000	5270	Workers compensation	1,000	1,000	
-	-	1,000	5290	Other employee benefits	-	-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,000</u>	Total Personnel Services		<u>\$ 186,000</u>	<u>\$ 186,000</u>	<u>\$ -</u>
30-23- Materials and Services							
Professional and technical services							
\$ -	\$ -	\$ 148,000	6155	Contracted Services	\$ 169,000	\$ 169,000	
Repairs and Maintenance							
-	-	25,000	6340	System Maintenance	50,000	50,000	
Travel and Training							
-	-	6,000	6420	Staff Training	3,000	3,000	
-	-	-	6430	Certifications	1,000	1,000	
Supplies							
-	-	6,000	6530	Small Tools and Equipment	1,000	1,000	
-	-	1,000	6540	Safety Supplies	1,000	1,000	
-	-	500	6550	Operational Supplies	7,000	7,000	
-	-	58,000	6730	Communications	55,000	55,000	
-	-	4,300	6780	Taxes, Fees, Permits	4,400	4,400	
-	-	1,000	6790	Miscellaneous Expense	1,000	1,000	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,800</u>	Total Materials and Services		<u>\$ 292,400</u>	<u>\$ 292,400</u>	<u>\$ -</u>
30-24- Debt Service							
Principal Payments							
\$ -	\$ -	\$ 115,741	6814	2018 KS Statebank	\$ -	\$ -	
Interest Payments							
-	-	4,259	6824	2018 KS Statebank	-	-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,000</u>	Total Debt Service		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
30-29- Transfers Out							
\$ -	\$ -	\$ 1,008,000	8105	Transfer Out to Fund 05	\$ 1,128,000	\$ 1,128,000	
-	-	-	8120	Transfer Out to Fund 20	154,600	154,600	
-	-	250,000	8172	Transfer Out to Fund 72	-	-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,258,000</u>	Total Transfers		<u>\$ 1,282,600</u>	<u>\$ 1,282,600</u>	<u>\$ -</u>
30-29- Contingency							
\$ -	\$ -	\$ 300,095	9000	Contingency	\$ 131,161	\$ 131,161	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,095</u>	Total Contingency		<u>\$ 131,161</u>	<u>\$ 131,161</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,087,895</u>	Total Appropriations		<u>\$ 1,892,161</u>	<u>\$ 1,892,161</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	Unappropriated ending fund balance		\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,087,895</u>	Total Requirements		<u>\$ 1,892,161</u>	<u>\$ 1,892,161</u>	<u>\$ -</u>

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

Purpose: The Wastewater Revenue Bond Debt Service Fund accounts for non-property tax backed debt payments funded by transfers from the Wastewater Fund.

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

In 2011 the State of Oregon Department of Environmental Quality Clean Water State Revolving Fun (SRF) Loan Program for Intended Use Plans loaned \$19M to OLWS; 66 percent of federal capitalization grant funds and 34 percent state funds. The Loan has a twenty-year maturity term and range of 0-2.65 percent interest rate, plus an annual .5 percent administrative fee of the principal balance.

The loan requires a legal loan reserve in which OLWS must place an amount equal to one-half the average annual debt service in reserve. The loan program also requires debt service coverage in which OLWS must maintain wastewater rates in connection with the operation of the facility that are adequate to generate net operating revenues in each fiscal year sufficient to pay all revenue backed debt service requirements plus five percent of the loan's annual debt service expenditures.

JP Morgan Bank Loan

On December 20, 2017 OLWS borrowed \$15,173,000 from JP Morgan Bank to defease \$14,310,000 in General Obligation (GO) Bonds issued on May 13, 2010. The loan has a thirteen-year maturity term at a 2.5 percent interest rate. The advance refunding of the 2010 GO Bonds will save OLWS approximately \$915K in total debt service through fiscal year 2030.

The loan requires debt service coverage in which OLWS must charge rates and fees adequate to generate revenues that are at least equal to twenty percent of parity bond debt service and one-hundred percent combined parity and subordinate obligation debt service.

State of Oregon Infrastructure Finance Authority Loans

On August 31, 2010 the State of Oregon Infrastructure Finance Authority (IFA) loaned OLWS \$8M of Recovery Zone Economic Development Bonds, also known as United States Build America Bonds, on a twenty-year maturity term with rates ranging from 2-2.84 percent.

On February 18, 2021 OLWS participated in a bond refunding to amend the loan agreement with the State of Oregon Business Oregon, who refunded the bonds that funded the IFA loan. The amended agreement for \$3,684,197.37 is secured with a pledge of wastewater net revenue and will continue for the remaining ten-years of the original loan, retaining the maturity date of December 1, 2030 with an all-in true interest cost of 1.323 percent.

OAK LODGE WATER SERVICES AUTHORITY
APPROVED BUDGET – FY 2023-24

Fund 50 - Wastewater Revenue Bond Debt Service

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Object Code	Item	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
			50-00-	Resources			
\$ -	\$ -	\$ 592,666	3500	Fund Balance	\$ 527,978	\$ 527,978	
-	-	1,000	4610	Investment Revenue	3,000	3,000	
			50-29-	Transfers In			
-	-	3,435,000	4920	Transfer In - Fund 20	3,482,000	3,482,000	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,028,666</u>		Total Resources	<u>\$ 4,012,978</u>	<u>\$ 4,012,978</u>	<u>\$ -</u>
			50-24-	Debt Service			
				Principal Payments			
\$ -	\$ -	\$ 946,261	6810	2010 SRF Loan - Due 8/1 & 2/1	\$ 965,000	\$ 965,000	
		310,030	6811	2021 IFA Loan - Due 12/1	323,000	323,000	
		1,420,000	6813	2017 JPM Bank Loan - Due 5/1	1,450,000	1,450,000	
				Interest Payments			
		282,964	6820	2010 SRF Loan - Due 8/1 & 2/1	260,000	260,000	
		168,839	6822	2021 IFA Loan - Due 12/1	154,000	154,000	
-	-	306,050	6823	2017 JPM Bank Loan - Due 11/1 & 5/1	271,000	271,000	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,434,144</u>		Total Debt Service	<u>\$ 3,423,000</u>	<u>\$ 3,423,000</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,434,144</u>		Total Appropriations	<u>\$ 3,423,000</u>	<u>\$ 3,423,000</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 594,522</u>		Reserve for Future Expenditures	<u>\$ 589,978</u>	<u>\$ 589,978</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,028,666</u>		Total Requirements	<u>\$ 4,012,978</u>	<u>\$ 4,012,978</u>	<u>\$ -</u>

Drinking Water Capital Fund
Fund 71

Purpose: The Drinking Water Capital Fund accounts for debt proceeds, capital expenditures, contingencies, and reserves associated with drinking water capital improvement planning through transfers from the Drinking Water Fund. Refer to the Capital Improvement Plan for detailed information.

Fund 71 - Drinking Water Capital Fund

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Object Code	Item	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
71-00- Resources							
\$ -	\$ -	\$ 3,911,900	3500	Fund Balance	\$ 3,442,700	\$ 3,442,700	
-	-	50,000	4221	System Devel. - Reimbursement	50,000	50,000	
-	-	50,000	4225	System Devel. - Improvement	50,000	50,000	
-	-	30,000	4610	Investment Revenue	50,000	50,000	
71-29- Transfers In							
-	-	928,000	4910	Transfer In - Fund 10	2,000,000	2,000,000	
\$ -	\$ -	\$ 4,969,900	Total Resources		\$ 5,592,700	\$ 5,592,700	\$ -
71-20- Capital Outlay							
\$ -	\$ -	\$ 470,000	7200	Infrastructure	\$ 535,000	\$ 535,000	
-	-	-	7300	Building and Improvements	25,000	25,000	
-	-	64,000	7520	Equipment	200,000	200,000	
-	-	30,000	7530	Information Technology	100,000	100,000	
-	-	-	7540	Vehicles	-	-	
-	-	2,275,000	7600	Capital Improvement Projects	2,860,000	2,860,000	
\$ -	\$ -	\$ 2,839,000	Total Capital Outlay		\$ 3,720,000	\$ 3,720,000	\$ -
71-29- Transfers and Contingency							
\$ -	\$ -	\$ 288,000	9000	Contingency	\$ 370,000	\$ 370,000	
\$ -	\$ -	\$ 288,000	Total Transfers and Contingency		\$ 370,000	\$ 370,000	\$ -
\$ -	\$ -	\$ 3,127,000	Total Appropriations		\$ 4,090,000	\$ 4,090,000	\$ -
\$ -	\$ -	\$ 1,842,900	Reserve for Future Expenditures		\$ 1,502,700	\$ 1,502,700	\$ -
\$ -	\$ -	\$ 4,969,900	Total Requirements		\$ 5,592,700	\$ 5,592,700	\$ -

Wastewater Capital Fund

Fund 72

Purpose: The Wastewater Capital Fund accounts for debt proceeds, capital expenditures, contingencies, and reserves associated with wastewater treatment plant and wastewater collections system capital improvement planning through transfers from the Wastewater Fund. Refer to the Capital Improvement Plan for detailed information.

Fund 72 - Wastewater Capital Fund

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Object Code	Item	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
72-00- Resources							
\$ -	\$ -	\$ 4,006,108	3500	Fund Balance	\$ 2,730,089	\$ 2,730,089	
-	-	-	4221	System Devel. - Reimbursement	100,000	100,000	
-	-	-	4225	System Devel. - Improvement	-	-	
-	-	30,000	4610	Investment Revenue	30,000	30,000	
-	-	-	4650	Proceeds from Borrowing	2,200,000	2,200,000	
72-29- Transfers In							
-	-	1,500,000	4920	Transfer In - Fund 20	4,000,000	4,000,000	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,536,108</u>	Total Resources		<u>\$ 9,060,089</u>	<u>\$ 9,060,089</u>	<u>\$ -</u>
72-21- Capital Outlay - Treatment Plant							
\$ -	\$ -	\$ -	7300	Building and Improvements	\$ 25,000	\$ 25,000	
-	-	75,000	7400	Improvements other than Buildings	-	-	
-	-	205,000	7520	Equipment	690,000	690,000	
-	-	115,000	7530	Information Technology	115,000	115,000	
-	-	-	7540	Vehicles	-	-	
-	-	1,169,000	7600	Capital Improvement Projects	1,000,000	1,000,000	
72-22- Capital Outlay - Collections							
\$ -	\$ -	\$ 50,000	7200	Infrastructure	\$ 225,000	\$ 225,000	
-	-	-	7300	Building and Improvements	-	-	
-	-	40,000	7520	Equipment	30,000	30,000	
-	-	154,340	7530	Information Technology	-	-	
-	-	-	7540	Vehicles	-	-	
-	-	2,215,000	7600	Capital Improvement Projects	4,453,000	4,453,000	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,023,340</u>	Total Capital Outlay		<u>\$ 6,538,000</u>	<u>\$ 6,538,000</u>	<u>\$ -</u>
72-29- Transfers and Contingency							
\$ -	\$ -	\$ 481,834	9000	Contingency	\$ 653,800	\$ 653,800	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,834</u>	Total Transfers and Contingency		<u>\$ 653,800</u>	<u>\$ 653,800</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,505,174</u>	Total Appropriations		<u>\$ 7,191,800</u>	<u>\$ 7,191,800</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,030,934</u>	Reserve for Future Expenditures		<u>\$ 1,868,289</u>	<u>\$ 1,868,289</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,536,108</u>	Total Requirements		<u>\$ 9,060,089</u>	<u>\$ 9,060,089</u>	<u>\$ -</u>

Watershed Protection Capital Fund

Fund 73

Purpose: The Watershed Protection Capital Fund accounts for debt proceeds, capital expenditures, contingencies, and reserves associated with watershed protection capital improvement planning through transfers from the Watershed Protection Fund. Refer to the Capital Improvement Plan for detailed information.

Fund 73 - Watershed Protection Capital Fund

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Object Code	Item	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
73-00- Resources							
\$ -	\$ -	\$ 2,173,058	3500	Fund Balance	\$ 2,613,105	\$ 2,613,105	
-	-	10,000	4610	Investment Revenue	20,000	20,000	
73-29- Transfers In							
-	-	250,000	4930	Transfer In - Fund 30	-	-	
\$ -	\$ -	\$ 2,433,058	Total Resources		\$ 2,633,105	\$ 2,633,105	\$ -
73-23- Capital Outlay							
\$ -	\$ -	\$ -	7200	Infrastructure	\$ -	\$ -	
-	-	-	7300	Building and Improvements	-	-	
-	-	-	7520	Equipment	-	-	
-	-	-	7530	Information Technology	-	-	
-	-	-	7540	Vehicles	-	-	
-	-	300,000	7600	Capital Improvement Projects	300,000	300,000	
\$ -	\$ -	\$ 300,000	Total Capital Outlay		\$ 300,000	\$ 300,000	\$ -
73-29- Transfers and Contingency							
\$ -	\$ -	\$ 50,000	9000	Contingency	\$ 50,000	\$ 50,000	
\$ -	\$ -	\$ 50,000	Total Transfers and Contingency		\$ 50,000	\$ 50,000	\$ -
\$ -	\$ -	\$ 350,000	Total Appropriations		\$ 350,000	\$ 350,000	\$ -
\$ -	\$ -	\$ 2,083,058	Reserve for Future Expenditures		\$ 2,283,105	\$ 2,283,105	\$ -
\$ -	\$ -	\$ 2,433,058	Total Requirements		\$ 2,633,105	\$ 2,633,105	\$ -

LINE ITEM DESCRIPTIONS

MATERIALS & SERVICES EXPENDITURES

Acnt #	Description	Budget
6110	Legal Services Charges for services provided by outside counsel; including bond, legal and personnel.	\$ 375,000
6120	Accounting and Audit Services Costs associated with required annual financial audit services.	\$ 76,000
6155	Contracted Services Charges for services contracted for administrative services, operations and management. Engineering services Administrative services Laboratory services Other professional and technical services Printing and mailing services Lien Services Online billing services	\$ 1,446,500
6175	Records Management Cost of archiving of District records and records management facilitation, document storage, retrieval, and destruction.	\$ 8,500
6180	Dues and Subscriptions Cost of memberships and publications, which leverage the District’s limited resources in a manner that promotes cost-effectiveness, promotes ongoing employee education and training, and provides supporting services to the District. Association of Clean Water Agencies (ACWA) American Public Works Association (APWA) American Water Works Association (AWWA) American Water Works Association (AWWA) Northwest Sub-Section Clackamas Review Engaging Local Government Leaders Government Finance Officers Association International City Managers Association Local Government Personnel Institute National Association of Clean Water Agencies (NACWA) National Association of State Agencies for Surplus Property North Clackamas County Chamber of Commerce Oregon Association of Municipal Recordors Oregon Association of Water Utilities Oregon City/County Manager’s Association (OCCMA) Oregon Ethics Commission Oregon Government Finance Officers Association Oregon Water Utilities Council	\$ 62,000

LINE ITEM DESCRIPTIONS

MATERIALS & SERVICES EXPENDITURES

Acnt #	Description	Budget
	Dues and Subscriptions (cont.)	
	Other Subscriptions and Dues	
	Portland Human Resources Management Association (PHRMA)	
	Regional Water Providers Consortium	
	Rotary Club of Milwaukie	
	Society for Human Resources Management (SHRM)	
	Special Districts Association of Oregon (SDAO)	
	Tri-County Water Association	
	Urban & Regional Information Systems	
	Water Environment Federation	
6220	Electricity	\$ 435,000
	Electric utility costs associated with production, operations and facilities.	
6230	Telephone	\$ 59,700
	Record cost associated with voice equipment and telecommunication services whether wired or wireless.	
6240	Natural Gas	\$ 8,000
	Natural gas utility costs associated with production, operations, and facilities.	
6250	Solid Waste Disposal	\$ 44,000
	Costs associated with the disposal of headworks screenings, biosolids dumping, and other solid waste disposal activities.	
6290	Other Utilities	\$ 17,500
	Cost of utilities, other than electricity or natural gas, associated with production, operations and facilities.	
6310	Janitorial services	\$ 34,000
	Cost for janitorial services at buildings and structures.	
6320	Buildings and grounds	\$ 111,000
	Cost of maintaining builings and grounds, including landscaping services, wiring, plumbing, carpentry, painting, etc.	
6330	Vehicle and equipment maintenance	\$ 80,000
	Cost of maintaining vehicles and equipment including, repairs, tires, oil and other cost to maintain in good working order.	
6340	System maintenance	\$ 495,000
	Cost of repair and maintenance services to infrastructure of the drinking water distribution system,wastewater reclamation collection treatment systems, and watershed protection system.	

