



**Oak Lodge Water District Office
14496 SE River Road
Oak Grove, OR 97267
October 16th, 2018 at 6:00 p.m.**

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

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

3. Consent Agenda
 - September 2018 Financial Reports
 - Approval of September 2018 Check Run
 - September 18, 2018 Board Meeting Minutes
4. Consolidation Cost Savings Report
5. Commercial Real Estate Broker/ Agent of Record Contract
6. Adoption of Finance Policies
7. Initial Human Resource Policies Workshop
8. Initial Amendments to Oak Lodge Water Services District Purchasing Rules Workshop
9. Resolution No. 18-11: Closure of Oak Lodge Water Services Flex Spending Account at Clackamas County Federal Credit Union.
10. Department Reports
 - Finance
 - Field Operations
 - Plant Operations
 - Technical Services

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

Adjourn



AGENDA ITEM

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

Background:

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

OAK LODGE
WATER SERVICES
CONSENT AGENDA

To: Board of Directors
From: Sarah Jo Chaplen, General Manager
Agenda Item: Consent Agenda
Item No.: 3
Date: October 10, 2018

Background:

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

The Consent Agenda includes:

1. September 2018 Financial Reports
 - a. Approval of September 2018 Check Run
2. September 18, 2018 Board Meeting Minutes

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

Options for Consideration:

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

Recommendation:

Approve the items listed under the Consent Agenda.

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

Approved _____	Date _____
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MONTHLY FINANCIAL REPORT

To: Board Directors
From: Kelly Stacey, Finance Director
Agenda Item: September 2018 Financial Reports
Item No.: 3a
Date: October 16, 2018

Reports:

- September 2018 Monthly Overview
- September 2018 Budget Report
- September 2018 Monthly Cash and Investment Balances
- September 2018 Monthly Checks and Electronic Withdrawals staff report
- September 2018 Monthly Checks and Electronic Withdrawals system report

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

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

The District's liquid cash and investment assets equal \$12,460,595.04 as of September 30, 2018; consisting of \$687,784.75 in checking, and \$11,772,810.29 in the State Local Government Investment Pool (LGIP).

The District's checks, electronic withdrawals and bank drafts for September 2018, total \$1,043,786.89.

Water sales revenue for the month of September 2018 totals \$439,324.47. **Wastewater** sales revenue for the month of September 2018 is \$584,080.99. **Watershed protection** sales revenue for the month of September 2018 is \$119,215.34. Total billed revenue for services provided for the month of September 2018 totals \$1,142,620.80.

The % of budget spent is calculated by taking the ending balance and dividing it by the budget. At the end of September that should be around 25%. Note for budget law purposes, Wastewater Plant and Wastewater Collection are added together. Certain line items are spent all at once, such as Worker's Compensation. We pay one time a year in July.

The new "Account Roll up" report has been cleaned up for the most part. Last month I pointed out that on this and the Budget to Actual report, there is no overtime. This was due to an error that was discovered in the payroll setup causing overtime not to be tracked in a separate line item. This has since been corrected. I would be happy to help if you have any questions about this or any other report.

Oak Lodge Water Services

Account Balances As of:		
September 30, 2018	Interest Rate	
Account		
Wells Fargo Bank Checking-3552		\$687,784.75
LGIP 5289 Water General	2.25%	\$2,594,392.03
LGIP 5790 Sanitary	2.25%	\$2,698,597.68
LGIP 3968 Sanitary GO Bond Debt Svc	2.25%	\$1,046,238.21
LGIP 3869 Sanitary Debt Svc	2.25%	\$926,274.62
LGIP 5002 Sanitary General	2.25%	\$4,507,307.75
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	Total	\$ 12,460,595.04

General Ledger
Budget to Actual



User: kelly
Printed: 10/8/2018 10:13:28 AM
Period 01 - 03
Fiscal Year 2019

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
10	Drinking Water				
	NonDivisional				
	<i>Beginning Fund Balance</i>				
10-00-3500	Fund balance	-2,880,270.00	0.00	-3,373,462.56	117.12
	<i>Beginning Fund Balance</i>	-2,880,270.00	0.00	-3,373,462.56	117.12
	<i>Revenue</i>				
10-00-4211	Water sales	-3,640,000.00	-431,371.03	-1,227,258.67	33.72
10-00-4212	Water sales - CRW	-32,000.00	-7,953.44	-12,053.29	37.67
10-00-4215	Penalties and late charges	-25,000.00	-1,778.98	-3,937.43	15.75
10-00-4220	System development charges	-75,000.00	-47,810.00	-68,450.00	91.27
10-00-4230	Contract services	-32,000.00	-2,445.24	-7,539.52	23.56
10-00-4240	Service installations	-15,000.00	-3,885.00	-4,335.00	28.90
10-00-4280	Rents & leases	-140,000.00	-14,252.63	-6,569.35	4.69
10-00-4290	Other charges for services	0.00	466.81	-19,587.49	0.00
10-00-4610	Investment revenue	-25,000.00	0.00	0.00	0.00
10-00-4630	Miscellaneous revenues	-15,000.00	-116.12	-5,804.27	38.70
	<i>Revenue</i>	3,999,000.00	509,145.63	1,355,535.02	33.90
	NonDivisional	-6,879,270.00	-509,145.63	-4,728,997.58	68.74
	Drinking Water				
	<i>Personnel Services</i>				
10-20-5110	Regular employees	980,000.00	69,169.91	218,639.16	22.31
10-20-5120	Temporary/Seasonal employees	30,000.00	902.93	1,120.97	3.74
10-20-5130	Overtime	48,000.00	788.34	788.34	1.64
10-20-5210	Employee Ins Expense	225,000.00	13,272.07	39,652.02	17.62
10-20-5230	Social Security	80,500.00	5,239.97	16,451.22	20.44
10-20-5240	Retirement	202,000.00	12,118.87	37,811.08	18.72
10-20-5250	Trimet/WBF	9,000.00	534.33	1,683.02	18.70
10-20-5260	Unemployment	12,000.00	0.00	0.00	0.00
10-20-5270	Workers compensation	13,000.00	0.00	13,780.90	106.01
10-20-5290	Other employee benefits	7,300.00	8.00	25.76	0.35
	<i>Personnel Services</i>	1,606,800.00	102,034.42	329,952.47	20.53
	<i>Materials & Services</i>				
10-20-6110	Legal services	130,000.00	1,892.00	9,453.48	7.27
10-20-6120	Accounting & audit services	9,000.00	0.00	0.00	0.00
10-20-6155	Contracted Services	160,500.00	5,252.11	18,986.62	11.83
10-20-6180	Dues & subscriptions	25,000.00	64.21	17,412.33	69.65
10-20-6220	Electricity	45,000.00	2,788.57	9,356.35	20.79
10-20-6230	Telephone	21,000.00	447.98	3,138.60	14.95
10-20-6240	Natural gas	4,000.00	228.46	456.32	11.41
10-20-6290	Other utilities	4,000.00	305.30	633.33	15.83
10-20-6310	Janitorial services	8,500.00	604.07	4,106.51	48.31
10-20-6320	Buildings & grounds	10,000.00	72.76	113.82	1.14
10-20-6330	Vehicle & equipment maint.	27,000.00	3,490.82	10,112.48	37.45
10-20-6340	Distribution system maint	200,000.00	19,799.97	41,199.69	20.60
10-20-6350	Computer maintenance	48,500.00	4,666.63	40,009.87	82.49
10-20-6390	Other repairs &	50,000.00	1,927.00	8,337.80	16.68

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
	maintenance				
10-20-6410	Mileage	1,500.00	51.11	224.13	14.94
10-20-6420	Staff training	17,500.00	-66.00	1,096.14	6.26
10-20-6430	Certifications	1,000.00	160.00	260.00	26.00
10-20-6440	Board travel & training	2,500.00	0.00	0.00	0.00
10-20-6510	Office supplies	15,000.00	214.80	980.59	6.54
10-20-6520	Fuel & oils	25,000.00	1,617.99	3,541.90	14.17
10-20-6530	Small tools & equipment	15,000.00	0.00	226.02	1.51
10-20-6540	Safety supplies	12,000.00	1,909.03	3,470.05	28.92
10-20-6550	Operational Supplies	1,500.00	0.00	274.00	18.27
10-20-6560	Uniforms	4,000.00	0.00	0.00	0.00
10-20-6610	Board compensation	700.00	0.00	72.08	10.30
10-20-6710	Purchased water	1,050,000.00	0.00	117,561.77	11.20
10-20-6720	Insurance	30,000.00	50.00	50.00	0.17
10-20-6730	Communications	9,000.00	43.26	83.60	0.93
10-20-6740	Advertising	1,000.00	0.00	0.00	0.00
10-20-6760	Equipment Rental	5,000.00	0.00	0.00	0.00
10-20-6770	Bank charges	30,000.00	2,798.94	9,125.05	30.42
10-20-6780	Taxes & fees	20,000.00	564.90	564.90	2.82
10-20-6900	Miscellaneous expense	1,000.00	0.00	50.00	5.00
	<i>Materials & Services</i>	<i>1,984,200.00</i>	<i>48,883.91</i>	<i>300,897.43</i>	<i>15.16</i>
	Drinking Water	3,591,000.00	150,918.33	630,849.90	17.57
10	Drinking Water	-3,288,270.00	-358,227.30	-4,098,147.68	124.63
20	Wastewater Reclam. NonDivisional				
	<i>Beginning Fund Balance</i>				
20-00-3500	Fund balance	-5,416,603.00	0.00	-5,620,357.57	103.76
	<i>Beginning Fund Balance</i>	<i>-5,416,603.00</i>	<i>0.00</i>	<i>-5,620,357.57</i>	<i>103.76</i>
	<i>Revenue</i>				
20-00-4212	Wastewater charges	-7,947,500.00	-584,080.99	-1,844,228.40	23.21
20-00-4215	Penalties & late charges	-25,000.00	-814.75	-1,396.28	5.59
20-00-4220	System development charges	-100,000.00	-98,135.00	-134,290.00	134.29
20-00-4240	Service installations	-25,000.00	-3,158.68	-28,125.67	112.50
20-00-4290	Other charges for services	-5,000.00	-104.74	-4,765.58	95.31
20-00-4610	Investment revenue	-50,000.00	0.00	0.00	0.00
20-00-4630	Miscellaneous revenues	-15,000.00	-324.96	-5,462.33	36.42
	<i>Revenue</i>	<i>8,167,500.00</i>	<i>686,619.12</i>	<i>2,018,268.26</i>	<i>24.71</i>
	NonDivisional	-13,584,103.00	-686,619.12	-7,638,625.83	56.23
	Wastewater-Plant				
	<i>Personnel Services</i>				
20-21-5110	Regular employees	1,020,000.00	71,357.16	213,284.13	20.91
20-21-5120	Temporary/Seasonal employees	30,000.00	5,358.09	12,738.04	42.46
20-21-5130	Overtime	50,000.00	4,229.72	4,229.72	8.46
20-21-5210	Employee Ins-MDVSTDLTDLf	200,000.00	12,713.73	34,052.96	17.03
20-21-5230	Social Security	80,000.00	6,070.81	17,323.45	21.65
20-21-5240	Retirement	190,000.00	10,669.43	32,045.29	16.87
20-21-5250	TrimetWBF	8,200.00	622.91	1,774.65	21.64
20-21-5260	Unemployment	10,500.00	0.00	0.00	0.00
20-21-5270	Workers compensation	12,000.00	0.00	12,496.59	104.14
20-21-5290	Other employee benefits	6,800.00	8.68	21.98	0.32
	<i>Personnel Services</i>	<i>1,607,500.00</i>	<i>111,030.53</i>	<i>327,966.81</i>	<i>20.40</i>
	<i>Materials & Services</i>				
20-21-6110	Legal services	125,000.00	1,505.25	13,349.06	10.68
20-21-6120	Accounting & audit services	4,500.00	0.00	0.00	0.00
20-21-6155	Contracted Services	105,300.00	10,174.97	29,851.78	28.35
20-21-6180	Dues & subscriptions	15,000.00	69.59	899.65	6.00

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
20-21-6220	Electricity	250,000.00	0.00	89.29	0.04
20-21-6230	Telephone	24,000.00	1,253.62	4,043.90	16.85
20-21-6240	Natural gas	4,500.00	21.53	43.33	0.96
20-21-6250	Solid waste disposal	75,000.00	5,612.06	11,806.16	15.74
20-21-6290	Other utilities	3,000.00	1,060.83	2,633.81	87.79
20-21-6310	Janitorial services	22,000.00	3,781.63	7,578.78	34.45
20-21-6320	Buildings & grounds maint.	25,000.00	256.95	1,330.39	5.32
20-21-6330	Vehicle & equipment maint.	24,000.00	0.00	1,510.49	6.29
20-21-6342	WRF System maintenance	234,000.00	17,113.65	49,904.67	21.33
20-21-6350	Computer maintenance	109,250.00	4,645.99	13,354.56	12.22
20-21-6390	Other repairs & maintenance	0.00	910.80	910.80	0.00
20-21-6410	Mileage	2,000.00	55.41	173.83	8.69
20-21-6420	Staff training	23,000.00	289.25	868.25	3.78
20-21-6430	Certifications	5,000.00	0.00	0.00	0.00
20-21-6440	Board travel & training	3,000.00	0.00	0.00	0.00
20-21-6510	Office supplies	15,000.00	239.59	988.67	6.59
20-21-6520	Fuel & oils	35,000.00	112.80	400.25	1.14
20-21-6525	Chemicals	25,000.00	0.00	0.00	0.00
20-21-6530	Small tools & equipment	20,200.00	0.00	0.00	0.00
20-21-6540	Safety supplies	20,100.00	1,072.86	2,605.34	12.96
20-21-6550	Operational Supplies	20,000.00	620.50	5,333.98	26.67
20-21-6560	Uniforms	14,000.00	974.60	3,756.87	26.83
20-21-6590	Other supplies	20,000.00	40.68	498.09	2.49
20-21-6610	Board compensation	1,000.00	0.00	59.36	5.94
20-21-6720	Insurance	90,000.00	0.00	0.00	0.00
20-21-6730	Communications	4,000.00	59.40	103.13	2.58
20-21-6750	Other purchased services	0.00	1,271.33	1,271.33	0.00
20-21-6770	Bank charges	25,000.00	4,075.57	10,379.86	41.52
20-21-6780	Taxes & fees	68,500.00	3,850.71	4,690.71	6.85
20-21-6900	Miscellaneous expense	0.00	0.00	25.00	0.00
	<i>Materials & Services</i>	<i>1,411,350.00</i>	<i>59,069.57</i>	<i>168,461.34</i>	<i>11.94</i>
	Wastewater-Plant	3,018,850.00	170,100.10	496,428.15	16.44
	Wastewater-Collections				
	<i>Personnel Services</i>				
20-22-5110	Regular employees	665,000.00	61,100.95	185,730.00	27.93
20-22-5120	Temporary/Seasonal employees	22,000.00	398.90	495.22	2.25
20-22-5130	Overtime	40,000.00	464.51	464.51	1.16
20-22-5210	Employee Ins-MDVSTDLTDLf	130,000.00	12,086.90	33,828.06	26.02
20-22-5230	Social Security	56,000.00	4,660.43	14,088.67	25.16
20-22-5240	Retirement	140,000.00	8,401.91	25,962.65	18.54
20-22-5250	Trimet/WBF	6,000.00	478.38	1,443.04	24.05
20-22-5260	Unemployment	9,000.00	0.00	0.00	0.00
20-22-5270	Workers compensation	10,000.00	0.00	10,770.93	107.71
20-22-5290	Other employee benefits	4,800.00	3.53	11.09	0.23
	<i>Personnel Services</i>	<i>1,082,800.00</i>	<i>87,595.51</i>	<i>272,794.17</i>	<i>25.19</i>
	<i>Materials & Services</i>				
20-22-6110	Legal services	75,000.00	544.50	5,634.85	7.51
20-22-6120	Accounting & audit services	4,500.00	0.00	0.00	0.00
20-22-6155	Contracted Services	65,500.00	2,914.46	7,805.39	11.92
20-22-6180	Dues & subscriptions	5,000.00	28.38	700.16	14.00
20-22-6220	Electricity	10,000.00	956.34	3,909.76	39.10
20-22-6230	Telephone	21,000.00	795.69	2,732.08	13.01
20-22-6240	Natural gas	3,500.00	21.53	57.44	1.64
20-22-6290	Other utilities	8,500.00	728.75	8,442.12	99.32
20-22-6310	Janitorial services	6,500.00	352.44	1,899.77	29.23
20-22-6320	Buildings & grounds	3,000.00	32.14	162.22	5.41
20-22-6330	Vehicle & equipment	6,000.00	185.86	787.00	13.12