LINE ITEM DESCRIPTIONS

MATERIALS & SERVICES EXPENDITURES

Acnt #	Description	Budget
6350	Computer maintenance Cost associated with computer technology including hardware, software, licensing, associated peripherals and accessories. Includes outsources computer technology support.	\$ 434,500
6410	Mileage Reimbursement for the cost of private mileage incurred by an employee when traveling for business purposes.	\$ 5,500
6420	Staff training Costs associated with employee continuing education and training to maintain certification requirements. Includes related travel expenditure. Membership costs are accounted for in 6180 Dues and Subscriptions. <ul style="list-style-type: none"> Water Environment Federation / National Association of Clean Water Agencies (NACWA) Conference National Association of Clean Water Agencies (NACWA) Conference Special Districts Association of Conference American Water Works Association (AWWA) Pacific Northwest Conference American Water Works Association (AWWA) Annual Conference Government Finance Officers Association (GFOA) Annual Conference Oregon Government Finance Officers Institute Oregon Government Finance Officers Spring Conference Distribution Symposium Confined Spaces Required Training Oregon Association of Water Utilities (OAWU) Conference Pacific Northwest Clean Water Agencies (PNCWA) Conference Lucity Conference Storm Water Management Conference Team Building Employee Tuition Reimbursement Other Required Trainings 	\$ 100,600
6430	Certifications Cost associated with maintaining certifications as requirement for employee's position. <ul style="list-style-type: none"> Backflow Short School OHA Certifications DEQ Certifications Test Fees Other Fees 	\$ 8,000
6440	Board expense Cost associated with board meetings, board members attendance for the education, related travel expenditures and training. <ul style="list-style-type: none"> Special Districts Association Conference American Water Works Association (AWWA) Annual Conference Meeting Meals and Supplies Miscellaneous Mileage 	\$ 7,000

LINE ITEM DESCRIPTIONS

MATERIALS & SERVICES EXPENDITURES

Acnt #	Description	Budget
6510	Office supplies Cost of office materials, supplies, and services related to administration and operations.	\$ 36,000
6520	Fuels and oils Cost of fuel and oil for vehicles and equipment.	\$ 55,000
6525	Chemicals Cost of chemicals required in program operations.	\$ 77,000
6530	Small tools and equipment Cost of small tools and equipment with a replacement value of less than \$5,000 per item necessary for the performance of work.	\$ 55,000
6540	Safety supplies Cost associated with for safety supplies and services, including required protective footwear. Safety Mats First Aid & Safety supplies Staff Safety Protection: \$300/Field & OPS Staff (Footwear) Other Safety Supplies	\$ 55,000
6550	Operational supplies Cost of supplies necessary for the operations of the District.	\$ 30,000
6560	Uniforms Cost of uniforms provided to employees, except footwear which is categorized as safety.	\$ 42,000
6570	In-House Laboratory Supplies Cost of laboratory supplies necessary for in-house testing.	\$ 20,000
6610	Board compensation Cost of compensation of the board.	\$ 2,500
6620	Elections Costs The Purpose of the Board Election Costs is to provide funding for the cost related to the public elections of its officers.	\$ 5,000
6710	Purchased water Cost of water purchased that is resold to customers.	\$ 1,200,000
6715	Water Quality Program Cost of supplies and services necessary to test drinking water that is resold to customers.	\$ 28,500

LINE ITEM DESCRIPTIONS

MATERIALS & SERVICES EXPENDITURES

Acnt #	Description	Budget
6720	Insurance Cost of property, casualty, liability, earthquake, flood, and auto insurance coverage for District equipment and facilities.	\$ 235,000
6730	Communications Cost associated with public information, education, and involvement activities. Public Notices: Board Meetings, Budget Committee Meetings, Other Meetings Informational Brochures School Education Programs Watershed Protection Public Involvement Clean Water Coalition Regional Ad Campaign Miscellaneous Meeting Expenses	\$ 95,000
6740	Advertising Cost of advertisements, as required for meetings, procurement, budgets, and recruiting.	\$ 7,000
6760	Equipment rental Cost of rental or lease of equipment for office and operations.	\$ 32,000
6770	Bank charges Cost of banking fees charged for payments received and banking services rendered.	\$ 165,000
6780	Taxes, Fees, Permits Cost of property taxes regulatory compliance fees, annual required permits, right-of-way fees. Clackamas County Tax Collector: Property Tax Clackamas County - Ordinance Filing Fees Public Employee Retirement System (PERS): Administrative Fee State of Oregon DAS Ethics Commission Assessment Fee State of Oregon Secretary of State Filing Fee State of Oregon DEQ Wastewater System Operator Annual Support Fee State of Oregon DEQ National Pollutant Discharge Elimination System (NPDES) Permit Fee State of Oregon DEQ Air Contaminant Discharge Permit Fee State of Oregon DEQ Cleaner Air Oregon Fee State of Oregon DEQ Hazardous Materials Report Fee State of Oregon DEQ Municipal Separate Storm Sewer System (MS4) Permit State of Oregon OHA Cross Connection Annual Fee City of Gladstone's 5% Right-of-Way Franchise Fee City of Milwaukie (sewer processing fee) Union Pacific Right-of-Way Tax Other Taxes, Fees, Permits	\$ 121,400
6790	Miscellaneous expense Cost of other miscellaneous expenses.	\$ 7,000
Materials and Services Expenditures Total		\$ 6,076,200

LINE ITEM DESCRIPTIONS

CAPITAL OUTLAY EXPENDITURES

Acnt #	Description	Budget
7100	Land The purpose of the Land line item is to account for land and easement acquisitions.	\$ -
7200	Infrastructure The purpose of the Infrastructure line item is to account for the acquisition, improvement, and replacement of existing infrastructure.	\$ 760,000
7300	Buildings and improvements The purpose of the Buildings and Improvements line item is to account for acquisition, improvement, replacement, and capacity expansions of buildings and structures.	\$ 50,000
7400	Improvements other than buildings The purpose of the Improvements Other than Buildings line item is to account for improvements other than to buildings.	\$ -
7510	Furniture and fixtures The purpose of the Furniture and Fixtures line item is to account for the acquisition of furniture	\$ -
7520	Equipment The purpose of the Equipment line item is to account for the acquisition of equipment.	\$ 920,000
7530	Software The purpose of the Software line item is to account for the acquisition of software.	\$ 215,000
7540	Vehicles The purpose of the Vehicles line item is to account for the acquisition of vehicles.	\$ -
7600	Capital improvements The purpose of the Capital Improvements line item is to account for improvements identified in the capital improvement plan(s).	\$ 8,613,000
	Capital Outlay Total	\$ 10,558,000

LINE ITEM DESCRIPTIONS

DEBT SERVICE EXPENDITURES

Acnt#	Description	Budget
6810	Principal Payments - 2010 SRF Loan Principal Account for principal payments related to a State of Oregon Department of Environmental Quality (DEQ) Clean Water State Revolving Fund (CWSRF) Loan.	\$ 965,000
6811	Principal Payments - 2021 IFA Loan Principal Account for principal payments related to a State of Oregon Infrastructure Finance Authority (IFA) Loan.	\$ 323,000
6813	Principal Payments - 2017 JPM Bank Loan Principal Account for principal payments related to a JP Morgan Bank Loan.	\$ 1,450,000
6815	Principal Payments - 2019 Zions Bank Loan Principal Account for principal payments related to a Zions Bank Loan.	\$ 193,000
6820	Interest Payments - 2010 SRF Loan Interest Account for interest payments related to a State of Oregon Department of Environmental Quality (DEQ) Clean Water State Revolving Fund (CWSRF) Loan.	\$ 260,000
6822	Interest Payments - 2021 IFA Loan Interest Account for interest payments related to a State of Oregon Infrastructure Finance Authority (IFA) Loan.	\$ 154,000
6823	Interest Payments - 2017 JPM Bank Loan Interest Account for interest payments related to a JP Morgan Bank Loan.	\$ 271,000
6825	Interest Payments - 2019 Zions Bank Loan Interest Account for interest payments related to a Zions Bank Loan.	\$ 16,100
	Debt Service Expenditures Total	\$ 3,632,100

LINE ITEM DESCRIPTIONS

TRANSFERS OUT

Acnt#	Description	Budget
8105	Transfer to Fund 05 Transfer of resources to the Administrative Services Fund.	\$ 4,404,000
8120	Transfer to Fund 20 Transfer of resources to the Wastewater Operating Fund.	\$ 154,600
8150	Transfer to Fund 50 Transfer of resources to the Wastewater Revenue Bond Debt Service Fund.	\$ 3,482,000
8171	Transfer to Fund 71 Transfer of resources to the Drinking Water Capital Fund.	\$ 2,000,000
8172	Transfer to Fund 72 Transfer of resources to the Wastewater Capital Fund.	\$ 4,000,000
	Transfers Out Total	\$ 13,886,000

LINE ITEM DESCRIPTIONS

CONTINGENCIES

Acct #	Description	Budget
9000	Contingency Provide a contingency in the event actual expenditures exceed budgeted appropriations or actual revenues are less than anticipated.	\$ 3,223,909
	Contingencies Total	\$ 3,223,909

End of report

Oak Lodge Water Services Authority
CAPITAL IMPROVEMENT PLAN
Fiscal Years 2024 - 2029



Table of Contents

<u>CIP Message</u>	<u>3</u>
<u>Document Guide</u>	<u>4</u>
<u>CIP Overview</u>	<u>5</u>
<u>Summary Information</u>	<u>6</u>
<u>Multi-Document Transparency</u>	<u>8</u>
<u>CIP Process</u>	<u>9</u>
<u>Vehicle Replacement Schedule</u>	<u>10</u>
<u>Watershed Protection Project Section</u>	<u>11</u>
<u>Wastewater Project Section</u>	<u>14</u>
<u>Water Project Section</u>	<u>40</u>
<u>Contact Information</u>	Back Cover

Message from the Public Works Director/District Engineer

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

As this document is being produced, staff has the benefit of a newly adopted Wastewater Master Plan to pull prioritized wastewater projects from. The Water Master Plan is fairly new as well, being adopted in 2020 with prioritized projects. Both of these documents help staff create an up to date and informed project list to shape the CIP for the FY24 budget cycle.

In parallel to the creation of the Wastewater Master Plan, staff simultaneously negotiated an updated permit with DEQ for the operation of your Wastewater Treatment Plant. This new permit layered more stringent standards on the plant; standards in which it currently can not meet. To resolve this issue, OLWS is looking to fund a Tertiary Filter Project (found on page 23). This is an example of how important it is for this document to look at the current fiscal year and beyond to meet the growing permitting demands placed on OLWS.

This proactive approach will not only save our rate payers money, but will enhance services due to time savings. Like a house waiting for a roof failure, that failure creates more damage to the house and costs more to repair than it would proactively; the same holds true for OLWS's investment in your infrastructure.

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


Sincerely,

Brad Albert, PE
Oak Lodge Water Services Authority
Public Works Director/District Engineer

How to Use This Document

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

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

Aldercrest Road									
									
Project Description									
Replacement of 3,025 feet of 6-inch and 8-inch ductile iron pipe with 8-inch ductile iron pipe.									
Project Justification									
During the creation Water System Master Plan, Operations Staff identified and prioritized six pipeline projects based on age and condition. This project was prioritized by staff to be the single most important project to the District when trying to avoid main breaks.									
Future Operating Cost Impact									
Completion of this project would lessen overall main breaks and thus lower operating costs.									
Budget Information and Projected Costs									
Pre-CIP (<FY22)	FY23	FY24	FY25	FY26	FY27	FY28	Total (in CIP)	Post-CIP (>FY28)	
\$ 355,000	\$ 1,195,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,195,000	\$ -	
SDC Improvement Fee Eligibility: 9.7%									

Capital Improvement Plan Overview

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

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

As compared to Capital Outlay line in the Budget, which may include purchases as low as \$5,000 and have a useful life of at least one year, a capital “project” contained within this document is defined by the complexity of the work.

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

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

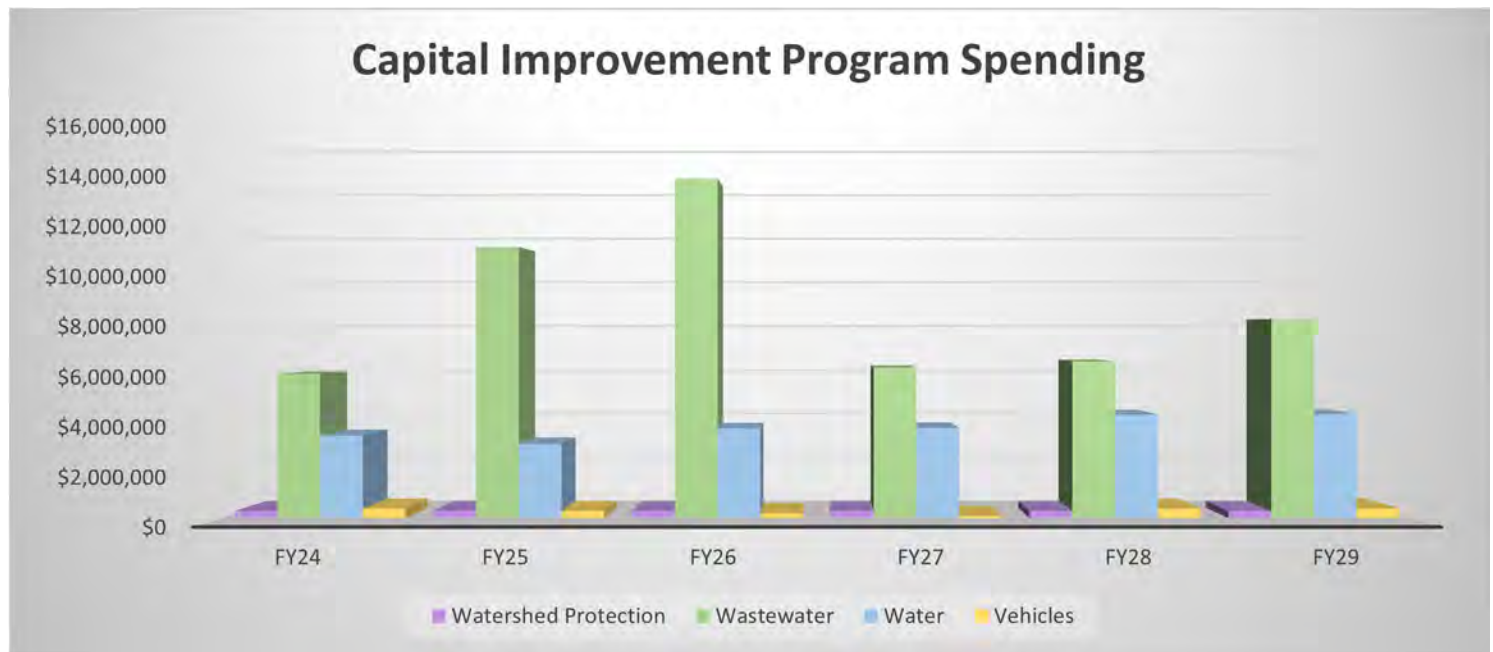
Factors in Evaluating CIP Projects

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

Summary Information

Funding Summary

	FY24	FY25	FY26	FY27	FY28	FY29	Total
Watershed Protection	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,800,000
Wastewater	\$6,018,000	\$11,292,093	\$14,146,185	\$6,282,912	\$6,540,395	\$8,281,180	\$52,560,765
Water	\$3,450,000	\$3,101,125	\$3,750,500	\$3,767,045	\$4,317,636	\$4,346,275	\$22,732,581
Vehicles	\$400,000	\$297,800	\$203,135	\$93,572	\$390,333	\$403,284	\$1,788,124
Total Capital Improvement Program	\$10,168,000	\$14,991,018	\$18,399,820	\$10,443,529	\$11,548,364	\$13,330,739	\$78,881,470



Funding for Capital Projects comes from four OLWS sources

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

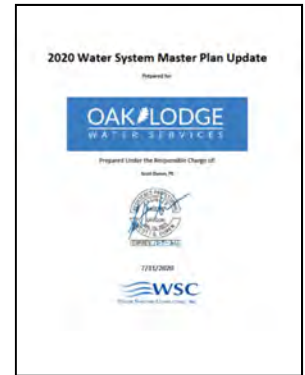
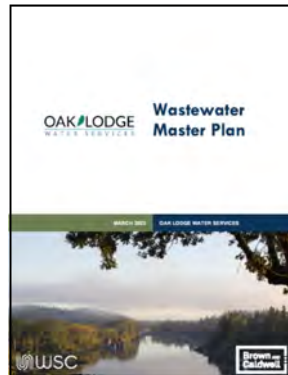
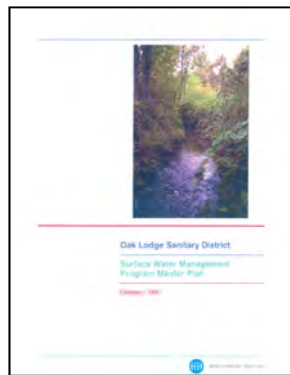


Multi-Document Transparency

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

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

Master Plans
 - Surface Water
 - Wastewater
 - Water



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

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

Fund 71 - Drinking Water Capital Fund

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

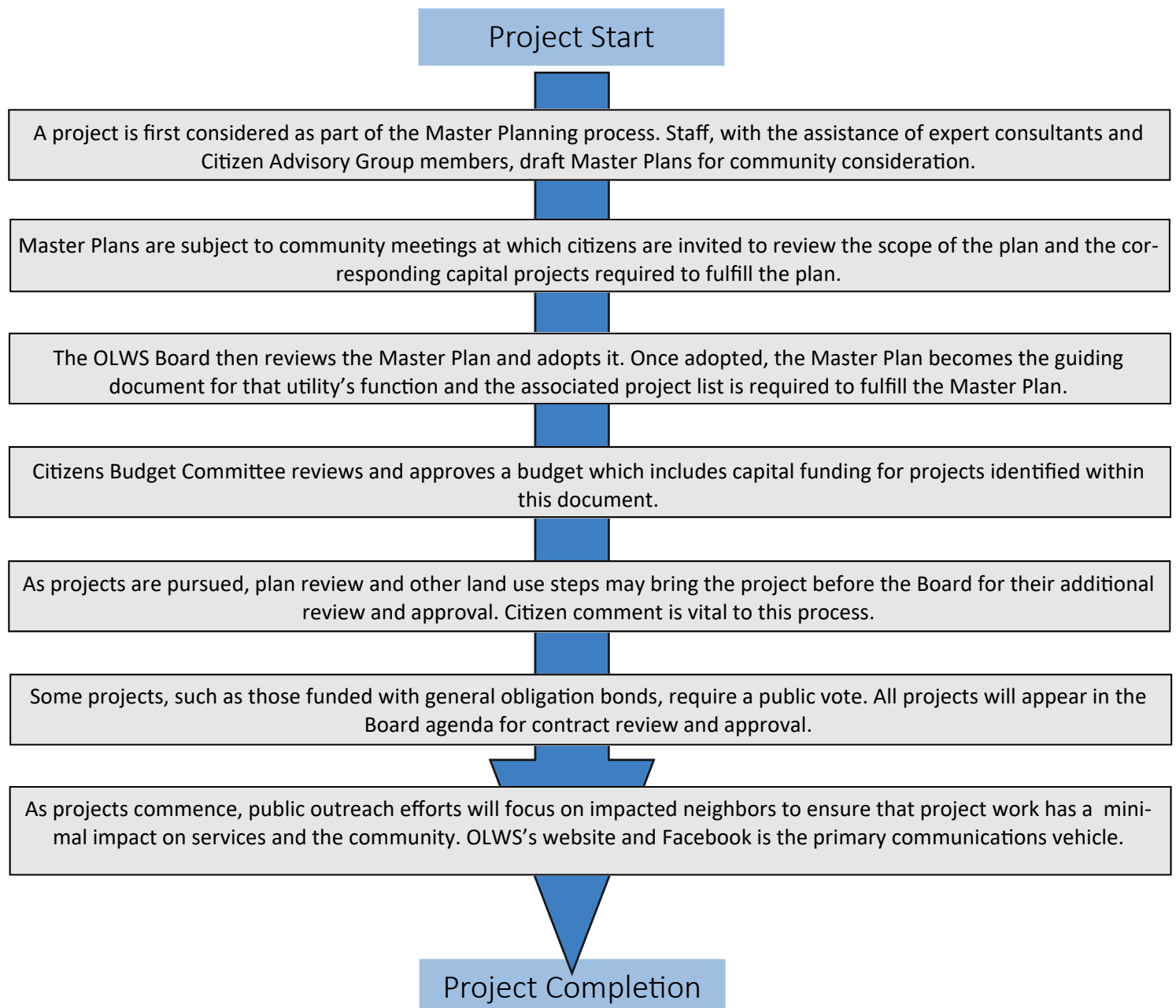
The Process of a CIP Project

Question:

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

Answer:

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



Vehicles and Equipment

Overview

Oak Lodge Water Services Authority (OLWS) has 36 pieces of rolling stock. 16 primarily used for the water, 18 for sewer and 1 for storm and 1 for Technical Services inspections. This program aims to systematically set aside funds at a predictable rate, that not only gives the Board a snapshot of the current fleet, but it also allows staff to show the Board in a single document the intended replacement schedule of each piece of equipment.

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

Vehicle Capital Purchases

ID#	Program	Vehicle Description	FY24	FY25	FY26	FY27	FY28	FY29	Totals
NEW	Wastewater	Biosolids Loader	250,000						\$ 250,000
12	Collections	Field Operations Vehicle		66,150					\$ 66,150
8	Technical Services	Inspection Truck		66,150					\$ 66,150
30	Water	Operations Dump Truck	150,000						\$ 150,000
55	Water	Field Operations Truck			68,135				\$ 68,135
42	Water	Backhoe		165,500					\$ 165,500
15	Wastewater	Plant Operations Truck			45,000				\$ 45,000
16	Wastewater	Plant Operations Truck			90,000				\$ 90,000
23	Wastewater	Portable Generator				23,393			\$ 23,393
68	Water	Field Operations Truck				70,179			\$ 70,179
69	Water	Field Operations Truck					89,150		\$ 89,150
17	Wastewater	Hydrocleaner					301,183		\$ 301,183
19	Wastewater	TV Van						403,284	\$ 403,284
Total Vehicle Capital Expenses			\$ 400,000	\$ 297,800	\$ 203,135	\$ 93,572	\$ 390,333	\$ 403,284	\$ 1,788,124

Overview

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

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

OLWS charges customers a monthly surface water fee, which covers all surface water program operations. Annual revenue changes slightly (based on the number of customers), but is approximately \$1.6M annually.

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

Watershed Protection Capital Improvement Projects

Page	Project Name	FY24	FY25	FY26	FY27	FY28	FY29
12	Boardman and Arista Flooding	300,000					
13	Localized Enhancement Program		300,000	300,000	300,000	300,000	300,000
Total Watershed Protection Capital Expenses		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000

Boardman and Arista Flooding



Project Description

Recognized as one of the OLWS's worst flooding spots, this site repeatedly floods the Trolley Trail, Boardman Avenue, Arista Drive and private property. Currently, it is suspected that beaver dams and flat grades cause a majority of the flooding. This project seeks first to identify alternatives that could ease the flooding or completely eliminate it. Once these alternatives are identified, they will be presented to the stakeholders and a project will be decided upon based on funding contributions.

Project Justification

By fixing flooding issues within the service area it improves environmental health, livability, and property values. These types of projects also help OLWS's MS4 Annual commitments to treating stormwater.

Future Operating Cost Impact

This project will both decrease Staff's time reporting to localized flooding; however, depending on the solution it may increase maintenance of OLWS owned facilities.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	<i>Total (in CIP)</i>	<i>Post-CIP (>FY28)</i>
\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	

SDC Improvement Fee Eligibility: 0%

Localized Enhancement Program



Project Description

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

Project Justification

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

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY28)
\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000	TBD

SDC Improvement Fee Eligibility: 0%

Overview

Oak Lodge Water Services Authority (OLWS) charges customers a monthly fee for wastewater service. Annual revenue changes slightly based on the number and types of customers, and comes in at approximately \$8.6M annually. Of this revenue, approximately 12% is budgeted to be used on capital improvements. The majority of wastewater revenue is used for payment of the debt service to address the various loans associated with the Wastewater Treatment Plant Expansion project.

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

Wastewater Capital Improvement Projects

Page	Project Name	FY24	FY25	FY26	FY27	FY28	FY29	Totals
15	Lift Station 5 Basin RDII	2,200,000						\$ 2,200,000
16	Lift Station 2 Basin RDII	328,000	450,000	4,705,823				\$ 5,483,823
17	Lift Station 6 Basin RDII		82,688	476,942				\$ 559,630
18	Influent Lift Station Basin RDII		1,214,955	250,000	3,297,525	3,653,951		\$ 8,416,431
19	Lift Station 4 Basin RDII			46,559	191,821			\$ 238,380
20	Trunk Main A Upsizing					1,427,607	6,618,819	\$ 8,046,426
21	Trunk Main B Upsizing						1,285,545	\$ 1,285,545
22	Lift Station 2 Construction	1,100,000						\$ 1,100,000
23	Lift Station 3 Construction	75,000	220,000	908,460	935,714			\$ 2,139,174
24	Hillside Sewer Line Replacement	700,000						\$ 700,000
25	Boardman Sewer Line Replacement		630,000					\$ 630,000
26	Manhole Repair Program	75,000	100,000	100,000	100,000	100,000	100,000	\$ 575,000
27	Wastewater Main Repair Program	75,000	100,000	100,000	100,000	100,000	100,000	\$ 575,000
28	Lateral Repair Program	75,000	100,000	100,000	100,000	100,000	100,000	\$ 575,000
29	Replace Aeration Blowers	275,000	300,000					\$ 575,000
30	Tertiary Treatment at WWTP	800,000	6,615,000	5,677,875				\$ 13,092,875
31	Influent Lift Station Reconstruction			124,913	526,339	542,129		\$ 1,193,381
32	Secondary Clarifier 1 and 2 Refurbishment	200,000	1,323,000	1,249,133				\$ 2,772,133
33	UV Disinfection Rehabilitation			124,913	526,339	542,129		\$ 1,193,381
34	UV Disinfection Equipment Replacement	30,000	31,500	32,445	33,418	34,421	35,454	\$ 197,238
35	TWAS Pump Replacement			75,000				\$ 75,000
36	Motor Control (VFD) Replacement	35,000	36,750	37,853	38,988	40,158	41,362	\$ 230,111
37	Plant Drain Pump Replacement			136,269				\$ 136,269
38	Plant Air-line Inspection		88,200					\$ 88,200
39	Wastewater Master Plan update	50,000			432,768			\$ 482,768
Total Wastewater Capital Expenses		\$ 6,018,000	\$ 11,292,093	\$14,146,185	\$ 6,282,912	\$ 6,540,395	\$ 8,281,180	\$ 52,560,765

Lift Station 5 Basin RDII



Project Description

This project will enact the following measures to reduce RDII in the Lift Station 5 Basin:
Smoke testing 35,000 LF of pipe; flow metering at 5 locations (pre- and post-rehabilitation [rehab]); rehab of 173 LF of 6” pipe, 5,839 LF of 8” pipe, 2,556 LF of 10” pipe, and 215 LF of 12” pipe; rehab of 6 manholes (63 vertical feet [VF]); and rehab of 138 laterals from the main to the property connection.

Project Justification

Rainfall-derived Infiltration and Inflow (RDII) occurs after heavy rains when rainwater makes its way into the collections system and mixes with the wastewater. The full combined flow then needs to be transported and treated. By shoring up the collections system against RDII, all downstream conveyance and treatment infrastructure can be right-sized to treat customer's wastewater only without also conveying and treating rainwater.

Future Operating Cost Impact

OLWS has commissioned past studies showing how the cost of RDII reductions is far less expensive than upgrading downstream infrastructure to handle combined flows.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 2,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,200,000	\$ -

SDC Improvement Fee Eligibility: 0%

Lift Station 2 Basin RDII



Project Description

This project will enact the following measures to reduce RDII in the Lift Station 2 Basin: Smoke testing 165,414 LF of pipe; flow metering at 17 locations (pre- and post-rehab); rehab of 11,145 LF of 8” pipe, 304 LF of 12” pipe, 4 LF of 14” pipe, 251 LF of 18” pipe, 752 LF of 20” pipe, and 338 LF of 21” pipe; rehab of 9 manholes (95 VF); and rehab of 198 laterals from the main to the property connection.

Project Justification

Rainfall-derived Infiltration and Inflow (RDII) occurs after heavy rains when rainwater makes its way into the collections system and mixes with the wastewater. The full combined flow then needs to be transported and treated. By shoring up the collections system against RDII, all downstream conveyance and treatment infrastructure can be right-sized to treat customer's wastewater only without also conveying and treating rainwater.

Future Operating Cost Impact

OLWS has commissioned past studies showing how the cost of RDII reductions is far less expensive than upgrading downstream infrastructure to handle combined flows.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 328,000	\$ 450,000	\$ 4,705,823	\$ -	\$ -	\$ -	\$ 5,483,823	\$ -

SDC Improvement Fee Eligibility: 0%

Lift Station 6 Basin RDII



Project Description

This project will enact the following measures to reduce RDII in the Lift Station 6 Basin: Smoke testing 6,846 LF of pipe; flow metering at 2 locations (pre- and post-rehab); rehab of 171 LF of 8” pipe; rehabilitation of 1 manhole (11 VF); and rehab of 33 laterals from the main to the property connection. Scope is limited to OLWS-owned assets.

Project Justification

Rainfall-derived Infiltration and Inflow (RDII) occurs after heavy rains when rainwater makes its way into the collections system and mixes with the wastewater. The full combined flow then needs to be transported and treated. By shoring up the collections system against RDII, all downstream conveyance and treatment infrastructure can be right-sized to treat customer's wastewater only without also conveying and treating rainwater.

Future Operating Cost Impact

OLWS has commissioned past studies showing how the cost of RDII reductions is far less expensive than upgrading downstream infrastructure to handle combined flows.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ 82,688	\$ 476,942	\$ -	\$ -	\$ -	\$ 559,630	\$ -

SDC Improvement Fee Eligibility: 0%

Influent Lift Station Basin RDII



Project Description

This project will enact the following measures to reduce RDII in the Influent Lift Station Basin: Smoke testing 207,931 LF of pipe; flow metering at 21 locations (pre- and post-rehab); rehab of 270 LF of 6" pipe, 12,724 LF of 8" pipe, 503 LF of 10" pipe, 250 LF of 12" pipe, 247 LF of 15" pipe, and 1,428 LF of 21" pipe; rehab of 17 manholes (179 VF); and rehab of 326 laterals from the main to the property connection.

Project Justification

Rainfall-derived Infiltration and Inflow (RDII) occurs after heavy rains when rainwater makes its way into the collections system and mixes with the wastewater. The full combined flow then needs to be transported and treated. By shoring up the collections system against RDII, all downstream conveyance and treatment infrastructure can be right-sized to treat customer's wastewater only without also conveying and treating rainwater.

Future Operating Cost Impact

OLWS has commissioned past studies showing how the cost of RDII reductions is far less expensive than upgrading downstream infrastructure to handle combined flows.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ 1,214,955	\$ 250,000	\$ 3,297,525	\$ 3,653,951	\$ -	\$ 8,416,431	\$ -

SDC Improvement Fee Eligibility: 0%

Lift Station 4 Basin RDII



Project Description

This project will enact the following measures to reduce RDII in the Lift Station 4 Basin: Smoke testing 2,335 LF of pipe; flow metering at 1 location (pre- and post-rehab); rehab of 491 LF of 8” pipe; rehab of 1 manhole (11 VF); and rehab of 4 laterals from the main to the property connection.

Project Justification

Rainfall-derived Infiltration and Inflow (RDII) occurs after heavy rains when rainwater makes its way into the collections system and mixes with the wastewater. The full combined flow then needs to be transported and treated. By shoring up the collections system against RDII, all downstream conveyance and treatment infrastructure can be right-sized to treat customer's wastewater only without also conveying and treating rainwater.

Future Operating Cost Impact

OLWS has commissioned past studies showing how the cost of RDII reductions is far less expensive than upgrading downstream infrastructure to handle combined flows.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ 46,559	\$ 191,821	\$ -	\$ -	\$ 238,380	\$ -

SDC Improvement Fee Eligibility: 0%

Trunk Main A Upsizing



Project Description

Trunk Main A conveys over half of all wastewater collected in OLWS from Lift Station 2 to the Wastewater Treatment Plant. This project includes the installation of 3,516 LF of 24", 240 LF of 27", and 3,202 LF of 30" gravity wastewater main. Depending on the effectiveness of RDII reductions, this scope may be reduced.

Project Justification

Trunk Main A is currently undersized to convey both normal wastewater flows and the surges of rainfall-derived inflow and infiltration (RDII) experienced after heavy rainfall.

Future Operating Cost Impact

This project would reduce the likelihood of sanitary sewer overflow events at Lift Station 2.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ -	\$ -	\$ 1,427,607	\$ 6,618,819	\$ 8,046,426	\$ -

SDC Improvement Fee Eligibility: 0%

Trunk Main B Upsizing



Project Description

Trunk Main B conveys a majority of wastewater collected in the Influent Pump Station Basin. This project includes the installation of 362 LF of 15”, 4,600 LF of 18”, and 3,729 LF of 24” gravity wastewater main. Depending on the effectiveness of RDII reductions, this scope may be reduced.

Project Justification

Trunk Main B is currently undersized to convey both normal wastewater flows and the surges of rainfall-derived inflow and infiltration (RDII) experienced after heavy rainfall.

Future Operating Cost Impact

This project will reduce the likelihood of sanitary sewer overflow events in the Influent Pump Station Basin.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,285,545	\$ 1,285,545	\$ -

SDC Improvement Fee Eligibility: 0%

Lift Station 2 Construction



Project Description

This project will completely reconstruct OLWS's largest wastewater lift station - Lift Station 2. The station conveys nearly half of all wastewater collected by OLWS. The old structure and all its electrical and mechanical equipment will be removed and replaced as the facility gets reconfigured to host submersible non-clog pumps in a larger wetwell.

Project Justification

Existing equipment in Lift Station 2 is old, noisy, cumbersome to operate, and demanding of constant resources to remain in reliable operation. The pumps can only be worked on in a confined space, which creates a safety risk. Furthermore, with virtually no wetwell volume, the station performs poorly at handling surges of flow following rain storms. This project is designed to address all these issues with one rebuild.

Future Operating Cost Impact

The rebuilt station will demand fewer resources to keep running smoothly, both in terms of OLWS staff time and vendor-provided services. It will furthermore be better able to dampen storm surges, which could prevent sanitary sewer overflows following lighter storms.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000	\$ -

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

Lift Station 3 Construction



Project Description

This project will largely reconstruct Wastewater Lift Station 3. The mechanical and electrical components of the station will be completely overhauled. Several configurations for the wetwell are being considered, including refurbishing the existing wetwell or building a new one. Either way, the station will feature a submersible pump configuration that is safer and easier to maintain.

Project Justification

The pumps and other mechanics of this station are aged, difficult to maintain, and awkwardly located in multiple chambers below ground. Recent Tri-Met transportation improvements around Lift Station 3 have created an urban-style construction challenge as a light rail terminal, the Trolley Trail, and Park Avenue all intersect next to Lift Station 3.

Future Operating Cost Impact

The rebuilt station will demand fewer resources to keep running smoothly, both in terms of OLWS staff time and vendor-provided services.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	<i>Total (in CIP)</i>	<i>Post-CIP (>FY29)</i>
\$ 75,000	\$ 220,000	\$ 908,460	\$ 935,714			\$ 2,139,174	\$ -

SDC Improvement Fee Eligibility: 0%

Hillside Sewer Line Replacement



Project Description

This project replaces approximately 800 feet of wastewater main and two manholes buried beneath the banks of the Willamette River. The section of pipeline being replaced has deformed since it was initially constructed in the 1960's. It now has a low-lying belly where wastewater collects and decays.

Project Justification

Extra maintenance is needed to regularly clean this pipeline, up to once a month. Although OLWS collections crews' cleaning effort does indeed flush out the rotting sewage, the constant pressure washing is demanding of OLWS resources and slowly eroding the inside of the pipe wall.

Future Operating Cost Impact

The construction of the Hillside Project would reduce operating costs by eliminating the extraordinary and repeat burden on OLWS staff and equipment.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ -

SDC Improvement Fee Eligibility: 0%

Boardman Sewer Line Replacement



Project Description

This project will replace a section of wastewater main near Boardman Ave and HWY 99.

Project Justification

This project is prioritized in the Wastewater Master Plan. Currently this section of wastewater main has a long sag and collects debris. It is also under a large wetland area and re-routing this section will remove a majority of it from the wetland area.