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
	maint.				
20-22-6342	Collection system maint.	40,000.00	79.92	25,139.92	62.85
20-22-6350	Computer maintenance	35,250.00	2,045.10	17,573.32	49.85
20-22-6390	Other repairs & maintenance	10,000.00	0.00	0.00	0.00
20-22-6410	Mileage	1,500.00	22.58	107.95	7.20
20-22-6420	Staff training	11,000.00	-34.00	728.70	6.62
20-22-6430	Certifications	900.00	0.00	0.00	0.00
20-22-6440	Board travel & training	1,500.00	0.00	0.00	0.00
20-22-6510	Office supplies	12,000.00	100.87	409.28	3.41
20-22-6520	Fuel & oils	7,500.00	517.64	1,386.18	18.48
20-22-6530	Small tools & equipment	10,000.00	0.00	2,360.00	23.60
20-22-6540	Safety supplies	3,000.00	362.52	932.31	31.08
20-22-6550	Operational Supplies	6,000.00	112.50	125.84	2.10
20-22-6560	Uniforms	8,000.00	268.26	1,262.95	15.79
20-22-6590	Other supplies	0.00	150.03	150.03	0.00
20-22-6610	Board compensation	500.00	0.00	34.26	6.85
20-22-6720	Insurance	24,000.00	50.00	50.00	0.21
20-22-6730	Communications	25,000.00	194.38	212.20	0.85
20-22-6750	Other purchased services	0.00	294.15	294.15	0.00
20-22-6770	Bank charges	15,000.00	2,034.79	8,170.48	54.47
20-22-6780	Taxes & fees	5,000.00	904.47	904.47	18.09
20-22-6900	Miscellaneous expense	0.00	0.00	25.00	0.00
	<i>Materials & Services</i>	<i>424,650.00</i>	<i>13,663.30</i>	<i>91,997.83</i>	<i>21.66</i>
	Wastewater-Collections	1,507,450.00	101,258.81	364,792.00	24.20
20	Wastewater Reclam.	-9,057,803.00	-415,260.21	-6,777,405.68	74.82
30	Watershed Protection NonDivisional				
	<i>Beginning Fund Balance</i>				
30-00-3500	Fund balance	-3,114,971.00	0.00	-2,713,265.04	87.10
	<i>Beginning Fund Balance</i>	<i>-3,114,971.00</i>	<i>0.00</i>	<i>-2,713,265.04</i>	<i>87.10</i>
	<i>Revenue</i>				
30-00-4213	Watershed protection fees	-1,456,000.00	-119,215.34	-362,325.40	24.88
30-00-4215	Penalties & late charges	-5,000.00	-179.51	-285.40	5.71
30-00-4240	Service installations	-40,000.00	1,371.13	-34,986.73	87.47
30-00-4290	Other charges for services	-5,000.00	0.00	0.00	0.00
30-00-4300	Grant Revenue	-250,000.00	0.00	0.00	0.00
30-00-4610	Investment revenue	-35,000.00	0.00	0.00	0.00
30-00-4630	Miscellaneous revenues	-5,000.00	-58.92	-450.30	9.01
	<i>Revenue</i>	<i>1,796,000.00</i>	<i>118,082.64</i>	<i>398,047.83</i>	<i>22.16</i>
	NonDivisional	-4,910,971.00	-118,082.64	-3,111,312.87	63.35
	Watershed Protection Personnel Services				
30-23-5110	Regular employees	424,000.00	24,867.75	76,007.04	17.93
30-23-5120	Temporary/Seasonal employees	10,000.00	607.72	754.48	7.54
30-23-5130	Overtime	16,000.00	0.00	0.00	0.00
30-23-5210	Employee	75,000.00	4,743.92	14,677.30	19.57
	Ins-MDVSTDLTDLf				
30-23-5230	Social Security	36,500.00	1,864.29	5,732.84	15.71
30-23-5240	Retirement	90,000.00	4,120.41	12,459.28	13.84
30-23-5250	Trimet/WBF	3,900.00	191.22	586.24	15.03
30-23-5260	Unemployment	5,000.00	0.00	0.00	0.00
30-23-5270	Workers compensation	5,100.00	0.00	6,029.15	118.22
30-23-5290	Other employee benefits	3,000.00	5.39	17.97	0.60
	<i>Personnel Services</i>	<i>668,500.00</i>	<i>36,400.70</i>	<i>116,264.30</i>	<i>17.39</i>
	<i>Materials & Services</i>				
30-23-6110	Legal services	70,000.00	321.75	4,472.40	6.39
30-23-6120	Accounting & audit services	9,000.00	0.00	0.00	0.00