Future Operating Cost Impact

Operational cost savings may be realized through reduced pipe maintenance.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ 630,000	\$ -	\$ -	\$ -	\$ -	\$ 630,000	\$ -

SDC Improvement Fee Eligibility: 0%

Manhole Repair Program



Project Description

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

Project Justification

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

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	<i>Total</i> <i>CIP)</i>	<i>(in</i> <i>Post-CIP</i> <i>(>FY29)</i>
\$ 75,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 575,000	>100K/year

SDC Improvement Fee Eligibility: 0%

Wastewater Main Repair Program



Project Description

The focus of this program is to repair and replace wastewater main lines, 8-inch diameter or smaller. Priority will be given to broken mainlines at risk of collapse and allowing stormwater inflow and infiltration into the collection system.

Project Justification

Stormwater seeps into the ground and makes its way into collection system through cracks in buried sewer pipe. This unwelcomed stormwater overwhelms the system's capacity to transport domestic wastewater from homes and businesses.

Future Operating Cost Impact

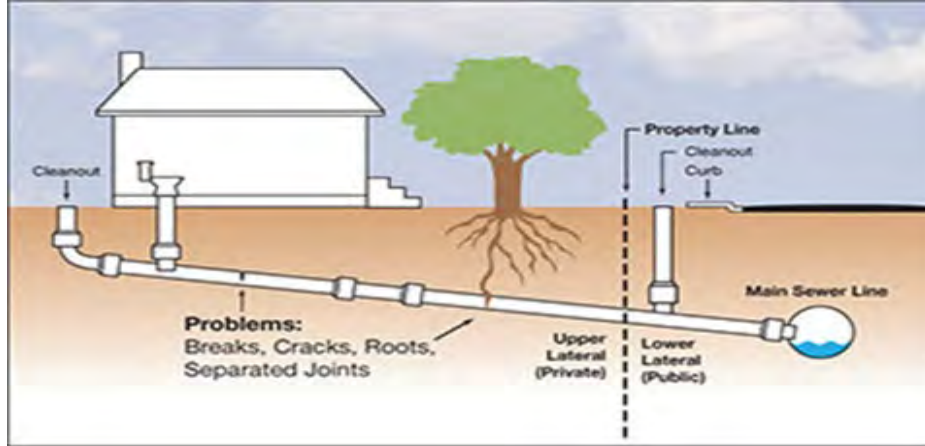
Avoids fines and penalties from DEQ resulting from non-compliance with permit.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	<i>Total (in CIP)</i>	<i>Post-CIP (>FY29)</i>
\$ 75,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 575,000	\$ -

SDC Improvement Fee Eligibility: 0%

Lateral Repair Program



Project Description

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

Project Justification

OLWS is responsible for wastewater laterals from the mainline to the property line or easement boundary. Currently there are 7550 laterals in the service area and the replacement of each is averaging around \$10,000 per lateral. If each lateral were to be replaced once every 100 years, the cost would be \$755,000 per year on this program.

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 75,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 575,000	>150k/year

SDC Improvement Fee Eligibility: 0%

Replace Aeration Blowers



Project Description

Four existing blowers in the Aeration Blowers Facility supply air to the treatment plant's Aeration Basins and Aerobic Digesters. Two of four have been replaced in Fiscal Year 2022-23, and this project will replace the other two.

Project Justification

The old turbo-style Aeration Blowers have experienced complicated mechanical flaws since they were installed. Troubleshooting and maintenance of these machines has been further hindered by the models being highly limited and no longer in production, making spare parts difficult to procure. The new positive-displacement-type blowers are simpler to maintain and crucially perform with greater flexibility to meet varying air demands at all times.

Future Operating Cost Impact

The positive-displacement blowers are expected to run with greater energy efficiency than the turbo-style blowers they replace. Savings would be realized through reduced electricity usage and reduced staff time maintaining the machines and troubleshooting technical issues.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 275,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 575,000	\$ -

SDC Improvement Fee Eligibility: 0%

Tertiary Treatment at WWTP



Project Description

OLWS Wastewater Treatment Plant (WWTP) has primary and secondary treatment. This project will add a tertiary level of treatment to the first two. This third phase of water purification polishes clarified wastewater with filters, removing microscopic particles that would otherwise get released to the Willamette River. When the WWTP was redesigned around 2009, space was left open for a tertiary treatment facility.

Project Justification

Through the new NPDES Permit, the Environmental Protection Agency has set stricter limits for the purity of water leaving the plant. The addition of tertiary treatment helps meet the more stringent requirements all year round.

Future Operating Cost Impact

This additional stage of wastewater treatment demands additional powered and maintenance. Although the power demand of tertiary filters is relatively low, maintenance time will be increased for OLWS staff, and new parts and materials will be needed to maintain the new filters.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 800,000	\$ 6,615,000	\$ 5,677,875	\$ -	\$ -	\$ -	\$ 13,092,875	\$ -

SDC Improvement Fee Eligibility: 0%

Influent Lift Station Reconstruction



Project Description

This project will reconfigure the Wastewater Treatment Plant's (WWTP's) Influent Pump Station Wetwell. The existing wetwell has a sharp boxy shape that collects grit and debris. This project will reshape the well to direct influent wastewater directly to the pumps, add security enhancements, and provide tools for managing the surface of the wastewater.

Project Justification

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

Future Operating Cost Impact

This project will reduce maintenance for the plant staff.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ 124,913	\$ 526,339	\$ 542,129	\$ -	\$ 1,193,381	\$ -

SDC Improvement Fee Eligibility: 0%

Secondary Clarifier 1 and 2 Refurbishment



Project Description

This Project primarily replaces the internal mechanisms of Secondary Clarifiers 1 and 2, which are reaching the end of their lifespan. These two older clarifiers will be rebuilt to perform as well as Secondary Clarifiers 3 and 4, which came online in 2012. Additional improvements will be made to walkways, safety railings, power supply, plant drain system, and return activated sludge control equipment.

Project Justification

The steel and fiberglass components are losing their structural strength, drive mechanisms are breaking down, and the two old clarifiers perform poorly at their main task of clarifying water. These clarifiers pre-date the plant's rebuild around 2011.

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 200,000	\$ 1,323,000	\$ 1,249,133	\$ -	\$ -	\$ -	\$ 2,772,133	\$ -

SDC Improvement Fee Eligibility: 0%

UV Disinfection Rehabilitation



Project Description

This project makes permanent improvements to the UV channels that disinfect treated wastewater before releasing it to the river. The project will replace effluent flow meters, complex gate maneuvering and level control with a new level control system, and influent gates with simple actuated slide gates. The project also inspects and modernizes the UV bulb control system itself.

Project Justification

The intent of the rebuild is to simplify maintenance, make level control more reliable, and heighten the redundancy of the UV disinfection system, which is vital to permit compliance.

Future Operating Cost Impact

This project will reduce the time needed by OLWS staff in maintaining the water level control system of the UV channels.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ 124,913	\$ 526,339	\$ 542,129	\$ -	\$ 1,193,381	\$ -

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

UV Disinfection Equipment Replacement



Project Description

This project replaces ultraviolet (UV) disinfection equipment.

Project Justification

UV disinfection equipment is reaching the end of its service life. The UV disinfection bulbs are replaced every 4 years and OLWS replaces on quarter of them each year.

Future Operating Cost Impact

This project imparts no material change to daily operations.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	<i>Total (in CIP)</i>	<i>Post-CIP (>FY29)</i>
\$ 30,000	\$ 31,500	\$ 32,445	\$ 33,418	\$ 34,421	\$ 35,454	\$ 197,238	\$ -

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

TWAS Pump Replacement



Project Description

This project replaces a pair of pumps used to move thickened waste activated sludge (TWAS, thickened sludge) between the WWTP Solids Handling Building and the Digesters.

Project Justification

The two existing TWAS pumps were initially installed around 2001 and are reaching the end of their service life.

Future Operating Cost Impact

This project imparts no material change to daily operations.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	>100K/year

SDC Improvement Fee Eligibility: 0%

Motor Control (VFD) Replacement



Project Description

This project replaces existing variable frequency drive (VFD) motor controllers. VFD's manipulate the shape of electrical power being supplied to large electric motors as a means to adjust the rotational speed of pumps, blower, and other powerful machines.

Project Justification

The existing VFD's are reaching the end of their service life.

Future Operating Cost Impact

This project imparts no material change to daily operations.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 35,000	\$ 36,750	\$ 37,853	\$ 38,988	\$ 40,158	\$ 41,362	\$ 230,111	TBD

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

Plant Drain Pump Replacement



Project Description

Adds a third bar screen in the headworks. In the 2012 upgrade, engineers added a slot for a third bar screen for future expansion.

Project Justification

When originally designed, the operating plan for most equipment at the WWTP was sized to have a lead piece of equipment, which could operate under normal conditions, with a spare or redundant piece of equipment as backup in case of failure or maintenance. As the flows have increased at the WWTP, operations has seen more and more use of both of the bar screens, leaving no redundancy in the case of failure or maintenance. During these times if one of the two automated bar screens were to fail, one bar screen would not be able to handle the flows and catastrophic flooding may occur.

Future Operating Cost Impact

Routine maintenance costs and electricity will go up slightly.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ 136,269	\$ -	\$ -	\$ -	\$ 136,269	

SDC Improvement Fee Eligibility: 0%

Plant Air-line Inspection



Project Description

This project will inspect and identify corrosion and loose fittings in three lightly-pressurized air pipelines (Air Low Pressure, ALP) at the WWTP. A specialist will inspect the lines that transport the low-pressure air from blowers to the Aeration Basins and Aerobic Digesters.

Project Justification

Alternating cycles of high and low pressure, temperature, and humidity within the ALP pipelines generates wear and corrosion. Since the ALP pipelines are both critical to plant operations and at risk of corrosion, a special inspection is prudent.

Future Operating Cost Impact

Inspection may reveal sections of ALP piping that need to be repaired and/or replaced.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ 88,200	\$ -	\$ -	\$ -	\$ -	\$ 88,200	

SDC Improvement Fee Eligibility: 0%

Wastewater Master Plan Update



Project Description

This project revisits the Wastewater Master Plan initially published in 2023 and provides an update to the big-picture direction of the entire wastewater collections and treatment system.

Project Justification

The Wastewater Master Plan is a continuously active plan that is most helpful when maintained and kept up to date.

Future Operating Cost Impact

Master planning reduces operational costs in the long run by aiding prudent decision making.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 50,000	\$ -	\$ -	\$ 432,768	\$ -	\$ -	\$ 482,768	

SDC Improvement Fee Eligibility: 0%

Overview

Oak Lodge Water Services Authority (OLWS) water distribution system is primarily comprised of 6-inch and 8-inch cast and ductile iron pipe. Prior to the Water Master Plan Adoption, OLWS has concentrated on eliminating many sections of 2-inch pipe and looping dead-ends and spent on average \$500,000 annually on water capital, however beginning last year this number has been increased to around \$1,500,000 to keep up with other water capital needs such as inter-ties and resiliency against natural disasters.

The District has more than sufficient storage with two 5 million gallon reservoirs at the Valley View site and two 2.8 million gallon reservoirs at the View Acres site to supply the system. However, the Valley View Reservoirs are also used as a storage source to serve the Sunrise Water Authority, Clackamas River Water and the City of Gladstone.

Water Capital Improvement Projects

Page	Project Name	FY24	FY25	FY26	FY27	FY28	FY29	Totals
41	Water Pump Station at CRW Generator	200,000						\$ 200,000
42	Seismic Study of 24-inch Supply Line	200,000						\$ 200,000
43	Valley View Tank Upgrades (Fall Protection)	150,000						\$ 150,000
44	Valley View Leak Repair	50,000						\$ 50,000
45	28th Avenue and Lakewood Drive	2,000,000						\$ 2,000,000
46	Milwaukie-OLWSD Intertie Pump Station	200,000	2,500,000	2,500,000				\$ 5,200,000
47	Large Meter Testing and Replacement	100,000	57,000	59,000	61,000	63,000	65,000	\$ 405,000
48	Valley View Pole Storage Building	25,000	75,000					\$ 100,000
49	Ranstad and Cinderella Courts		165,375					\$ 165,375
50	Marcia Court			200,000				\$ 200,000
51	Oatfield Road			400,000	3,000,000	2,000,000	2,000,000	\$ 7,400,000
52	Lisa Lane			340,000				\$ 340,000
53	Pressure Reducing Valve Rebuild (Every 5 years)		20,000					\$ 20,000
54	Hydrant Capital Repair and Replacement	175,000	183,750					\$ 358,750
55	McLoughlin - Jennings to Arista	250,000						\$ 250,000
56	AWIA Risk and Resilience Assessment - Update			50,000				\$ 50,000
57	Water System Master Plan - Update		50,000	150,000				\$ 200,000
58	SCADA System Upgrades	100,000	50,000	51,500	53,045	54,636	56,275	\$ 365,456
59	Radio Telemetry Activation Study				24,000			\$ 24,000
60	Vault Meter Bypass Installations				129,000			\$ 129,000
61	River Road				500,000	2,000,000	2,000,000	\$ 4,500,000
62	Seal Coat on Valley View Reservoir Domes					200,000		\$ 200,000
63	View Acres Recoat Tank Exterior and Interior						225,000	\$ 225,000
Total Water Capital Expenses		\$ 3,450,000	\$ 3,101,125	\$ 3,750,500	\$ 3,767,045	\$ 4,317,636	\$ 4,346,275	\$ 22,732,581

Water Pump Station at CRW Generator



Project Description

This project provides a backup power source for the potable water pump station at Clackamas River Water (CRW) water treatment plant. In the event OLWS's primary water source, North Clackamas County Water Commission (NCCWC), cannot deliver water as usual, the station at CRW can instead pump treated water from CRW up to OLWS's Valley View Reservoirs, as well as to reservoirs within Sunrise Water Authority.

Project Justification

Many of the events that can interrupt the delivery of treated drinking water to OLWS can be regional, such as grid-wide power failure following a storm. Resiliency to such events is upheld with redundant water sources and independent backup power. These measures keep fresh water flowing for drinking and fire suppression when the water supply may be needed the most.

Future Operating Cost Impact

This generator will need to be inspected regularly and maintained annually.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -

SDC Improvement Fee Eligibility: 0%

Seismic Study of 24-inch Supply Line



Project Description

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

Project Justification

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

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -

SDC Improvement Fee Eligibility: 0%

Valley View Tank Upgrades (Fall Protection)



Project Description

This project will install fall protection around the top of both water storage tanks at Valley View. New safety railings around the perimeter of both circular tanks will provide ease and safety during regular maintenance.

Project Justification

The current fall protection system in place is not up to the standards of current safety regulations and has met its useful life.

Future Operating Cost Impact

Permanent railings will eliminate the need for temporary fall protection measures and greatly reduce the risk of serious injury or death from a fall.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -

SDC Improvement Fee Eligibility: 0%

Valley View Leak Repair



Project Description

An ongoing leak has been occurring within the main valve vault that controls water flow into and out of the reservoirs. The central location of the leak makes it difficult to isolate for repairs, so engineering help has been sought to repair the damaged pipe.

Project Justification

Pipe leaks tend to worsen with time and can create further complications, such as corrosion or mildew growth, if not repaired.

Future Operating Cost Impact

No expected change in operating cost.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -

SDC Improvement Fee Eligibility: 0%

28th Avenue and Lakewood Drive



Project Description

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

Project Justification

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

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -

SDC Improvement Fee Eligibility: 18.3%

Milwaukie-OLWSD Intertie Pump Station



Project Description

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

Project Justification

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

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 200,000	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 5,200,000	\$ -

SDC Improvement Fee Eligibility: 0%

Large Meter Testing and Replacement



Project Description

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

Project Justification

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

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 100,000	\$ 57,000	\$ 59,000	\$ 61,000	\$ 63,000	\$ 65,000	\$ 405,000	\$50,550 in FY29&32

SDC Improvement Fee Eligibility: 0%

Valley View Pole Storage Building



Project Description

This project will construct a simple roofed pole barn at the Valley View Reservoirs site.

Project Justification

The pole barn will protect OLWS-owned materials and equipment from moisture damage and preventable corrosion.

Future Operating Cost Impact

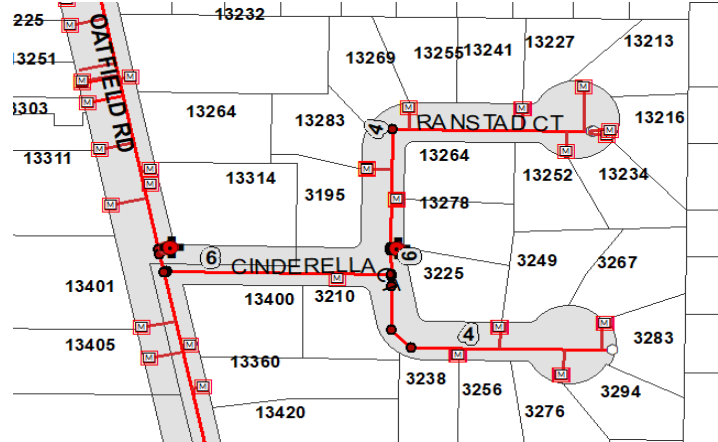
Equipment will last longer when properly stored and maintained, reducing operating costs.