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
30-23-6155	Contracted Services	47,500.00	5,005.17	10,156.43	21.38
30-23-6180	Dues & subscriptions	10,000.00	43.16	1,301.60	13.02
30-23-6220	Electricity	2,000.00	0.00	84.04	4.20
30-23-6230	Telephone	10,000.00	321.31	1,180.23	11.80
30-23-6240	Natural gas	1,500.00	23.75	33.12	2.21
30-23-6290	Other utilities	5,000.00	223.66	324.99	6.50
30-23-6310	Janitorial services	4,500.00	353.17	2,710.57	60.23
30-23-6320	Buildings & grounds	8,000.00	143.96	246.20	3.08
30-23-6330	Vehicle & equipment maint.	4,500.00	0.00	2,813.91	62.53
30-23-6340	System maintenance	10,000.00	0.00	0.00	0.00
30-23-6350	Computer maintenance	49,500.00	3,222.87	11,398.88	23.03
30-23-6390	Other repairs & maintenance	5,000.00	0.00	56.95	1.14
30-23-6410	Mileage	2,000.00	34.40	190.60	9.53
30-23-6420	Staff training	9,000.00	-66.00	710.70	7.90
30-23-6430	Certifications	500.00	0.00	0.00	0.00
30-23-6440	Board travel & training	1,500.00	0.00	0.00	0.00
30-23-6510	Office supplies	10,000.00	148.84	833.48	8.33
30-23-6520	Fuel & oils	2,500.00	235.02	557.48	22.30
30-23-6530	Small tools & equipment	5,000.00	0.00	0.00	0.00
30-23-6540	Safety supplies	2,500.00	508.01	639.75	25.59
30-23-6550	Operational Supplies	4,000.00	0.00	0.00	0.00
30-23-6560	Uniforms	1,500.00	51.06	240.38	16.03
30-23-6610	Board compensation	1,000.00	0.00	59.30	5.93
30-23-6720	Insurance	12,000.00	0.00	0.00	0.00
30-23-6730	Communications	85,000.00	306.07	1,333.22	1.57
30-23-6750	Other purchased services	11,000.00	13.27	13.27	0.12
30-23-6770	Bank charges	10,000.00	1,119.18	4,168.44	41.68
30-23-6780	Taxes & fees	2,000.00	39.16	39.16	1.96
30-23-6900	Miscellaneous expense	100.00	0.00	50.00	50.00
	<i>Materials & Services</i>	<i>396,100.00</i>	<i>12,047.81</i>	<i>43,615.10</i>	<i>11.01</i>
	Watershed Protection	1,064,600.00	48,448.51	159,879.40	15.02
30	Watershed Protection	-3,846,371.00	-69,634.13	-2,951,433.47	76.73
71	Drinking Water Capital NonDivisional Revenue				
71-00-4610	Investment revenue	-5,000.00	-4,783.07	-14,598.92	291.98
71-00-4650	Proceeds from borrowing Revenue	-1,300,000.00	0.00	0.00	0.00
		<i>1,305,000.00</i>	<i>4,783.07</i>	<i>14,598.92</i>	<i>1.12</i>
	NonDivisional	-1,305,000.00	-4,783.07	-14,598.92	1.12
	Drinking Water Capital Outlay				
71-20-7200	Infrastructure	1,350,000.00	0.00	5,123.04	0.38
71-20-7300	Buildings & improvements	12,000.00	0.00	0.00	0.00
71-20-7400	Improvement other than Bldgs	10,000.00	0.00	0.00	0.00
71-20-7520	Equipment	0.00	9,463.00	15,955.00	0.00
71-20-7530	Software	0.00	0.00	345.20	0.00
71-20-7540	Vehicles	32,000.00	0.00	27,679.98	86.50
71-20-7600	Capital Improvement Projects	300,000.00	1,500.00	36,373.26	12.12
	<i>Capital Outlay</i>	<i>1,704,000.00</i>	<i>10,963.00</i>	<i>85,476.48</i>	<i>5.02</i>
	Drinking Water	1,704,000.00	10,963.00	85,476.48	5.02
71	Drinking Water Capital	399,000.00	6,179.93	70,877.56	17.76
72	Wastewater Reclamation Capital				

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
	NonDivisional				
	<i>Revenue</i>				
72-00-4610	Investment revenue	-7,500.00	-8,303.01	-25,305.34	337.40
72-00-4640	Proceeds from sale of capital	-1,500,000.00	0.00	0.00	0.00
	<i>Revenue</i>	<i>1,507,500.00</i>	<i>8,303.01</i>	<i>25,305.34</i>	<i>1.68</i>
	NonDivisional	-1,507,500.00	-8,303.01	-25,305.34	1.68
	Wastewater-Plant				
	<i>Capital Outlay</i>				
72-21-7300	Buildings & improvements	1,500,000.00	0.00	0.00	0.00
72-21-7400	Improvement other than Bldgs	5,000.00	0.00	0.00	0.00
72-21-7530	Software	0.00	0.00	172.60	0.00
72-21-7540	Vehicles	31,000.00	5,370.00	5,370.00	17.32
72-21-7600	Capital Improvement Projects	1,220,000.00	0.00	11,295.00	0.93
	<i>Capital Outlay</i>	<i>2,756,000.00</i>	<i>5,370.00</i>	<i>16,837.60</i>	<i>0.61</i>
	Wastewater-Plant	2,756,000.00	5,370.00	16,837.60	0.61
	Wastewater-Collections				
	<i>Capital Outlay</i>				
72-22-7400	Improvements other than Bldgs	5,000.00	0.00	0.00	0.00
72-22-7520	Equipment	60,000.00	54,984.00	54,984.00	91.64
72-22-7530	Software	0.00	0.00	172.60	0.00
72-22-7540	Vehicles	0.00	0.00	27,679.98	0.00
72-22-7600	Capital Improvement Projects	500,000.00	0.00	0.00	0.00
	<i>Capital Outlay</i>	<i>565,000.00</i>	<i>54,984.00</i>	<i>82,836.58</i>	<i>14.66</i>
	Wastewater-Collections	565,000.00	54,984.00	82,836.58	14.66
72	Wastewater Reclamation Capital	1,813,500.00	52,050.99	74,368.84	4.10
73	Watershed Protection Capital				
	NonDivisional				
	<i>Revenue</i>				
73-00-4610	Investment revenue	-5,000.00	-4,963.78	-15,216.26	304.33
73-00-4640	Proceeds from sale of capital	-300,000.00	0.00	0.00	0.00
	<i>Revenue</i>	<i>305,000.00</i>	<i>4,963.78</i>	<i>15,216.26</i>	<i>4.99</i>
	NonDivisional	-305,000.00	-4,963.78	-15,216.26	4.99
	Watershed Protection				
	<i>Capital Outlay</i>				
73-23-7400	Improvement other than Bldgs	10,000.00	0.00	0.00	0.00
73-23-7520	Equipment	71,000.00	0.00	0.00	0.00
73-23-7530	Software	0.00	0.00	345.20	0.00
73-23-7540	Vehicles	0.00	62,557.61	62,557.61	0.00
73-23-7600	Capital Improvement Projects	1,920,000.00	360,857.50	510,482.50	26.59
	<i>Capital Outlay</i>	<i>2,001,000.00</i>	<i>423,415.11</i>	<i>573,385.31</i>	<i>28.65</i>
	Watershed Protection	2,001,000.00	423,415.11	573,385.31	28.65
73	Watershed Protection Capital	1,696,000.00	418,451.33	558,169.05	32.91

General Ledger
Account Roll up



User: kelly
Printed: 10/8/2018 10:21:53 AM
Period 01 - 03
Fiscal Year 2019

Sort Level	Description	Budget	Beg Bal	Debits	Credits	End Bal
Revenue	Revenue					
4211	Water sales	-3,640,000.00	0.00	8,591.51	1,235,850.18	-1,227,258.67
4212	Water sales - CRW	-7,979,500.00	0.00	7,251.50	1,863,533.19	-1,856,281.69
4213	Watershed protection fees	-1,456,000.00	0.00	1,535.54	363,860.94	-362,325.40
4215	Penalties & late charges	-55,000.00	0.00	584.65	6,203.76	-5,619.11
4220	System development charges	-175,000.00	0.00	7,385.00	210,125.00	-202,740.00
4230	Contract services	-32,000.00	0.00	0.00	7,539.52	-7,539.52
4240	Service installations	-80,000.00	0.00	53,736.25	121,183.65	-67,447.40
4280	Rents & leases	-140,000.00	0.00	40,745.00	47,314.35	-6,569.35
4290	Other charges for services	-10,000.00	0.00	17,320.00	41,673.07	-24,353.07
4300	Grant Revenue	-250,000.00	0.00	0.00	0.00	0.00
4610	Investment revenue	-150,459.00	0.00	0.70	65,793.05	-65,792.35
4630	Miscellaneous revenues	-35,000.00	0.00	180.00	11,896.90	-11,716.90
4640	Proceeds from sale of capital	-1,800,000.00	0.00	0.00	0.00	0.00
4650	Proceeds from borrowing	-1,300,000.00	0.00	0.00	0.00	0.00
4701	Interest Subsidy	-121,338.00	0.00	0.00	0.00	0.00
4911	Transfers in from Fund 10	-2,700,000.00	0.00	0.00	2,610,873.51	-2,610,873.51
4912	Transfers in from Fund 20	-8,303,935.00	0.00	0.00	5,793,543.55	-5,793,543.55
4913	Transfers in from Fund 30	-3,600,000.00	0.00	1.28	2,986,722.00	-2,986,720.72
Revenue	Revenue	31,828,232.00	0.00	137,331.43	15,366,112.67	15,228,781.24
Expense	Expense					
5110	Regular employees	3,089,000.00	0.00	694,056.94	396.61	693,660.33
5120	Temporary/Seasonal employees	92,000.00	0.00	15,108.71	0.00	15,108.71
5130	Overtime	154,000.00	0.00	5,482.57	0.00	5,482.57
5210	Employee Ins-MDVSTDLTDLf	630,000.00	0.00	122,210.34	0.00	122,210.34
5230	Social Security	253,000.00	0.00	53,596.18	0.00	53,596.18
5240	Retirement	622,000.00	0.00	108,278.30	0.00	108,278.30
5250	Trimet	27,100.00	0.00	5,486.95	0.00	5,486.95
5260	Unemployment	36,500.00	0.00	0.00	0.00	0.00
5270	Workers compensation	40,100.00	0.00	43,077.57	0.00	43,077.57
5290	Other employee benefits	21,900.00	0.00	76.80	0.00	76.80
6110	Legal services	400,000.00	0.00	32,909.79	0.00	32,909.79
6120	Accounting & audit services	27,000.00	0.00	0.00	0.00	0.00
6155	Contracted Services	378,800.00	0.00	66,800.22	0.00	66,800.22
6180	Dues & subscriptions	55,000.00	0.00	20,313.74	0.00	20,313.74
6190	Other professional & tech svcs	0.00	0.00	605.60	605.60	0.00