Budget Information and Projected Costs

<i>FY24</i>	<i>FY25</i>	<i>FY26</i>	<i>FY27</i>	<i>FY28</i>	<i>FY29</i>	<i>Total (in CIP)</i>	<i>Post-CIP (>FY29)</i>
\$ 25,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -

SDC Improvement Fee Eligibility: 0%

Ranstad and Cinderella Courts



Project Description

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

Project Justification

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

Future Operating Cost Impact

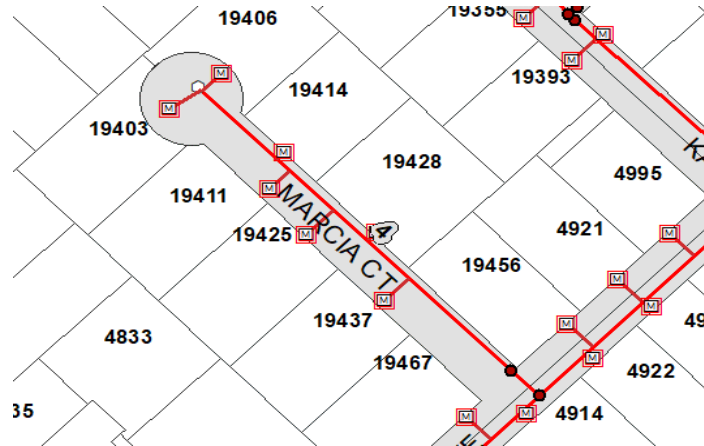
Completion of this project would lessen overall main breaks and thus lower operating costs.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ 165,375	\$ -	\$ -	\$ -	\$ -	\$ 165,375	\$ -

SDC Improvement Fee Eligibility: 28.9%

Marcia Court



Project Description

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

Project Justification

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

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000	\$ -

SDC Improvement Fee Eligibility: 32.2%

Oatfield Road



Project Description

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

Project Justification

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

Future Operating Cost Impact

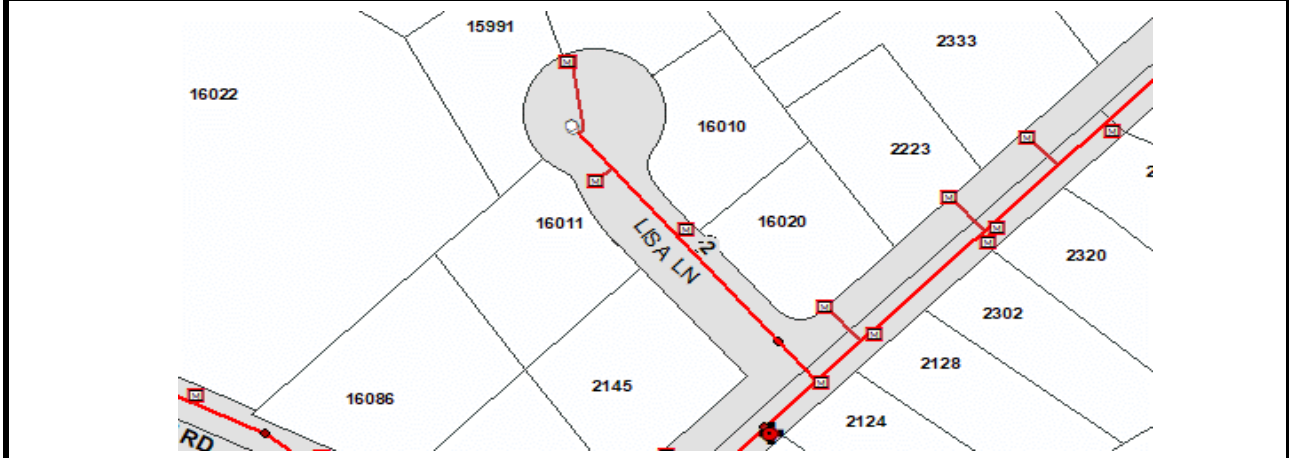
Completion of this project would lessen overall main breaks and thus lower operating costs.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ 400,000	\$ 3,000,000	\$ 2,000,000	\$ 2,000,000	\$ 7,400,000	\$ -

SDC Improvement Fee Eligibility: 7.9%

Lisa Lane



Project Description

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

Project Justification

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

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ 340,000	\$ -	\$ -	\$ -	\$ 340,000	\$ -

SDC Improvement Fee Eligibility: 33%

Pressure Reducing Valve Rebuild (Every 5 years)



Project Description

OLWS operates three pressure-reducing valves within the water distribution system. PRVs protect low-lying pipes and plumbing by reducing the pressure of potable water being delivered. OLWS has indicated that each of the PRVs should be rebuilt every five years. Typically this work is performed by an outside contractor.

Project Justification

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

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	25K in FY30

SDC Improvement Fee Eligibility: 0%

Hydrant Capital Repair and Replacement



Project Description

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

Project Justification

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

Future Operating Cost Impact

This project will not increase operating costs.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 175,000	\$ 183,750	\$ -	\$ -	\$ -	\$ -	\$ 358,750	\$ -

SDC Improvement Fee Eligibility: 0%

McLoughlin - Jennings to Arista



Project Description

This project replaces 180 feet of 8-inch cast iron pipe with 8-inch ductile iron pipe.

Project Justification

This section of water main had a break 3 years ago that was fixed. The section was closed on the north and south end with valves and was not put back in service. The paving requirement for digging up both ends of the line gives the opportunity to replace the pipe in full rather than flush an old line and put back in service. This section is part of a looped system in the area, which currently is not in service and therefore OLWS does not have a working looped piping system.

Future Operating Cost Impact

No expected change in operating cost.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -

SDC Improvement Fee Eligibility: 0%

AWIA Risk and Resilience Assessment - Update



Project Description

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

Project Justification

This project is required by Federal Law.

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -

SDC Improvement Fee Eligibility: 0%

Water System Master Plan - Update



Project Description

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

Project Justification

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

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ 50,000	\$ 150,000	\$ -	\$ -	\$ -	\$ 200,000	\$ -

SDC Improvement Fee Eligibility: 0%

SCADA System Upgrades



Project Description

The supervisory control and data acquisition (SCADA) system is a network of computers that control pumps, valves, and other water delivery infrastructure in real time. This project will update the programable logic controllers and other computer components.

Project Justification

Computerized controls regularly reach the end of their service life and need to be replaced.

Future Operating Cost Impact

A well-functioning SCADA system saves countless hours of OLWS staff time by automating common tasks.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 365,456	\$ -

SDC Improvement Fee Eligibility: 0%

Radio Telemetry Activation Study



Project Description

OLWS' Water System Master Plan identified a benefit to reactivating radio telemetry communications to serve as a backup communications system to the cellular modems. Radio telemetry units would be necessary at four OLWS facilities including Valley View, View Acres, the central operations shop, and the North Clackamas County Water Commission Water Treatment Plant.

Project Justification

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

Future Operating Cost Impact

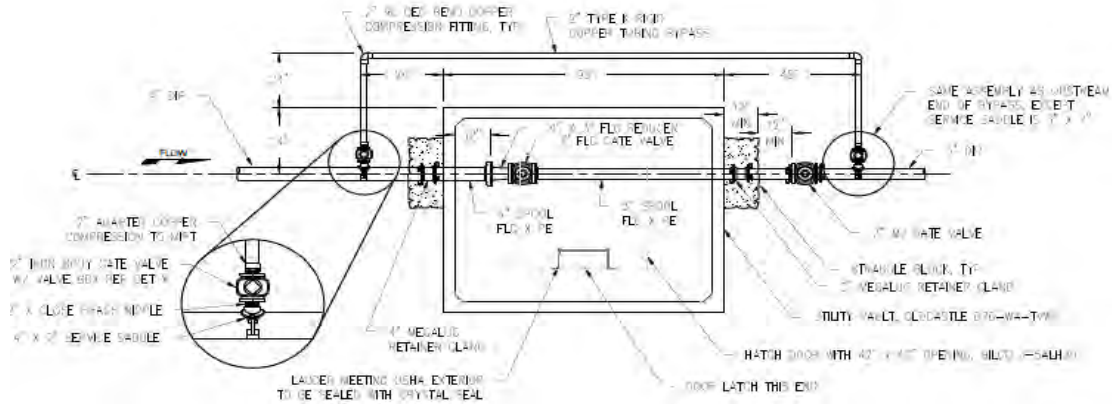
Annual User License Fees would apply to the telemetry system.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ -	\$ 24,000	\$ -	\$ -	\$ 24,000	TBD

SDC Improvement Fee Eligibility: 0%

Vault Meter Bypass Installations



Project Description

This projects aims to begin adding bypasses on some of the OLWS' larger meters.

Project Justification

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

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ -	\$ 129,000	\$ -	\$ -	\$ 129,000	\$ -

SDC Improvement Fee Eligibility: 0%

River Road Water Main Rehabilitation



Project Description

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

Project Justification

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

Future Operating Cost Impact

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

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ -	\$ 500,000	\$ 2,000,000	\$ 2,000,000	\$ 4,500,000	\$ 1,500,000

SDC Improvement Fee Eligibility: 9.5%

Seal Coat on Valley View Reservoir Domes



Project Description

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

Project Justification

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

Future Operating Cost Impact

This project will not change current operating costs.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000	\$ -

SDC Improvement Fee Eligibility: 0%

View Acres Recoat Tank Exterior and Interior



Project Description

The tall steel View Acres tanks require new coatings regularly to protect the steel structure from corrosion and deterioration. This project will coat both the outside of the tanks against weather-induced corrosion, and the inside of the tanks, which can corrode from the potable water and moist air within.

Project Justification

Application of fresh coatings is essential for the long-term maintenance of steel structures.

Future Operating Cost Impact

Regular recoatings will be needed in the future as coatings wear off over time.

Budget Information and Projected Costs

FY24	FY25	FY26	FY27	FY28	FY29	Total (in CIP)	Post-CIP (>FY29)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000	\$ -

SDC Improvement Fee Eligibility: 0%



Contact Us

Technical Services

PW Director/District Engineer — Brad Albert PE, brada@olwsd.org

Civil Engineer — Haakon Ogbeide PE, haakon@olwsd.org

Operations

WWTP Superintendent — David Hawkins, david@olwsd.org

Wastewater Field Supervisor — Chad Martinez, chad@olwsd.org

14496 SE River Road

Oak Grove, Oregon 97267

(503) 654-7765

oaklodgewaterservices.org



STAFF REPORT

To	Board of Directors
From	Gail Stevens, Finance Director
Title	Consideration of Resolution No. 2023-0017 Approving a FY 2023 Budget Transfer
Item No.	6
Date	May 16, 2023

This report was not complete at the time of publication and will be distributed as a supplemental item.



STAFF REPORT

To Board of Directors
From Brad Albert, Public Works Director/District Engineer
 Gail Stevens, Finance Director
Title Presentation of Quarterly Capital Project Status Report
Item No. 7
Date May 16, 2023

Summary

The Board has requested quarterly updates on the status of the Capital Improvement Plan (CIP). This report provides high level status of the projects and the budget spent to date. This is to inform the Board whether the projects are progressing on time and budget, or if adjustments have been made to accommodate unforeseen issues.

Capital Improvement Projects Status

Oak Lodge Water Services
 Capital Outlay Reporting
 FY2023 Q3 - July 2022 through March 2023

	Budget	Actuals	Projections	Projected Spend FY 2023	% of Budget	Variance
Drinking Water Capital	2,839,000	1,764,883	548,173	2,313,056	81%	525,944
Wastewater Capital						
Wastewater Treatment Plant	1,684,000	579,676	713,345	1,293,021	77%	390,979
Wastewater Collections System	2,459,340	640,650	1,096,048	1,736,698	71%	722,642
Watershed Protection Capital	300,000	21,377	21,864	43,241	14%	256,759
Totals	7,282,340	3,006,585	2,379,430	5,386,015	74%	1,896,325
Combined Contingency	699,834					
Appropriation	7,982,174					

Drinking Water

Aldercrest Water Main Replacement

- Project is complete excluding final paving.
- Final paving to take place at the end of May weather dependent (planned construction timeline).

28th Avenue Loop Water Main

- 90% design complete by end of May.
- Complications of pipe routing through the apartment complex are being discussed.
- Construction to occur in FY 2023-2024.

Milwaukie-OLWS Intertie Pump Station

- Awaiting final initial report from WSC.
- Preliminary feasibility is complete in conjunction with Milwaukie for the three sites to make a determination on preference.

OLWS Water Pump Station Generator

- Received a technical memorandum from Wallis Engineering on high level needs.
- Discussing upgrades with agency partners for next steps and timeline.

Wastewater Projects

Wastewater Master Plan 2022

- Project is complete and adopted in March 2023.
- SDC study to start in June and carry into FY 23-24.

Lift Station 5 Rebuild

- Project is complete and final closeout by end of May.

Lift Station 2 Rebuild

- Received 90% design plans for review.
- Advertise construction bid in January 2023.
- Open bids and Awarded the project at the February 2023 Board meeting.
- Construction to commence in April 2023.
- Forecast to be completed in Dec 2023.

Infiltration and Inflow Reduction Lift Station 5 Basin

- Smoke testing was completed in the Lift Station 5 basin area.
- Reviewing smoke testing data and compiling deficiencies into a project.
- Flow monitoring was completed February 2023.
- Preliminary Engineering has started to identify which maintenance treatment is appropriate for each mainline section.

Hillside Sewer Line Replacement

- Design 100% complete.
- All regulatory permits acquired.
- Advertised construction bid in February 2023.
- Awarded in March 2023.
- Start construction July 2023.

Attachments

1. Financial Spreadsheet Tracker

Drinking Water Capital Fund
Fund 71
FY2023 Q3 - July 2022 through March 2023

		Current Phase	Staff	CIP Budget	Re-assign	Adjusted Budget	Projected FY 2023	Variance	Estimated Phase Completion
Drinking Water									
71-20-7200	Infrastructure			470,000	20,000	490,000	409,735	80,265	
71-20-7520	Equipment			64,000	(20,000)	44,000	35,547	8,453	
71-20-7530	Information Technology			30,000	-	30,000	23,214	6,786	
71-20-7600	Capital Improvement Projects			2,275,000	-	2,275,000	1,844,559	430,441	
2020-W05	Aldercrest Rd. Water Main Replacement	Construction	Brad A	1,195,000	505,491	1,700,491	1,700,491	0	May-23
2020-W06	28th Ave Loop Water Main	Design	Brad A	600,000	(505,491)	94,509	53,064	41,445	Jun-23
2020-W02	Milwaukie-OLWS Intertie Pump Station	Design	Brad A	180,000	-	180,000	83,728	96,272	FY 2024
2021-W01	OLWS Water Pump Station @ CRW Generator	Design	Haakon	100,000	-	100,000	7,277	92,724	Jun-23
2023-DW01	Seismic Study 24-inch DW Supply Main		TBD	200,000	-	200,000	-	200,000	TBD
	Total Drinking Water			2,839,000	-	2,839,000	2,313,056	525,944	
	Contingency			288,000	-	288,000		288,000	
	Total Appropriation			3,127,000	-	3,127,000	2,313,056	813,944	

Wastewater Capital Fund
Fund 72
FY2023 Q3 - July 2022 through March 2023

Wastewater Treatment		Current Phase	Staff	CIP Budget	Re-assign	Adjusted Budget	Projected FY 2023	Variance	Estimated Phase Completion
72-21-7400	Improvement other than Bldgs			75,000	-	75,000	44,810	30,190	FY 2024 Jun-23 Jun-23
72-21-7520	Equipment			205,000	373,015	578,015	578,013	2	
72-21-7530	Information Technology			115,000	12,848	127,848	87,318	40,530	
72-21-7600	Capital Improvement Projects			1,169,000	(265,863)	903,137	582,879	320,257	
2020-SS06	Wastewater Master Plan 2022 (50%)	In progress	Brad A	155,000	55,116	210,116	185,116	25,000	
2020-SS04	Aeration Basin Blower Rehab	In progress	Haakon	14,000	49,976	63,976	50,427	13,550	
	Tertiary Filtration	Planning	Brad A	1,000,000	(370,955)	629,045	347,337	281,708	
	Total Treatment			1,564,000	120,000	1,684,000	1,293,021	390,979	
Wastewater Collections									
72-22-7200	Infrastructure			50,000	72,090	122,090	144,701	(22,611)	
72-22-7520	Equipment			40,000	(2,522)	37,478	37,478	-	
72-22-7530	Information Technology			154,340	52,358	206,698	206,696	2	
72-22-7600	Capital Improvement Projects			2,215,000	(121,926)	2,093,074	1,347,823	745,251	
2020-SS06	Wastewater Master Plan 2022 (50%)	In Progress	Brad A	155,000	55,116	210,116	185,116	25,000	Mar-23
2020-SS08	Lift Station #5 Rebuild	Pending Generato	Haakon	160,000	(35,581)	124,419	119,841	4,578	Apr-23
2022-SS01	Lift Station #2 Rebuild	Out to Bid	Haakon	800,000	-	800,000	735,793	64,207	FY 2024
2022-SS02	Trunk Main Capacity (River Forest SSO)	Cancelled	Haakon	1,100,000	(1,100,000)	-	-	-	Cancelled
2023-WW03	Infiltration and Inflow Reduction Lift Station 5 Basin	Flow Monitoring	Brad A	-	802,406	802,406	150,940	651,466	Mar-23
2023-WW05	Infiltration and Inflow Reduction Lift Station 2 Basin	Smoke Testing	Brad A	-	72,500	72,500	72,500	-	
2020-SS05	Hillside Sewer Line Replacement	Design-Final	Brad A	-	83,633	83,633	83,633	(0)	Mar-23
	Total Collections			2,459,340	-	2,459,340	1,736,698	722,642	
	Total Capital Outlay			4,023,340	120,000	4,143,340	3,029,718	1,113,621	
	Contingency			481,834	(120,000)	361,834		361,834	
	Total Appropriation			4,505,174		4,505,174	3,029,718	1,475,456	

Watershed Protection Capital Fund
Fund 73
FY2023 Q3 - July 2022 through March 2023

Drinking Water	Current Phase	Staff	CIP Budget	Re-assign	Adjusted Budget	Projected FY 2023	Variance	Estimated Phase Completion
73-23-7520	Equipment		-		18,647	18,647	-	FY 2024
73-23-7600	Capital Improvement Projects		300,000		281,353	24,594	256,759	
	Boardman & Arista Flooding	Design-Prelim Brad A	300,000	(18,647)	281,353	24,594	256,759	
	Total Drinking Water		300,000	-	300,000	43,241	256,759	
	Contingency		50,000	-	50,000		50,000	
	Total Appropriation		350,000	-	350,000	43,241	306,759	



AGENDA ITEM

Title	Business from the Board
Item No.	8
Date	May 16, 2023

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

**OAK LODGE WATER SERVICES
2023 BOARD LIAISON ASSIGNMENTS**

Board/Committee	Primary Liaison	Alternate Liaison	Meeting Cadence
American Water Works Association (AWWA)	All Directors	N/A	Varies
Chamber of Commerce	Ginny Van Loo	Susan Keil	Monthly, Third Wednesday 11:45 a.m. – 1:15 p.m.
Clackamas River Water	Kevin Williams	Paul Gornick	Monthly, Second Thursday 6 p.m.
Clackamas County Coordinating Committee (C-4)	Paul Gornick	Susan Keil	Monthly, First Thursday 6:45 p.m.
Healthy Watersheds	Kevin Williams	OPEN	
Jennings Lodge CPO	Kevin Williams	Paul Gornick	Quarterly, Fourth Tuesday 6 p.m.
North Clackamas County Water Commission (NCCWC)	1: Paul Gornick 2: Kevin Williams	Susan Keil	Quarterly, Fourth Thursday (Jan, Mar, June, Sept) 5:30 p.m.
Oak Grove Community Council	Heidi Bullock	Susan Keil	Monthly, Fourth Wednesday 7 p.m.
Regional Water Providers Consortium (RWPC)	Kevin Williams	Paul Gornick	3x Annually, First Wednesday 6:30 p.m.
Special Districts Association of Oregon (SDAO)	All Directors	N/A	Varies
Sunrise Water Authority (SWA)	Paul Gornick	Kevin Williams	Monthly, Fourth Wednesday 6 p.m.

North Clackamas Chamber Public Policy May 1, 2023

The Chamber is tracking a number of bills but two which may be of interest to OLWS are HB 3229 related to a large increase in air emissions fees levied by DEQ. While this is primarily aimed at manufacturers, it bears watching as it also allows DEQ to raise additional fees without legislative approval. The Chamber opposes this bill.

SB 999 seeks to align disparate employee leave policies (OFLA, FMLA and Paid Leave) to ensure that the relevant laws don't allow double counting of these leaves by employees. The Chamber supports this bill.

Business from the Board Report
Heidi Bullock
May 2023

**Oak Grove Community Council Meeting
April 26, 2023**

**AGENDA
27 attendees**

7:00 PM Welcome/ Introductions

7:10 PM Officer Reports: Treasurer; Secretary (draft minutes below); Board/Chair.

7:15 PM Fire District Update: Brian Goodrich (or earlier as works for him)

7:20 PM Public Information: Paulina Salgado: TriMet, Community Affairs

NOTES: Park Avenue TriMet Garage Expansion Project, currently 401 parking spaces, 2 electric vehicle charging stations with a 24-hour limit.

TriMet is proposing to expand the Park & Ride Garage by adding 2 levels, more parking. Originally it was to offer 5 floors but was constrained due to funding at the time. It is currently 3 levels. Money is coming from a grant.

RFP went out early 2023

Award soon, May 2023

Construction Spring/Summer 2024 and will take about 1 year

7:25 PM Main Presentation: Officer Sara McClurg – Clackamas County - Sheriff's Office

NOTES: New dashboard to access call activity and crime data.

<https://www.clackamas.us/sheriff/stats>

Seeing increase in car break-ins, especially associated with identity theft looking for tax documentation (especially this time of year) and registrations. Simply parking your car off the street and/or in your garage and if not, lock the doors!

Tools are also getting stolen from open garages and sheds.

Also, more car thefts. There are inexpensive GPS devices you can use on your car for recovery.

7:55 PM Hill Road Bike Lane: Vanessa Dane-Slagle

NOTES: Petitioning to get a bike lane that connects Hill Acres Elementary (SE Hill Road) to SE Oatfield.

Looking for support on prioritizing a bike lane with Clackamas County.

They will be reducing the speed limit from 30 to 25 mph.

Hill Road not currently funded or a priority.

8:05 PM LUART: Joseph Edge

8: 20 PM Committee Reports

8: 25 PM Comments/ Public Input

8: 30 PM Announcements

8: 40 PM Adjourn

Next Meetings:

Board : June 5

General: May 24 - Main Speaker Gary Marschke from NAMI – Clackamas

National Alliance on Mental Illness



STAFF REPORT

To Board of Directors
From Sarah Jo Chaplen, General Manager
Title General Manager Monthly Report
Item No. 9a
Date May 16, 2023

Summary

The Board has requested updates at regular meetings on the status of key projects.

Highlights of the Month

- Finalized with Gladstone staff the draft joint Intergovernmental Agreement

Gladstone

Two Gladstone City Councilors and their City Administrator accepted our invitation for their first tour of the Wastewater Treatment Plant on the evening of May 10, 2023. I am looking forward to joining them on the tour.

The joint Intergovernmental Agreement (IGA) between the City of Gladstone and OLWS is important to both entities. A work session on the draft will occur on May 16, 2023, at the OLWS Board meeting. City of Gladstone staff will also be present to assist with the answering of any questions. The City of Gladstone will hold their City Council work session on May 23, and OLWS staff will also attend.

It is anticipated the IGA will go to the Gladstone City Council for adoption on July 11, 2023. OLWS staff will be at their City Council meeting. This will be followed by bringing the IGA to the OLWS Board for adoption on July 18, 2023. Gladstone staff plan to be in attendance too.



STAFF REPORT

To Board of Directors
From Aleah Binkowski, Human Resources Manager
Title Human Resources Monthly Report
Item No. 9b
Date May 16, 2023

Summary

The Board has requested updates at regular meetings on the status of OLWS operations.

Communications and Outreach

Water Quality Report

OLWS is committed to providing you with safe and reliable drinking water. The 2022 Water Quality Report is now available online at <https://www.oaklodgewaterservices.org/water-quality-report> in English and Spanish. Request a paper copy of the report at info@olwsd.org or call (503) 654-7765.

Celebrate Drinking Water Week

Clean, safe drinking water is vital for protecting public health, the environment, and making pizza! Water is actually a very important ingredient in pizza-making. Come celebrate Drinking Water Week with a free slice of pizza (1 slice per person) from Hearth and Soul Pizza Company on Saturday, May 13 from 11 AM – 1 PM. They will be stationed behind Awakening Coffee (2144 SE Oak Grove Blvd, Oak Grove, OR 97267) in their iconic blue bus. All are welcome to attend.

High School Career Event at Clackamas Community College Career Fair

Clackamas Community College hosted a Career Technical Education Showcase on April 11, 2023 from 4:00 to 7:00pm. The intended audience for this event is school students, their families, and the community. Participants had the opportunity to learn about our CTE programs and the jobs they lead to. This was a career fair style event with an “open house” program where participants can drop in on the labs, talk to faculty, current/past students, and employers that hire students from the programs. OLWS was represented by Plant Operator, Paul Witzig, who shared about careers in the water and wastewater industry.

Clackamas River Basin Council, Rain Garden Workshop

The Clackamas River Basin Council's (CRBC) mission is to foster partnerships for clean water and to improve fish and wildlife habitat and the quality of life for those who live, work and recreate in the watershed.

This is a great new partnership for OLWS because it can be included in the outreach section of our MS4 Annual Report. As a sponsor OLWS receives the following:

- Banner and graphics for the workshop will be branded with sponsor logos.
- We will provide sponsor recognition in all places the workshop is posted (CRBC's website, social media, newsletters).
- Press releases for the event will acknowledge sponsors.
- Sponsors will be thanked and acknowledged during both the Zoom and in-person workshops.

This workshop is in two parts, with the first being on Zoom and the second taking place at Clackamas Community College in the ELC building. This is a great new partnership for OLWS because it can be listed as part of our outreach for the MS4. Read more about CRBC at clackamasriver.org.

Outreach Touchpoints in April and May

- 04.01.23 – March/April Customer Newsletter
- 04.04.23 – Informational packets for high volume customers – Distribution in April by the Board
- 04.03.23 – Event Sponsor at Chamber of Commerce State of the County Forum
- 04.12.23 – Event Sponsor at Clackamas River Basin Council Rain Garden Workshop
- 05.01.23 – May/June Customer Newsletter
- 05.13.23 – OLWS Pop-up Event: Drinking Water Week with Hearth and Soul Pizza Company at Awakening Event from 11:00 AM – 1:00 PM
- 05.13.23 – Event Sponsor at Clackamas River Basin Council Rain Garden Workshop
- 05.04.23 – Water Quality Postcard (All Customers)
- 05.25.23 – Rates Hearing Notification Postcard (All Customers)
- 05.29.23 – May/June Email Customer Newsletter

Records Management

Electronic Records Management System

Staff have some good news in records management – an electronic records management system (ERMS) and vendor have been selected. Pending budget approval, implementation of

Laserfiche software will begin in July. OLWS has partnered with Cities Digital, Inc. (CDI) to manage the cloud-based records management software.

Paper Records

Several paper-based records projects have come to a close this last month.

- The historical work order archive project is complete, with 20 boxes prepped for archive.
- To make room for additional office space in the Technical Services building, staff have prepared 30 boxes for archive.
- Over 60 years of historical OLWD maps and plans have been scanned and archived electronically.

Archive boxes are stored in a climate-controlled environment until they are ready for recall and destruction.

Second Annual Records Clean-Up Days

With a slightly different format, the annual staff Records Clean-Up Days are back for a second year. District Recorder Laural Casey will meet with each team during the months of May and June for records management training, paper and electronic records clean-up, as well as archive and destruction. In 2022, Laural inherited over 50 boxes of mixed records from across the departments. She is hoping that the number is smaller this year.



STAFF REPORT

To Board of Directors
From Gail Stevens, Finance Director
Title Finance Department Monthly Report
Item No. 9c
Date May 18, 2023

Summary

The Board has requested updates at the Regular Meetings of the Board on the status of the OLWS Operations.

Highlights of the Month

- Transition to the Authority financial software with Springbrook Monday, March 6, 2023.
- The Low-Income Household Water Assistance program began July 2022, and we have received 20 approvals from Clackamas County as of May 2, 2023.
- The Accounts Receivable balance decreased by (5.31%), the average delinquent balance increased by \$11.90, and the number of delinquent accounts increased by 105.
- Utility bill payments in April were more than the March 31st billed amounts.

Authority Implementation

As of Monday, March 6, 2023, the new Authority financial database went live. All utility billing payments are now deposited to the Authority's bank account. While we have transitioned to the new financial database for the Authority, there are still checks/payments that have been issued from the District's account as we continue to close out the District's books.

There will continue to be some crossover reporting and tracking, overall, the conversion continues to be smooth and successful.

Low Income Household Water Assistance (LIHWA)

In 2022, Clackamas County Board of Commissioners partnered with Oak Lodge Water Services to provide water utility customers assistance through the Low-Income Household Water Assistance (LIHWA) program. Clackamas County continues to provide customers from Oak Lodge Water Services assistance and will continue while funds are still available through September 2023. As of May 02, 2023, twenty customers have been approved for assistance totaling \$12,773.00.

Accounts Receivable Review

The Accounts Receivable (A/R) balances as of April 30, 2023, compared to March 31, 2023, decreased by 5.31%. These are the findings:

1. A/R Balance owed to OLWS has increased by \$61,239, after accounting for the delta between billing cycles.

A/R Balance	2/28/2023	3/31/2023	4/30/2023
Bi-Monthly Residential	\$ 1,006,657	\$ 910,577	\$ 986,669
Large Meters	492,907	486,222	498,431
Total	1,499,564	1,396,799	1,485,100
Variance	113,462	(102,765)	88,301
Billing Cycle Variance	(103,700)	164,004	(162,531)
	9,762	61,239	(74,230)
	0.70%	4.08%	-5.31%

2. The total number of delinquent accounts increased by 105 accounts as of April 30, 2023, compared to March 31, 2023. The average balance per account increased by 4.1% or \$11.90.

Delinquent Accounts	2/28/2023	3/31/2023	4/30/2023
Over 60 Days	\$ 172,512	\$ 124,134	\$ 160,930
Number of Accounts	535	428	533
Average Balance per Acct.	\$ 322	\$ 290	\$ 302
	-0.1%	-10.1%	4.1%

3. The percentage of accounts that are current, accounts paid in full within 30 days, has decreased by (0.13%) compared to prior month. The shift is from current to all other categories, mainly the 30-60 day grace category.

Account %	2/28/2023	3/31/2023	4/30/2023
Current	90.67%	86.40%	86.27%
30-60 Day Grace	0.42%	7.14%	4.76%
Delinquent	5.92%	4.73%	5.89%
Credit Balance	2.99%	1.73%	3.07%

Each month, the District hangs red tags for accounts in delinquent status, over 60 days past due, and with a balance over \$250. The red tag process allows 7 days for the customer to provide payment. If payment is not received, water is then shut off.

	January 2023	February 2023	March 2023	April 2023
Cycle	Cycle 1	Cycle 2	Cycle 1	Cycle 2
# Red Tags	88	86	86	70

Minimum Delinquent Balance	\$ 250	\$ 250	\$ 250	\$ 250
# Shut off Service Requests	4	2	6	3

Billing Payment Rate

In April 2023, the District received \$82,468.59 more in payments than was billed on March 31, 2023.

	January 2023	February 2023	March 2023	April 2023
Utility Billing Sales	\$ 1,263,108	\$ 1,158,879	\$ 1,262,580	\$ 1,098,576
Cash Receipts	1,288,409	1,132,589	1,208,958	1,181,044
% Collected	102.0%	97.73%	95.80%	107.50%

Attachments

1. Checks by Date Report for April 2023

Bank Reconciliation
 Checks by Date
 User: Antonio
 Printed: 5/9/2023
 Cleared and Not Cleared Checks
 Print Void Checks

ACH Disbursement Activity

Check No.	Check Date	Name	Comment	Module	Void	Clear Date	Amount
0	3/24/2023	Internal Revenue Service		AP	Void		31,824.41
0	3/24/2023	Nationwide Retirement Solutions		AP	Void		860.00
0	3/24/2023	Oregon Department Of Revenue		AP	Void		10,191.17
0	3/24/2023	State of Oregon Savings Growth Plan		AP	Void		3,536.00
0	3/24/2023	VALIC c/o JP Morgan Chase		AP	Void		1,673.47
0	4/7/2023	Internal Revenue Service		AP			30,970.30
0	4/7/2023	Nationwide Retirement Solutions		AP			360.00
0	4/7/2023	Oregon Department Of Revenue		AP			10,055.57
0	4/7/2023	State of Oregon Savings Growth Plan		AP			3,211.00
0	4/7/2023	VALIC c/o JP Morgan Chase		AP			1,038.00
0	4/7/2023	Payroll Direct Deposit	DD 00001.04.2023	PR			78,444.88
0	4/10/2023	TSYS		AP			11,186.34
0	4/10/2023	Wells Fargo Bank		AP			42.25
0	4/21/2023	Internal Revenue Service		AP			31,280.77
0	4/21/2023	Nationwide Retirement Solutions		AP			500.00
0	4/21/2023	Oregon Department Of Revenue		AP			10,243.09
0	4/21/2023	State of Oregon Savings Growth Plan		AP			3,853.96
0	4/21/2023	VALIC c/o JP Morgan Chase		AP			1,599.99
0	4/21/2023	Payroll Direct Deposit	DD 00002.04.2023	PR			79,532.37
ACH Disbursement Activity Subtotal							310,403.57
Voided ACH Activity							48,085.05
Adjusted ACH Disbursement Activity Subtotal							262,318.52

Paper Check Disbursement Activity

Check No.	Check Date	Name	Comment	Module	Void	Clear Date	Amount
46581	12/10/2021	Customer Refund		AP	Void		601.53
49014	4/17/2023	Brown and Caldwell		AP			28,385.15
49015	4/17/2023	City Of Milwaukie		AP			3,652.64
49016	4/17/2023	Dr. Lance F. Harris D.C.		AP			100.00
49017	4/18/2023	Customer Refund		AP			601.53
50080	4/7/2023	Customer Refund		AP			36.51
50081	4/7/2023	Customer Refund		AP			226.31
50082	4/7/2023	Customer Refund		AP			276.64
50083	4/7/2023	Customer Refund		AP			173.38
50084	4/7/2023	Customer Refund		AP			2,503.89
50085	4/18/2023	AFLAC		AP			808.33
50086	4/18/2023	AFSCME Council 75		AP			807.07
50087	4/18/2023	AGB Seismic		AP			3,509.00
50088	4/18/2023	Apex Labs		AP			5,412.00
50089	4/18/2023	Backflow Management Inc.		AP			850.00
50090	4/18/2023	BMS Technologies		AP			3,745.91
50091	4/18/2023	Brown and Caldwell		AP			2,900.75
50092	4/18/2023	Buels Impressions Printing		AP			1,005.00
50093	4/18/2023	Cavanaugh & Associates. PA		AP			17,790.00
50094	4/18/2023	CDR Labor Law, LLC		AP			6,192.00
50095	4/18/2023	CDW LLC		AP			2,932.16
50096	4/18/2023	City Of Gladstone		AP			242.88
50097	4/18/2023	City Of Milwaukie		AP			1,826.32
50098	4/18/2023	Clackamas Community College		AP			2,125.00
50099	4/18/2023	Cues, Inc		AP			5,643.56
50100	4/18/2023	D&H Flagging, Inc.		AP			1,233.25
50101	4/18/2023	H.D. Fowler Company		AP			16,994.30
50102	4/18/2023	Hartford Fire Insurance Company		AP			4,813.00
50103	4/18/2023	Customer Refund		AP			42.85
50104	4/18/2023	Customer Refund		AP			0.84
50105	4/18/2023	Lakeside Industries		AP			1,802.88
50106	4/18/2023	Madison Biosolids, Inc.		AP			1,516.41
50107	4/18/2023	Measure-Tech		AP			732.04
50108	4/18/2023	Milwaukie Oregon Rotary Club		AP			300.00
50109	4/18/2023	Employee Reimbursement		AP			23.71
50110	4/18/2023	NCCWC		AP			60,326.21
50111	4/18/2023	Olson Bros. Service, Inc.		AP			1,847.44
50112	4/18/2023	O'Reilly Auto Parts		AP			63.58