Sort Level	Description	Budget	Beg Bal	Debits	Credits	End Bal
6220	Electricity	307,000.00	0.00	13,439.44	0.00	13,439.44
6230	Telephone	76,000.00	0.00	11,094.81	0.00	11,094.81
6240	Natural gas	13,500.00	0.00	590.21	0.00	590.21
6250	Solid waste disposal	75,000.00	0.00	11,806.16	0.00	11,806.16
6290	Other utilities	20,500.00	0.00	12,034.25	0.00	12,034.25
6310	Janitorial services	41,500.00	0.00	16,295.63	0.00	16,295.63
6320	Buildings & grounds	46,000.00	0.00	1,852.63	0.00	1,852.63
6330	Vehicle & equipment maint.	61,500.00	0.00	15,223.88	0.00	15,223.88
6340	Distribution system maint	210,000.00	0.00	41,259.67	59.98	41,199.69
6342	Collection system maint.	274,000.00	0.00	75,044.59	0.00	75,044.59
6350	Computer maintenance	242,500.00	0.00	89,120.82	6,784.19	82,336.63
6390	Other repairs & maintenance	65,000.00	0.00	9,305.55	0.00	9,305.55
6410	Mileage	7,000.00	0.00	696.51	0.00	696.51
6420	Staff training	60,500.00	0.00	3,829.43	425.64	3,403.79
6430	Certifications	7,400.00	0.00	260.00	0.00	260.00
6440	Board travel & training	8,500.00	0.00	0.00	0.00	0.00
6510	Office supplies	52,000.00	0.00	3,212.02	0.00	3,212.02
6520	Fuel & oils	70,000.00	0.00	5,885.81	0.00	5,885.81
6525	Chemicals	25,000.00	0.00	0.00	0.00	0.00
6530	Small tools & equipment	50,200.00	0.00	2,586.02	0.00	2,586.02
6540	Safety supplies	37,600.00	0.00	7,647.45	0.00	7,647.45
6550	Operational Supplies	31,500.00	0.00	5,733.82	0.00	5,733.82
6560	Uniforms	27,500.00	0.00	5,260.20	0.00	5,260.20
6590	Other supplies	20,000.00	0.00	648.12	0.00	648.12
6610	Board compensation	3,200.00	0.00	225.00	0.00	225.00
6710	Purchased water	1,050,000.00	0.00	117,561.77	0.00	117,561.77
6720	Insurance	156,000.00	0.00	100.00	0.00	100.00
6730	Communications	123,000.00	0.00	1,732.15	0.00	1,732.15
6740	Advertising	1,000.00	0.00	0.00	0.00	0.00
6750	Other purchased services	11,000.00	0.00	3,097.88	1,519.13	1,578.75
6760	Equipment Rental	5,000.00	0.00	0.00	0.00	0.00
6770	Bank charges	80,000.00	0.00	31,843.83	0.00	31,843.83
6780	Taxes & fees	95,500.00	0.00	6,199.24	0.00	6,199.24
6810	2010 SRF Loan Principal	876,670.00	0.00	436,273.00	0.00	436,273.00
6811	2010 IFA Loan Principal	360,936.00	0.00	0.00	0.00	0.00
6812	2010 GO Bond Principal	1,080,000.00	0.00	0.00	0.00	0.00
6820	2010 SRF Loan Interest	370,772.00	0.00	150,725.00	0.00	150,725.00
6821	2010 GO Bond Interest	88,000.00	0.00	44,000.00	0.00	44,000.00
6822	2010 IFA Loan Interest	290,561.00	0.00	0.00	0.00	0.00
6823	JPM Bank Loan Interest	379,326.00	0.00	0.00	0.00	0.00
6900	Miscellaneous expense	1,100.00	0.00	150.00	0.00	150.00
6910	Cash overshort	0.00	0.00	20.00	0.00	20.00
7200	Infrastructure	1,350,000.00	0.00	5,123.04	0.00	5,123.04
7300	Buildings & improvements	1,512,000.00	0.00	0.00	0.00	0.00
7400	Improvement other than Bldgs	30,000.00	0.00	0.00	0.00	0.00
7520	Equipment	131,000.00	0.00	70,939.00	0.00	70,939.00
7530	Software	0.00	0.00	1,035.60	0.00	1,035.60
7540	Vehicles	63,000.00	0.00	123,287.57	0.00	123,287.57
7600	Capital Improvement Projects	3,940,000.00	0.00	558,150.76	0.00	558,150.76

Sort Level	Description	Budget	Beg Bal	Debits	Credits	End Bal
8140	Transfers out - Fund 40	1,548,123.00	0.00	516,041.00	0.00	516,041.00
8150	Transfers out - Fund 50	1,755,812.00	0.00	585,270.68	0.00	585,270.68
8171	Transfers out - Fund 71	2,700,000.00	0.00	2,610,873.51	0.00	2,610,873.51
8172	Transfers out - Fund 72	5,000,000.00	0.00	4,692,231.87	0.00	4,692,231.87
8173	Transfers out - Fund 73	3,600,000.00	0.00	2,986,722.00	1.28	2,986,720.72
9000	Contingency	3,087,009.00	0.00	0.00	0.00	0.00
Expense	Expense	37,345,109.00	0.00	14,442,433.63	9,792.43	14,432,641.20
Grand Total		-5,516,877.00	0.00	14,579,765.06	15,375,905.10	796,140.04
Fund Balance Total		0.00	0.00	0.00	0.00	0.00
Revenue Total		31,828,232.00	0.00	137,331.43	15,366,112.67	15,228,781.24
Expense Total		37,345,109.00	0.00	14,442,433.63	9,792.43	14,432,641.20



STAFF REPORT

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

Background

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

Issue

The District needs formal authorization of September checks numbered 41531 through 41655, which include accounts payable and payroll checks as well as electronic withdrawals totaling \$1,043,786.89. Attached you will find a report showing all checks and electronic withdrawals for September 2018 (0 under check number signifies ACH). There were no voided checks for the month.

Recommendations

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

Background

The District pays expenditures throughout the month.