Bank Reconciliation
 Checks by Date
 User: Antonio
 Printed: 5/9/2023
 Cleared and Not Cleared Checks
 Print Void Checks

50113	4/18/2023	Customer Refund	AP	238.64
50114	4/18/2023	Portland Engineering Inc	AP	180.00
50115	4/18/2023	R & L Services Inc.	AP	73.90
50116	4/18/2023	Relay Resources	AP	8,779.14
50117	4/18/2023	SDAO	AP	75.00
50118	4/18/2023	Secure Pacific Corporation	AP	356.88
50119	4/18/2023	Stein Oil Co Inc	AP	692.42
50120	4/18/2023	Streamline	AP	480.00
50121	4/18/2023	Unifirst Corporation	AP	2,115.56
50122	4/18/2023	Xerox Corporation	AP	23.55
50123	4/21/2023	Aerzen Rental USA LLC	AP	3,340.00
50124	4/21/2023	AFLAC	AP	808.33
50125	4/21/2023	AFSCME Council 75	AP	838.99
50126	4/21/2023	AWWA	AP	255.00
50127	4/21/2023	Backflow Management Inc.	AP	560.00
50128	4/21/2023	Brown and Caldwell	AP	3,944.00
50129	4/21/2023	BTL Northwest	AP	223.72
50130	4/21/2023	Buels Impressions Printing	AP	281.50
50131	4/21/2023	Byrne Software Technologies, Inc	AP	546.88
50132	4/21/2023	Employee Reimbursement	AP	180.70
50133	4/21/2023	Charles H. Day Co., Inc.	AP	159.95
50134	4/21/2023	Cintas Corporation	AP	99.00
50135	4/21/2023	City Of Milwaukie	AP	333.60
50136	4/21/2023	Clackamas County	AP	2,034.12
50137	4/21/2023	Coastal Farm & Home Supply	AP	95.97
50138	4/21/2023	Columbia Land Trust	AP	2,170.05
50139	4/21/2023	Comcast	AP	557.70
50140	4/21/2023	Contractor Supply, Inc.	AP	10.50
50141	4/21/2023	D&H Flagging, Inc.	AP	887.25
50142	4/21/2023	Ditch Witch Northwest Exchange	AP	664.93
50143	4/21/2023	Dr. Lance F. Harris D.C.	AP	100.00
50144	4/21/2023	Ecology In Classrooms&Outdoors	AP	12,500.00
50145	4/21/2023	Eugene A1 Coupling & Hose Corporation	AP	50.88
50146	4/21/2023	Eurofins Environment Testing Northwest, LLC	AP	9,200.00
50147	4/21/2023	Ferguson Enterprises, Inc.	AP	11,934.97
50148	4/21/2023	Grainger, Inc.	AP	92.26
50149	4/21/2023	H.D. Fowler Company	AP	228.82
50150	4/21/2023	Hall Tool Company	AP	39.35
50151	4/21/2023	ICMA Membership Renewals	AP	1,200.00
50152	4/21/2023	Knapp Construction Company, Inc	AP	3,485.00
50153	4/21/2023	Les Schwab	AP	189.89
50154	4/21/2023	LinkedIn Corporation	AP	3,950.00
50155	4/21/2023	Madison Biosolids, Inc.	AP	2,560.24
50156	4/21/2023	Employee Reimbursement	AP	76.58
50157	4/21/2023	North Clackamas Parks & Recreation District	AP	4,496.31
50158	4/21/2023	North Clackamas Urban Watershed Council	AP	17,864.84
50159	4/21/2023	Pamplin Media Group	AP	41.81
50160	4/21/2023	Portland Engineering Inc	AP	2,000.00
50161	4/21/2023	RH2 Engineering, Inc.	AP	3,203.90
50162	4/21/2023	Seattle Ace Hardware	AP	14.99
50163	4/21/2023	Top Industrial Supply	AP	107.20
50164	4/21/2023	Unifirst Corporation	AP	549.33
50165	4/21/2023	Water Systems Consulting, Inc.	AP	7,656.50
50166	4/21/2023	Western Exterminator Company	AP	147.15
50167	4/24/2023	Robert HalfTalent Solutions	AP	19,749.76
50168	4/27/2023	Customer Refund	AP	278.38
50169	4/28/2023	AnswerNet	AP	758.42
50170	4/28/2023	Apex Labs	AP	1,200.00
50171	4/28/2023	Cable Huston LLP	AP	15,261.50
50172	4/28/2023	Cascadia Backflow	AP	2,398.12
50173	4/28/2023	CDW LLC	AP	10,540.53
50174	4/28/2023	CenturyLink	AP	1,104.68
50175	4/28/2023	CenturyLink	AP	100.60
50176	4/28/2023	Cintas Corporation - 463	AP	142.54
50177	4/28/2023	Civic Plus, LLC	AP	266.67
50178	4/28/2023	Conсор North America, Inc.	AP	340.00
50179	4/28/2023	Convergence Networks	AP	8,875.42

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50180	4/28/2023	Eurofins Environment Testing Northwest, LLC	AP	4,357.50
50181	4/28/2023	Ferguson Enterprises, Inc.	AP	1,069.46
50182	4/28/2023	H.D. Fowler Company	AP	250.67
50183	4/28/2023	Hartford Fire Insurance Company	AP	4,848.00
50184	4/28/2023	HealthEquity	AP	46.25
50185	4/28/2023	J.J. Keller & Associates, Inc.	AP	620.00
50186	4/28/2023	Lou's Gloves	AP	780.40
50187	4/28/2023	Northstar Chemical, Inc.	AP	989.00
50188	4/28/2023	Northwest Natural	AP	767.60
50189	4/28/2023	Customer Refund	AP	182.06
50190	4/28/2023	Polydyne, Inc.	AP	4,142.07
50191	4/28/2023	RH2 Engineering, Inc.	AP	797.97
50192	4/28/2023	SDIS	AP	38,055.12
50193	4/28/2023	Seattle Ace Hardware	AP	115.96
50194	4/28/2023	Customer Refund	AP	158.47
50195	4/28/2023	Customer Refund	AP	8.10
50196	4/28/2023	Employment Tax State of Oregon - Employment Department	AP	1,138.08
50197	4/28/2023	Stein Oil Co Inc	AP	1,488.95
50198	4/28/2023	Unifirst Corporation	AP	1,635.45
50199	4/28/2023	Verizon Wireless	AP	3,246.76
50200	4/28/2023	Customer Refund	AP	52.93
50201	4/28/2023	Waste Management Of Oregon	AP	1,294.47
50202	4/28/2023	Western Exterminator Company	AP	363.40
50203	4/28/2023	Win-911 Software	AP	4,800.00
Paper Check Disbursement Activity Subtotal				426,966.66
Voided Paper Check Disbursement Activity				601.53
Adjusted Paper Check Disbursement Activity Subtotal				426,365.13

Total Void Check Count:	6
Total Void Check Amount:	48,686.58
Total Valid Check Count:	142
Total Valid Check Amount:	688,683.65
Total Check Count:	148
Total Check Amount:	737,370.23



STAFF REPORT

To Board of Directors
From Brad Albert, Public Works Director/District Engineer
Chad Martinez, Wastewater Collections Supervisor
Title Public Works Monthly Report
Item No. 9d
Date May 16, 2023

Summary

The Board has requested updates at regular meetings on the status of the OLWS operations.

Highlights

- Capital Improvement Plan finalized for FY 24.
- Tertiary Filtration preliminary design on track and 30% design expected at the end of May.
- Smoke Testing for a portion of Lift Station 2 basin under contract.
- Preliminary design for Lift Station 5 basin pipe repair / replacement underway.
- Paving of SE Aldercrest scheduled for the end of May weather permitting.

Watershed Protection

The fourth quarter means that stormwater sampling is wrapping up for the year, with one more “grab sample” scheduled during dry weather, and the final “composite” storm sample complete. Next year OLWS will begin sampling under the new permit’s updated stormwater monitoring plan. The updated plan includes sampling for pesticides in the regular sampling protocol, as well as an additional “special” sampling program focused on Mercury.

Mercury sampling will continue once per year for at least the five-year permit cycle, and possibly longer if the Municipal Separate Storm System (MS4) Permit goes into administrative extension. Sampling for mercury requires additional precautions to keep contaminants from entering the sample, both on the field collection side as well as in the laboratory testing. Because of this, OLWS and most of the other Clackamas Co-permittees will be contracting with Clackamas Water Environment Services (WES) to complete the Mercury sampling for us. Here is an illustration of the clean hands, dirty hands protocol required to protect against sample contamination:



Photo of EPA Sampling Method 1669 "Clean Hands, Dirty Hands"

Field operations staff completed inspections of Zone 1 catch basins, and before the end of the year 136 catch basins of a total 653 catch basins will be cleaned for the MS4 Permit. As mentioned in last month's report, OLWS is required to clean catch basins and pipes when they are filled with eight inches or more of dirt/sediment/trash. In Zone 1 this year, there were 136 that measured out to those levels.

During the last few months of the fiscal year, stormwater facilities on all private properties within the OLWS service area will also be inspected according to the MS4 Permit. OLWS has over 150 private facilities to inspect, 50% of which are currently in need of inspection and outreach to the owners about maintenance requirements for this year. These facilities are not owned or maintained by OLWS. As part of outreach requirements, staff perform the inspections and mail letters to homeowners requesting upkeep. This provides an opportunity for one-on-one outreach with owners who might have questions about their facilities or water quality in general.

On May 24th, OLWS staff will attend the Oregon Association of Clean Water Agencies' (ACWA) Stormwater Summit in person in Corvallis, OR. This one-day summit encourages information sharing and networking for municipal staff from across the state, all focused on stormwater. This year, OLWS staff is presenting with the Department of Environmental Quality (DEQ) and the Pollution Prevention Resource Center (PPRC) about Best Management Practices concerning

wash water and automotive businesses. The following information describes the presentation for the stormwater summit:

Keeping Suds out of Storm Drains—An innovative training and certification program for automotive businesses and all employees that wash vehicles. This free and easily accessible training program has been developed to address the ongoing issue around businesses and storm drain use. Come find out a new way to address your MS4 Permit’s education and outreach requirements for a niche that hasn’t been previously addressed in this format. The presentation and workshop will help you figure out if and how you could apply the training module to your jurisdiction to support your annual reporting requirements and water quality in your local area.

Oak Lodge Water Services partnered with PPRC’s EcoBiz program and DEQ’s Ryan Johnson to develop a short, practical training for employees that wash vehicles. Due to automotive business activities and lack of awareness, soapy, warm wash water and detailing products can sometimes end up in local waterways. Lack of employee education and employee turnover can cause a simple lack of knowledge and incentive to change washing practices.

The partners created this 4-minute engaging video with an employee certification program in mind to address this issue. The video comes free with a social media toolkit for rollout to municipalities and jurisdictions across Oregon and Washington. The presenters hope you leave ready to implement the training program in your area to help people understand that our stormwater system flushes our streets into our rivers.

The pilot program will be rolled out to local OLWS businesses this summer. If you have any questions about the video or would like more information, please contact lara@olwsd.org.

Wastewater Collection Work

The collections crew completed cleaning and video of basin 2B and is moving on to basin 2A. 2A borders Gladstone and extends to Roethe and McLoughlin, also covering portions below Boardman. During cleaning of 2B, the crew cleared a blockage and potential sanitary sewer overflow (SSO) on Roethe. The blockage was due to a buildup of rags and fats, oils, and grease (FOG) attaching itself to a short piece of rebar. The blockage was removed to prevent any issues downstream.

The collections crew performed two confined space entries. An entry was made in a manhole structure to remove an object lodged in a drop line. Crews also assisted with another confined space entry at the Wastewater Treatment Plant to repair an aeration line in Digester 2.

The manhole lid replacement project has started in an area where the wastewater flows into Lift Station 5. Storm lids with 16 drain holes were utilized as collections lids in the past, these drain holes are currently contributing to I&I. The correct 2-hole collection lids are getting replaced.

Wastewater Work Photos



Missing manhole structure located



Digester 2 aeration line repair

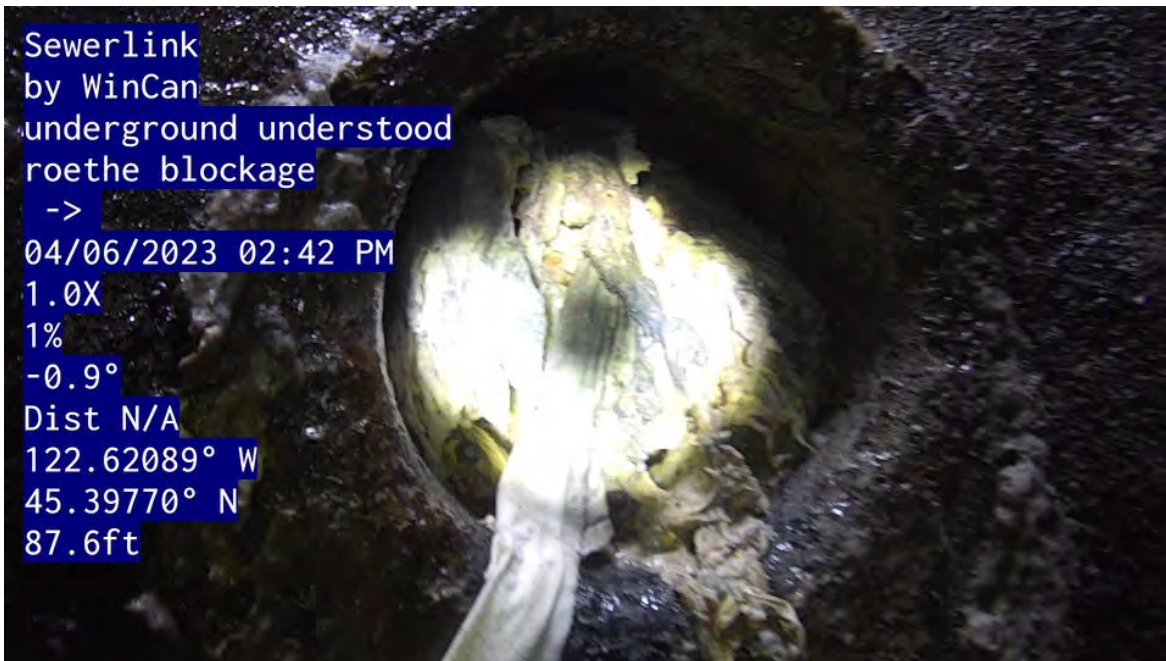


Photo of line blockage on Roethe taken with the pole camera

Water Distribution System Work

The water crew were busy relocating infrastructure for the impending Clackamas County Jennings Avenue project. At this point of the project, the water crew is focusing on hydrant relocations. Hydrants can be extended further from the roadway closer to the right of way/property line to avoid conflicts with new infrastructure. In a few cases, hydrants are being removed and relocated entirely to the corner of side streets because hydrant extensions will still be in conflict. The next stage will be extending individual water services. The water team will work closely with Clackamas County and their hired contractor at the time of construction to extend those services once the sidewalks and bike lane locations become clearer in the field.

Water Work Photos



Old 2 port hydrant River Rd



New 3 port hydrant on River Rd

Non-Revenue Water

The total water purchased in March was 62.96 MG. Non-revenue water totaled 9.83 MG with 1.10 million gallons in apparent losses, 8.50 million gallons in real losses, and 233,000 gallons for unbilled authorized consumption. The trailing twelve-month non-revenue water trend indicates the average non-revenue water over the past 12 months is 9.751 million gallons.

Permit Activity

April 2023 Development Activity

FY2022-2023	<i>This Month</i>	<i>Last Month</i>	<i>Fiscal Year-to-Date</i>	<i>This Month Last Year</i>	<i>Last Year-to-Date</i>
Pre-applications Conferences	1	0	17	0	12
New Erosion Control Permits	2	5	22	2	27
 New Development Permits	1	0	7	1	15
 New Utility Permits	5	4	54	4	39
Wastewater Connections	9	0	17	0	11
Sanitary SDC Fees Received	\$46,485	\$0	\$87,805.00	\$0.00	\$56,815
Water SDC Fees Received	\$16,995	\$33,989	\$260,581.00	\$47,737.00	\$176,186
Plan Review Fees Received	\$6,365	\$6,724	\$27,050.53	\$3,711.00	\$25,284
Inspection Fees Received	\$5,005	\$4,168	\$20,374.18	\$2,480.00	\$19,353

Attachments

1. Development Tracker

Project Status	Address	Type of Development	Notes	Last Updated
Warranty Period	13505 SE River Rd.	Residential: Rose Villa Phase 4 Medical Building and Replace Dwelling Units	Final Inspections Completed. Next step: asbuilt review and bond release.	5/1/23
Under Construction	4410 SE Pinehurst Ave.	Residential: 17-lot Subdivision	Final Inspections Pending. Next step: asbuilt review and bond release.	5/1/23
Under Construction	15603 SE Ruby Dr.	Residential: 3-lot Partition	OLWSD Inspections Occuring	5/1/23
Under Construction	6364 SE McNary Rd.	Residential: 15-lot Partition	Final Inspections Pending. Next step: asbuilt review and bond release.	5/1/23
Under Construction	2316 SE Courtney Ave.	Residential: 14 rowhomes and 6 single family dwellings	OLWSD Inspections Occuring. (May 2023, Land Use Comments Sent for Middle Housing Proposal.)	5/1/23
Under Construction	4322 SE Pinehurst Ave.	Residential: 7-lot Subdivision	OLWSD Inspections Occuring	5/1/23
Under Construction	15515 SE Wallace Rd.	Residential: 2-lot Partition	OLWSD Inspections Occuring	5/1/23
Under Construction	21E11AB01100 (SE River Rd. @ SE Maple St)	Residential: 7-lot Subdivision	OLWSD Inspections Occuring	5/1/23
Plan Review	3870 SE Hillside Dr.	Residential: Modification of previously approved 13-lot Subdivision	Current OLWSD Review	5/1/23
Plan Review	3421 SE Vineyard Rd.	Residential: Two tri-plexes and one duplex	Current OLWSD Review	5/1/23
Plan Review	16103 SE Southview Ave	Residential: 7-lot Subdivision	Current OLWSD Review	5/1/23
Plan Review	13822 SE Oatfield Rd	Residential: 10-lot Subdivision	Current OLWSD Review	5/1/23
Land Use Application	3811 SE Concord Rd	Tenant Improvement: Concord School	Land Use conditions sent to CC DTD. County land use expiration timeline.	5/1/23
Land Use Application	15510 SE Wallace Rd.	Residential: 15-lot Partition	Land Use conditions sent to CC DTD. County land use expiration timeline.	5/1/23
Pre-Application	15014 SE Woodland Way	Residential: 2-lot Partition	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/23
Pre-Application	5314 SE Jennings Ave.	Residential: 4-lot Partition	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/23
Pre-Application	14018 SE Linden Ln.	Residential: TriPlex	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/23
Pre-Application	6300 SE Roethe Rd.	Residential: 2-lot Partition	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/23
Pre-Application	4833 SE Glen Echo Ave.	Residential: 2-lot Partition	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/23
Pre-Application	3214 SE Westview Ave.	Residential: 2-lot Partition	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/23
Pre-Application	3800 Naef Rd.	Design Review: Industrial Structure	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/23
Pre-Application	15315 SE Woodland Way	Residential: 2-lot Partition	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/23



STAFF REPORT

To Board of Directors
From David Hawkins, Plant Superintendent
Title Plant Operations Monthly Report
Item No. 9e
Date May 16, 2023

Summary

The Board has requested updates at regular meetings on the status of the OLWS operations.

Highlights of the Month

- Process Blower #2 Install
- Wonderware/Win911 Upgrade Completed
- Digester #2 Fix
- Sourcewell Cooperative Purchasing

Wastewater Treatment Plant Projects

Early April brought the completion of a major project for OLWS that had been in the making for several months. Process Blower #2 installation was completed with the official commissioning of the blower happening on April 17th. On April 18th, the blower was turned on and is currently delivering air to the digesters. While there is still some integration to be done, the bulk of the work on the first of two digesters has been completed.

Another major capital project, the Win911/Wonderware upgrade, was completed on April 11th. This upgrade brought all new SCADA desktop computers for the operators as well as a much-needed update to the SCADA software, Wonderware, as well as Win911, the call out software that OLWS uses to inform operators of potential issues during off business hours.

Digester #2 Fix

Finally, staff were able to drain the contents of Digester #2 and make an entry to see what was causing the vibration issues we were seeing. Initially, Operations thought the problem might have been a clamp used between the stainless steel and PVC piping. The problem was, due to the necessity of the tank and the inability to store 400,000 gallons of partially digested sludge, Digester #2 had not been emptied since it first went online in 2012. After months of planning and awaiting parts, the Operations and Maintenance crew concocted a plan to transfer the

sludge into an empty tank, safely perform an entry, find and assess the air issue and finally fix the problem. Staff had 4 days to complete this or the 400,000 gallons of partially digested sludge being held in an uncovered tank would start to sour and go anerobic. Not only would the soured sludge lead to odor complaints, but odds are that it would have led to a violation of our biosolids regulations.

On Sunday, April 16th, the 4-day clock started when the operators began the transfer of the sludge. By the end of shift on Monday, the tank had been emptied as low as the portable pump could run, and the remaining 18 inches was drained into the Plant via the mud valves. At this point, Operators were able to see what was causing the over aeration in one corner: an 8-inch cleanout cap had come loose from the main header. Operations had approximately 24 hours before the entry was to take place and needed to anticipate the cause of the cap coming off. Was it pressure and the threads were stripped? Was the PVC brittle and the cap broke into pieces? Or did the cap simply vibrate itself off? There was no way of knowing without making an entry, so staff prepared by making final runs to stores around the Metro area and purchasing PVC parts for any eventuality.

On the morning of April 18th, after the confined space blower fans had been running long enough to make the atmosphere safe, stratospheric air checks had been completed, and the confined space entry permit was filled out, Operations finally made entry into the digester. Within 10 minutes the old cap had been found in one piece, and the PVC header was deemed structurally sound. The cap had indeed just vibrated its way off. After another 10 minutes, the cap had been replaced and had been set with 3 stainless steel screws so it couldn't happen again. The months and months of meticulous planning and preparation had paid off when we reached a successful ending, and it took all of 20 minutes to perform.

Since there was still plenty of daylight remaining, I asked the entrants to do inspections on the air diffusers and other piping to ensure all was well. It was at this point that they found the air diffusers, which are stainless-steel contraptions with a ceramic ball in them (see pictures). The ceramic ball acts as a check valve of sorts, so that when the air is blowing out of the pipe the ceramic ball lifts, allowing the air to escape. When the air turns off, the ball seats into the pipe so liquid cannot flow into the pipe.

After the inspection of the diffusers, it was found that many of the diffusers had holes in the top of them. It appears that the ceramic ball had come into contact with the stainless caps, and over the years wore holes into them. Some of the holes were large enough that the ceramic ball was able to escape. Other holes were only as big as a pencil, but the ball was missing, apparently fracturing into pieces, and being blown out. Staff are currently working on a plan to repair or replace the diffuser heads.

Sourcewell Cooperative Purchasing

As part of OLWS' ongoing efforts to save ratepayer money, staff are constantly looking for ways to decrease the prices of goods and services. Recently, staff have discovered a national cooperative purchasing organization named Sourcewell. Sourcewell is a state-run procurement

company out of Minnesota that develops Requests for Proposals (RFP) and competitive solicitations that meet or exceed state and federal laws for purchasing.

In essence, every governmental body; schools, nonprofit organizations and municipal agencies, are eligible for a Sourcewell account. Once an entity is a member of Sourcewell, they have access to over 400 competitively bid RFP's. Documentation for every individual contract can be found on their website, including the RFP's, proof of publication, proposal evaluation, and the Sourcewell Board of Directors' resolutions adopting the RFP. This means that all contracts offered by Sourcewell have clear and transparent documentation showing that each contract has had a legal procurement process. Consequently, OLWS staff can save both time and money. In addition to the RFP leg of procurement being taken care of, Sourcewell contracts also offer governmental pricing on many of the items. For example, Operations staff recently requested a quote for a front-end loader used for loading biosolids into trucks for hauling. The Caterpillar sales representative quoted us their lowest price and then also their discounted Sourcewell government price. The Sourcewell discount would save OLWS over \$72,000 off the retail price, or 24 percent off.

Sourcewell offers cooperative purchasing on much more than just Caterpillar heavy equipment. They also hold contracts with other vendors commonly used by OLWS, such as Grainger, Fastenal, Vactor, Ford, General Motors, Snap-On Tools and John Deere. A significant number of which come with governmental discounts as high as 50 percent off.

Many of our partners in the area have also used Sourcewell in the past, including Clean Water Services, City of Portland, Clackamas County, and the City of Salem. Sourcewell membership is free to sign up for and does not cost anything to use. OLWS legal counsel has reviewed all the Sourcewell Caterpillar solicitation documents and the contract itself and confirmed that it meets the requirements for an interstate cooperative procurement and that OLWS can use the RFP as listed. It is important to note that staff will need to consult with legal counsel on other Sourcewell contracts on a case-by-case basis to ensure that all OLWS procurement policies are being followed.

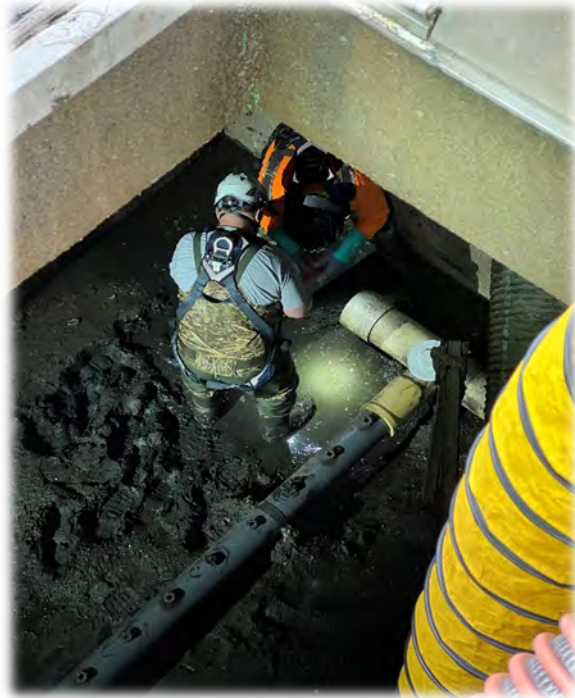
Attachments

1. Photo Pages of April 2023 Work
2. Rainfall vs. Flow Data Correlation for November 2022-April 2023
3. Plant Performance BOD-TSS Graph for November 2022-April 2023

Plant Operations Photo Page



Entry Crew Getting Ready.



Pat and Mason getting ready to replace cap.



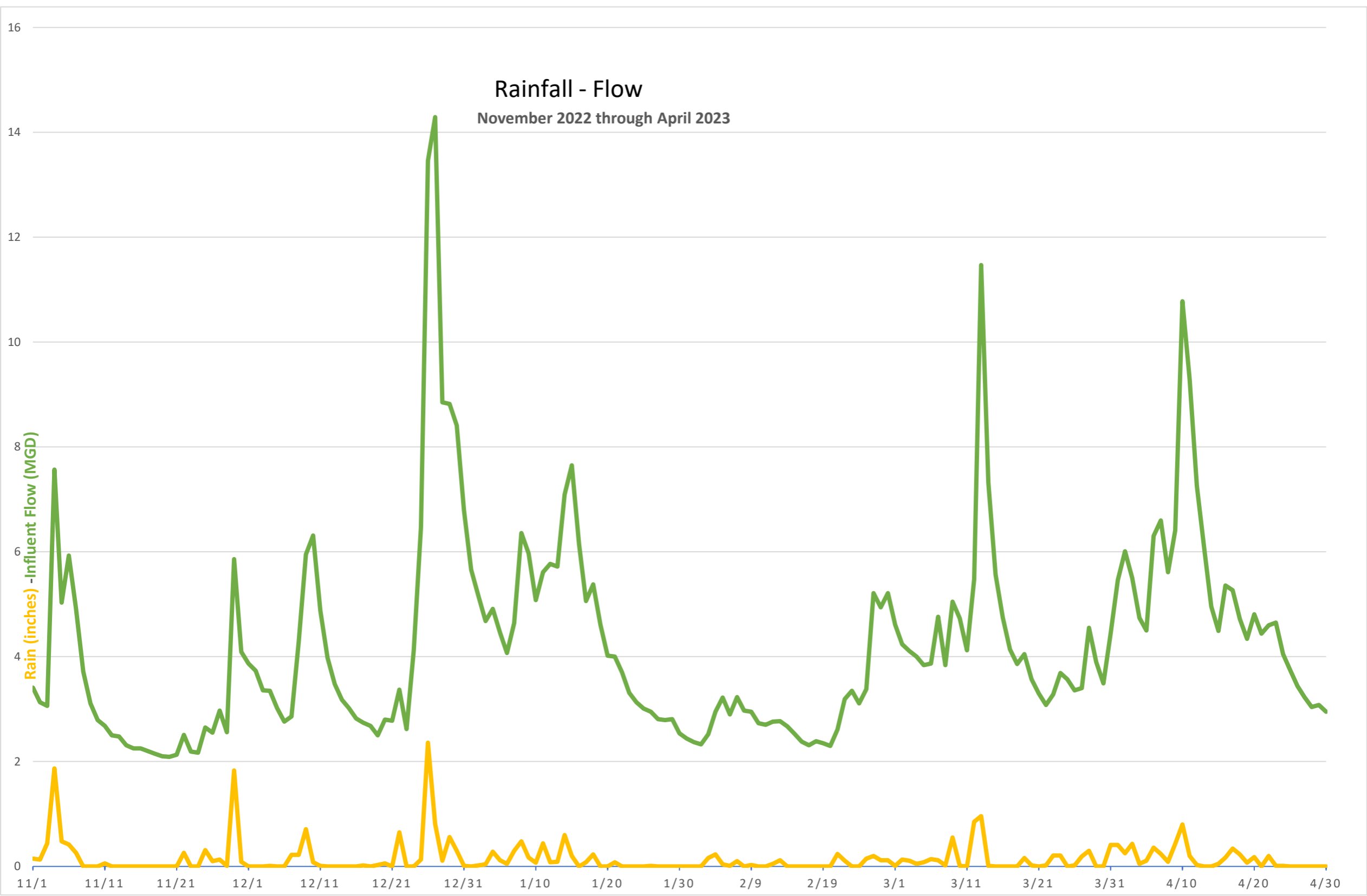
What the diffuser is supposed to look like.



Diffuser with Hole in it.

Rainfall - Flow

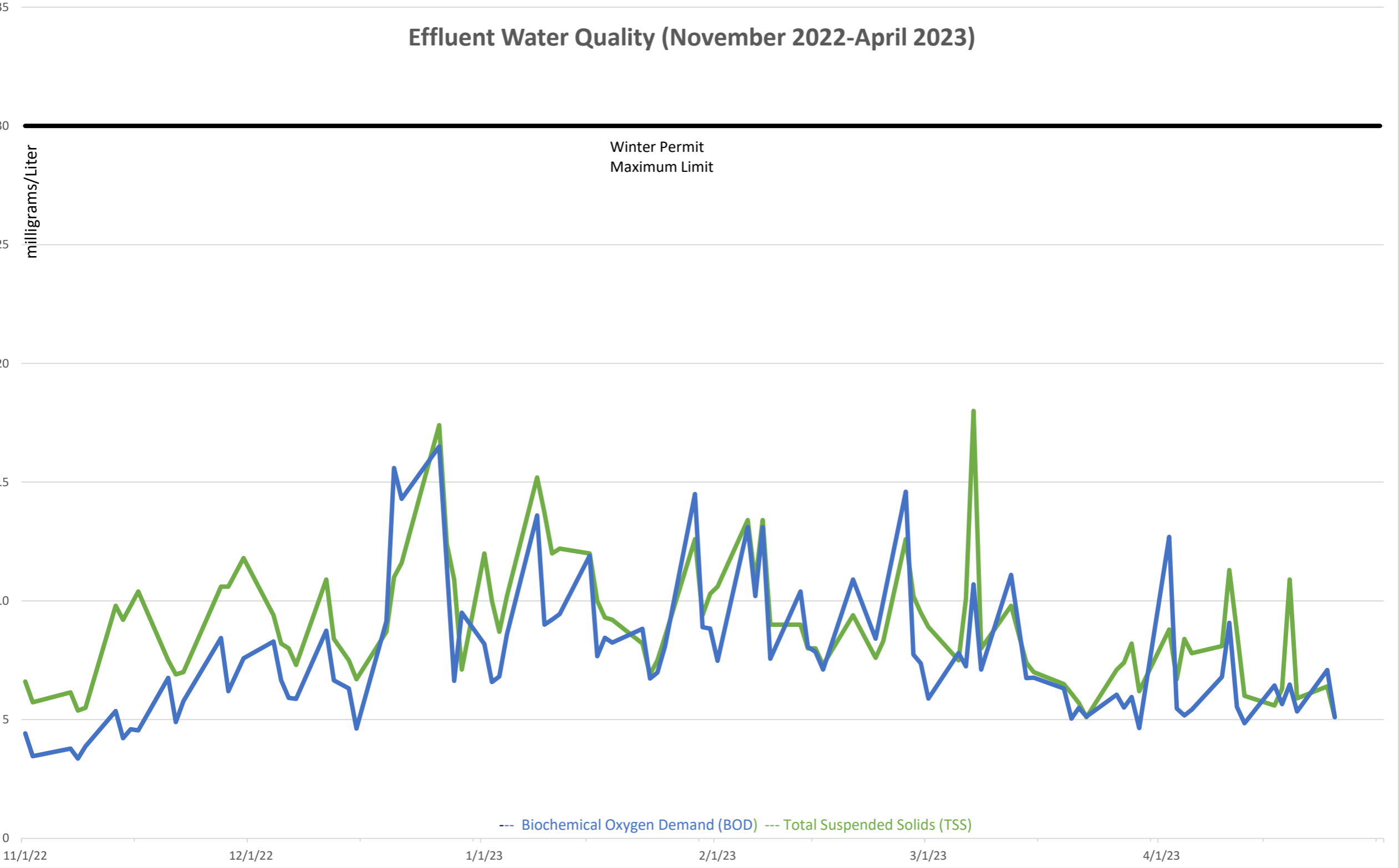
November 2022 through April 2023



Effluent Water Quality (November 2022-April 2023)

Winter Permit
Maximum Limit

milligrams/Liter





AGENDA ITEM

Title	Recess to Executive Session
Item No.	10
Date	May 16, 2023

Summary

Convene Executive Session under ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

OAK LODGE
WATER SERVICES
AGENDA ITEM

Title	Adjourn Executive Session
Item No.	11
Date	May 16, 2023

Summary

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

OAK LODGE
WATER SERVICES
AGENDA ITEM

Title	Adjourn Meeting
Item No.	12
Date	May 16, 2023

Summary

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