Facts and Findings

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

Attachments

1. Accela Checks by Date September 2018

Bank Reconciliation

Checks by Date

User: KELLY

Printed: 10/05/2018 - 3:57PM

Cleared and Not Cleared Checks

Print Void Checks

0	9/15/2018	Payroll	DD 00001.09.2018	PR	70,742.59
0	9/17/2018	VALIC c/o JP Morgan Chase		AP	3,240.00
0	9/17/2018	Corporate Trust Services Wells Fargo Bank, NA		AP	44,000.00
0	9/17/2018	Nationwide Retirement Solutions		AP	1,575.00
0	9/17/2018	Check Commerce		AP	127.50
0	9/17/2018	Oregon Department Of Revenue		AP	8,398.74
0	9/17/2018	IRS Dept of The Treasury		AP	29,930.15
0	9/17/2018	Public Employees		AP	24,213.91
0	9/17/2018	Pitney Bowes, Inc.		AP	300.00
0	9/17/2018	Oregon DOR - State Transit Tax		AP	104.75
0	9/17/2018	TSYS		AP	8,450.83
0	9/22/2018	KS Statebank		AP	62,557.61
0	9/28/2018	Oregon DOR - State Transit Tax		AP	105.53
0	9/28/2018	IRS Dept of The Treasury		AP	29,975.15
0	9/28/2018	Public Employees		AP	24,236.40
0	9/28/2018	Oregon Department Of Revenue		AP	8,444.45
0	9/28/2018	Nationwide Retirement Solutions		AP	1,575.00
0	9/28/2018	VALIC c/o JP Morgan Chase		AP	3,240.00
0	9/28/2018	Payroll	DD 00002.09.2018	PR	71,671.78
41531	9/14/2018	Employee paycheck		PR	2,116.68
41532	9/14/2018	Employee paycheck		PR	1,000.53
41533	9/14/2018	Employee paycheck		PR	638.69
41534	9/17/2018	Xerox Corporation		AP	13.97
41535	9/17/2018	WW Machine Shop Inc		AP	1,900.00
41536	9/17/2018	Western Exterminator Company		AP	269.14
41537	9/17/2018	Water Environment Services		AP	144.45
41538	9/17/2018	Waste Management Of Oregon		AP	5,244.08
41539	9/17/2018	Waste Connections		AP	59.62
41540	9/17/2018	Verizon Wireless		AP	10.02
41541	9/17/2018	US Crane & Hoist, Inc		AP	706.00
41542	9/17/2018	US Bank Equipment Finance		AP	220.00
41543	9/17/2018	Unifirst Corporation		AP	510.22
41544	9/17/2018	SUNRISE AUTO SALES LLC		AP	1,635.59
41545	9/17/2018	Secure Pacific Corporation		AP	190.00
41546	9/17/2018	SDIS		AP	35,010.67
41547	9/17/2018	River Road Garage		AP	249.55
41548	9/17/2018	Relay Resources		AP	5,056.31
41549	9/17/2018	Quality Control Services		AP	675.00
41550	9/17/2018	Portland General Electric		AP	956.34
41551	9/17/2018	Portland Engineering Inc		AP	120.00
41552	9/17/2018	Porter Yett Company		AP	1,054.20
41553	9/17/2018	PlanB Consultancy		AP	10,495.00
41554	9/17/2018	STEVE & TAUNY PAUL		AP	469.45
41555	9/17/2018	Pamplin Media Group		AP	37.19
41556	9/17/2018	Oregonian Publishing Company		AP	205.34
41557	9/17/2018	One Call Concepts, Inc.		AP	330.00
41558	9/17/2018	Olson Bros. Service, Inc.		AP	2,295.55
41559	9/17/2018	Northwest Natural		AP	36.22
41560	9/17/2018	Northstar Chemical, Inc.		AP	508.00
41561	9/17/2018	JENNY NOLD		AP	12.05
41562	9/17/2018	Net Assets Corporation		AP	605.00
41563	9/17/2018	Ness Campbell Crane and Rigging		AP	1,680.00
41564	9/17/2018	Napa Auto Parts - Store #07078		AP	6.98
41565	9/17/2018	Modern Machinery Inc.		AP	1,799.07
41566	9/17/2018	Mission Communications, LLC		AP	910.80

41567	9/17/2018	Metereaders, LLC	AP	1,830.60
41568	9/17/2018	JOSEPH MCPHEE	AP	7.11
41569	9/17/2018	McFarlane's Bark, Inc.	AP	51.98
41570	9/17/2018	JOSEPH MCDONALD	AP	137.78
41571	9/17/2018	Maverick Welding Supplies Inc	AP	225.00
41572	9/17/2018	JACKIE & JERRY MALIN	AP	6.55
41573	9/17/2018	Mail Finance	AP	599.43
41574	9/17/2018	Les Schwab	AP	1,599.00
41575	9/17/2018	Laserwerks	AP	15.00
41576	9/17/2018	James W Fowler Co	AP	360,857.50
41577	9/17/2018	HealthEquity	AP	25.60
41578	9/17/2018	H.D. Fowler Company	AP	1,059.90
41579	9/17/2018	Flashnews	AP	169.00
41580	9/17/2018	Express Services, Inc.	AP	1,080.00
41581	9/17/2018	Environmental Paper & Print, Inc	AP	270.42
41582	9/17/2018	Law Office of Eileen Eakins, LLC	AP	1,100.00
41583	9/17/2018	Ed's Mower & Saw Shoppe	AP	40.00
41584	9/17/2018	DeZURIK Inc	AP	4,017.00
41585	9/17/2018	Daily Journal Of Commerce	AP	126.50
41586	9/17/2018	D&H Flagging Inc.	AP	525.00
41587	9/17/2018	Cranston Machinery Co. Inc	AP	960.00
41588	9/17/2018	Convergence Networks	AP	8,725.60
41589	9/17/2018	Contractor Supply	AP	616.77
41590	9/17/2018	Consolidated Supply Co.	AP	11,765.28
41591	9/17/2018	Comcast Cable	AP	419.37
41592	9/17/2018	City Of Milwaukie	AP	1,374.68
41593	9/17/2018	City Of Gladstone	AP	146.67
41594	9/17/2018	Cintas Corporation - 463	AP	89.54
41595	9/17/2018	Cintas Corporation	AP	1,394.68
41596	9/17/2018	Cessco, Inc	AP	3,149.00
41597	9/17/2018	BMS Technologies	AP	3,617.82
41598	9/17/2018	Aleah Binkowski-Burk	AP	163.50
41599	9/17/2018	Baxter Auto Parts, Inc.	AP	3.02
41600	9/17/2018	Atlas Electrical Contractors, Inc.	AP	1,927.00
41601	9/17/2018	Apex Labs	AP	4,632.00
41602	9/17/2018	AFSCME Council 75	AP	829.19
41603	9/17/2018	MARISSA AFLLEJE	AP	0.44
41604	9/17/2018	AFLAC	AP	863.29
41605	9/17/2018	Ace Hardware #11075	AP	279.65
41606	9/17/2018	A Worksafe Service, Inc.	AP	48.00
41607	9/28/2018	Employee paycheck	PR	2,116.61
41608	9/28/2018	Employee paycheck	PR	747.56
41609	9/28/2018	Employee paycheck	PR	704.43
41610	9/28/2018	A and A Drilling Service, Inc	AP	2,525.00
41611	9/28/2018	Accela	AP	1,508.10
41612	9/28/2018	Ace Hardware #11075	AP	40.68
41613	9/28/2018	AFLAC	AP	863.29
41614	9/28/2018	AFSCME Council 75	AP	829.19
41615	9/28/2018	Answernet	AP	155.27
41616	9/28/2018	BMS Technologies	AP	298.69
41617	9/28/2018	Brown & Brown Northwest	AP	100.00
41618	9/28/2018	BTL NW	AP	155.79
41619	9/28/2018	Bullard Law	AP	3,163.50
41620	9/28/2018	Cascade Print Source	AP	59.90
41621	9/28/2018	Century Link	AP	804.20
41622	9/28/2018	Cintas Corporation - 463	AP	89.54
41623	9/28/2018	City Of Gladstone	AP	5,181.24
41624	9/28/2018	Clackamas County	AP	185.86
41625	9/28/2018	Clackamas County Recorder's Office	AP	178.00
41626	9/28/2018	Contractor Supply	AP	79.92
41627	9/28/2018	Convergence Networks	AP	4,006.89
41628	9/28/2018	Cues, Inc	AP	225.43

41629	9/28/2018	D&H Flagger Inc.	AP	160.00
41630	9/28/2018	Detemple Company, Inc.	AP	1,579.24
41631	9/28/2018	Express Services, Inc.	AP	1,808.44
41632	9/28/2018	Ferguson Waterworks	AP	544.00
41633	9/28/2018	Ford Hall Company, Inc	AP	3,663.07
41634	9/28/2018	Grainger, Inc.	AP	672.58
41635	9/28/2018	Instrument Technology Corporation	AP	6,314.00
41636	9/28/2018	Les Schwab	AP	1,578.32
41637	9/28/2018	Madison Biosolids, Inc.	AP	2,349.85
41638	9/28/2018	McFarlane's Bark, Inc.	AP	135.00
41639	9/28/2018	David Mendenhall	AP	323.25
41640	9/28/2018	Mueller Co	AP	1,500.00
41641	9/28/2018	Northwest Natural	AP	259.05
41642	9/28/2018	Olson Bros. Service, Inc.	AP	187.90
41643	9/28/2018	Pacific Truck Colors, Inc.	AP	5,370.00
41644	9/28/2018	Perlo Construction	AP	15,430.75
41645	9/28/2018	Portland General Electric	AP	2,788.57
41646	9/28/2018	E C Company Power Systems West	AP	2,608.34
41647	9/28/2018	Ricoh Americas Corporation	AP	375.13
41648	9/28/2018	River Road Garage	AP	53.95
41649	9/28/2018	Secure Pacific Corporation	AP	95.00
41650	9/28/2018	Traver's Cleaning Service Inc.	AP	35.00
41651	9/28/2018	Unifirst Corporation	AP	925.37
41652	9/28/2018	Verizon Wireless	AP	1,429.22
41653	9/28/2018	Water Systems Consulting, Inc.	AP	28,853.00
41654	9/28/2018	Loyd J Webert	AP	934.80
41655	9/28/2018	Western Systems Refuse & Recycling Solutions	AP	54,984.00

Total Check Amount: 1,043,786.89

BR-Checks by Date (10/5/2018 - 3:57 PM)



OAK LODGE WATER SERVICES
Minutes
Board of Directors – Regular Meeting 6:00 p.m.
September 18, 2018

Board of Directors - Members Present:

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

Board of Directors - Members Absent:
none

Oak Lodge Water Services Staff Present:

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

Visitors Present:

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

Regular Board of Directors Meeting

1. Call to Order and Flag Salute

Board President Nancy Gibson called the regular meeting to order at 6:00 p.m. and Vice President Susan Keil led the pledge of allegiance.

2. Call for Public Comment

There were no comments from the public.

3. Consent Agenda

a. August 2018 Financial Reports

i. Approval of August 2018 Check Run

b. August 21, 2018 Board Meeting Minutes

Questions included: requests for more information about checks numbered #41392 Roto Rooter and #41471 to Clog Busters – were the high charges because of the lack of specialized equipment? Staff responded yes and added that some of the work had to be done at night because of Oregon Department of Transportation regulations, which increases the price of the job. What is Brown and Caldwell currently working on for OLWS? Staff responded they are working on the biosolids building, and on how to add a hopper into the waste recovery stream. Question about workers compensation payouts and if

OLWS has had any claims. Staff responded the payment is annual to SDIS to cover workers compensation premiums. In the Drinking Water Capital Outlay the percent of budget expended is already 86% on vehicles. Staff responded this is for encumbered charges based on the order of two budgeted vehicles to the fleet. Correction to the minutes: change Item #6 to read "Closed **Public Hearing** for first hearing of the Ordinance". There were no other questions or comments.

Director Williams moved to approve the consent agenda with the noted change.

Director Gornick seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

4. Initial Finance Policies Workshop

Finance Director Kelly Stacey introduced Rob Moody, partner from Plan B Assurance Services to share the progress OLWS has made on updating the Finance Policies. He presented 7 Draft Financial Policies for Board consideration. There will be 12 more policies coming for review at the December Board meeting, including: Procurement Policy, Records Management Policy – which includes a Records Retention Schedule, a Cyber Security Awareness Policy, a Board of Directors Compensation and Expense Policy, a Grants Management Policy, an Employee Credit Card Usage Policy, an Expenditures Policy, an Ethics Policy, a Personally Identifiable Information Policy, a Travel Reimbursement Policy, a Payment Card Industry (PCI) Policy, and an Information Systems Physical Access Security Policy.

For this meeting, the following policies were reviewed, and details of the policies were highlighted (refer to Board Packet for policy attachments and audio for detailed highlights): a Budget Policy, a Debt Policy, a Fund Balance Reserve Policy, a Low Income Rate Relief Policy, A Revenue Policy, a Surplus Property Disposal Policy, and an Investment Policy. The Oregon Revised Statutes (ORS) provided the basis and best practices for the policies.

The Board asked several questions, including: what the following phrase meant, "that the District Budget Process will provide incentives to District management and employees". The response was that through the policy and the budget process an incentive for following the policy is provided to management and staff. The language will be adjusted to place the focus onto the process providing guidance, and not that "incentives" will be provided.

Other questions: Debt Policy question what "proper" approvals means, -- Rob Moody suggested the language, "established document and maintain a system of control over debt activities including board approvals for debt issuance and proper authorizations for debt service payments." The Board approved that suggestion.

Question on the end of the Investment Policy, paragraph about the authority of the Finance Director. Rob Moody suggested the language, "the finance director may engage the services of one or more external investment managers to assist in the management of the District's investment portfolio in a manner consistent with this investment policy and in

accordance with the District's procurement policies and practices." The Board approved the suggested language.

Question about the meaning of "direct dealer relationships". Rob Moody responded it means, "this is where the District would have a one-to-one relationship with a broker-dealer that is with respect to a specific transaction. The relationship is direct and does not work indirectly or through a third party." He will follow up with a more succinct response.

Question about the Low-Income Rate Relief Policy being set up like the former Water District Policy and not a specified percentage of the overall bill like the former Sanitary District Policy had. The language would clarify rate relief of "half for the water service charge component and half for the annually set entire wastewater and watershed protection fee." The Board agreed with this clarification.

Question about reasonability of the Revenue Policy statement, "all revenue by the District including any revenue received by any agent on its behalf is to be reconciled at least on a weekly basis." The suggestion was made for it to be quarterly at least and maybe more often as time allows, possibly monthly. The Board agreed with this change.

Question about the Debt Policy in Direct Debt, within Debt Position, and the phrase of ration of "Debt to Personal Income" and how we would do this? Rob Moody responded the statistical information is broken out and compiled at the local or at least the County level. Comment concerning the Oak Grove zip codes there is an average household income level broken out (\$60,000). This information allows rating agencies and debt providers to evaluate the potential risk of their investment in providing a cost of debt to an organization. This encompasses certain kinds of debt and bonds, like geo-bonds.

Question about the Fund Balance and Reserve Policy within each of the reserve funds, does the District have the knowledge about how to, "spread the cost of replacement of equipment over the life of the respective asset"? Staff responded the District evaluates and assigns depreciation information to assets and then will work to follow investments in asset repair/replacement. We are not to this goal yet, having recently set up the reserve funds, but this is the target. Comment that the life assigned to assets are conservative, and because of this should the District set reduced appreciation numbers? Comment that the numbers sound like an annual contribution as opposed to a reserve balance, so what is intended by this policy? Will the amount set aside annually be based on the rate of depreciation? Staff response we would target the total reserve to equal the level of our accumulated depreciation. The intention is to establish a reserve sufficient to take care of your annual capital replacement and maintenance needs, and then strive towards carrying out that goal. Comment that we cannot reserve replacement value, you can only reserve actual cost. We will have to calculate the rate increase to meet these goals over time, and the reserve will help to stabilize rates over time. The Board discussed several different models for establishing and maintaining reserve funds for municipalities and settled on the proposed 25% for the OLWS reserve fund.

Question from the Investment Policy: what is a repurpose agreement? Rob Moody responded it is a risk hedging instrument which involves buy-back commitments although very few organizations use these agreements.

Question on the Capital Reserve Funds about the use of the term “spread the costs of replacement of equipment” – Rob Moody responded that it should read “capital assets” instead of equipment.

Question on the Investment Policy if the District compares the performance standards and evaluates our investments. Staff response that the District is restricted related to liquidity and only invests in the Local Government Investment Pool and does not look at other investments. Rob Moody responded we could meet the standard by looking at the changes in rates and benchmarked by looking at the state’s short-term fund board returns. At times we could move money in and out of the LGIP to catch opportunities for our investments, and possibly use a consultant to support this activity. We would report to the Board annually on the process and choices.

The Board engaged in a conversation about the importance of using the approved policies to be not only aspirational but also that the policies are best practice and we must figure out how to accomplish what we have committed to in our policies.

Question about the Debt Policy and where the District would use “conduit debt”. Rob Moody replied the City of Hillsboro issued conduit debt for Tuality hospital in order to build the hospital. Because they do not have the ability to issue debt themselves, they pass the money from Tuality through to the debt provider. This will not be likely for OLWS.

Question about the application of System Development Charges and when will they be reviewed. Staff and Board responded that how they are calculated is defined by state law and is used to create the District’s master plans, how they are regulated and applied is defined in the District’s Rules and Regulations. This will be looked at in February for water, watershed protection will be looked at during the December after that, and the sewer would be in the following June.

These policies would be reviewed by the union and then will return to the Board.

5. Second Reading of Ordinance No. 18-02 to Ratify Resolution No.18-08 amending and restating the District’s North Clackamas County Water Commission’s Intergovernmental Agreement (IGA)

General Manager Sarah Jo Chaplen provided an update on the long process of the IGA and if approved it will be filed at Clackamas County Recorder’s Office and at the Office of the Oregon Secretary of State, as well as an original being held at the District level. There were no further questions or discussion.

Treasurer Fisher moved that the Board conduct the second reading of Ordinance No. 18-02 by title only. Secretary Keil seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

6. Commercial Real Estate Broker/ Agent of Record Contract

General Manager Sarah Jo Chaplen has been working with the facilities subcommittee and after reviewing many options about moving forward with meeting the operational needs of the District. Currently, they are requesting to work with a commercial real estate broker to make the best decisions. Options include to sell the former Sanitary District building and to expand the former Water District site to increase viability, to sell both buildings and have a third site in the District. The broker will assist the subcommittee with estimates on costs of sale and purchase for the various options.

Question about what it means to have full range of commercial real estate services and the staff responded that they will have information and strategies that will assist OLWS in making good decisions on multiple levels of sales/purchase for real estate transactions. Further conversation about the level of service needed for this position and the contract that will be created to support this service.

Director Gornick moved to authorize our General Manager to issue the notice of intent to award and negotiate the contract for Commercial Real Estate Broker/ Agent of Record services from 2018-2022. Secretary Keil seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

7. Intergovernmental Agreement (IGA) with North Clackamas Parks and Recreation District (NCPRD) Regarding Partnership on Boardman Wetland Complex Project

District Engineer Jason Rice shared that we are waiting to hear about the official grant award for the nature play area of the Boardman Wetland Project. He reminded the Board of the purchase and sale agreement written up with NCPRD for the North Addie Street lot last March. The agreement was put into place to show the Oregon State Parks Board that NCPRD would own and be responsible for the property on which they were applying to build the park. To complete this transaction, OLWS needs to have an IGA about how the funds will be exchanged. Overall, NCPRD commits to reimbursing OLWS for all expenses tied to adding the Nature Playground to the Boardman Wetland project. OLWS commits to the continued management of the construction project. Staff went through the contract to highlight changes, including a standard warranty expiration period, indemnification was made mutual in the agreement, and clarifications which do not change the intent of the contract. Another change to the motion is the OLWS Board President will sign the document although the points of contact will remain at the jurisdiction staff level (Sarah Jo Chaplen and Scott Archer). We will have ongoing easements for the sewer line, which is the only ongoing obligation of OLWS to the area.

Treasurer Fisher moved to direct staff to work with legal counsel to finalize an Intergovernmental Agreement with North Clackamas Parks and Recreation District for the Partnership of the Boardman Wetland Complex Project and to have the Chair sign the Agreement once finalized. Director Williams seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

8. Department Reports

- **Finance Report:**

Finance Director Kelly Stacey shared they are putting together year end documentation for OLWS and for the Water Commission. They will go live with payroll for the Commission at the end of October. She has started her comprehensive analysis of the FCS Report, noticing that their report was based on actual numbers from 2015-2016 and using it to compare to current actuals. She mentioned the temporary staff Matt Parla being hired to cover for time when two members of the administrative team were both out of the office. He will be here through the end of October. The consultant from Plan B is interviewing about half of the employees for the risk assessment to document a variety of perspectives on work left to complete after the consolidation.

- **Field Operations Report:**

Field Operations Superintendent Todd Knapp reported 94% of the total goal for cleaning and inspecting the lines. He highlighted aspects of his Board report. They will be starting work with the easement machine in the next week. Water use numbers were higher than average. A water hydrant had to be moved at the Addie Street property. Sand was added to the Valley View reservoir site, which allows for ease of landscaping. The Board relayed a public comment on flooding concern for the outflow/conduit on the Risley Street side outflow from the small box into River Forest Lake. The Board wanted to know who had responsibility for water quantity as well as water quality in a similar situation. The public talked to Water Environment Services and WES thought the conduit belonged to the Parks District. There is beaver activity in this area also, and the question is who is responsible for what layers in situations like these. Jason Rice mentioned this issue will be a focus of the upcoming Special Board meeting on October 10th. The Board mentioned it was important for them to have time to clarify current District responsibilities and level of service before opening it up to the public. He encouraged the Board to become familiar with the Municipal Separate Storm Sewer Systems (MS4 Permit) before the meeting. Sarah Jo Chaplen mentioned the accident issue that was dealt with while Todd was on vacation over Labor Day weekend, and the good work that Brad and the on-call field staff provided.

- **Plant Operations Report:**

Plant Superintendent David Mendenhall commented on the continued operation and fine tuning the process. He was glad to bring in the last operator and get the new maintenance staff up to speed. He went over the photos in his staff report showing the pumps that are being rebuilt, which is significantly more cost effective than purchasing new pumps. The Board asked a question about how much time was spent with the crane operators on site and staff responded they were out at a four-hour minimum. The Board asked if this work should have been completed sooner and staff responded yes, but it had been attempted in the past and the job was not completed. The Board asked what a "volute" is, and staff responded the volute is a round piece that fits around a propeller blade and helps to create the centrifugal force for a pump. He also pointed out that the annual generator work was completed.

- **Technical Services Report:**

District Engineer Jason Rice did not yet have word on the receipt of the grant by NCPRD. He added two points. The first was how much he enjoyed the Oak Grove Trolley Trail Festival with Kevin and Sarah Jo at the event. He thought there were quite a few people there, there were many good items to give away, many good conversations, and OLWS appreciated being located next to the Oak Lodge Community Emergency Response Team. Two items that were very well-received were the emergency water bags and the leak detection kits. There were usually a line of people waiting to talk and receive information as well as free give-away items. He illustrated his report and the various projects that were underway. Concerning the Boardman Wetland Project, he highlighted the piles for the boardwalk had been driven, the contractors were nearing the end of grading, they were getting ready to burst the sewer pipe. They will pull the new pipe through and break the old pipe to create a new watertight sewer pipe flowing under the wetland. They will do three pulls in about three days to complete that solid pipe replacement all the way from Jennings Avenue to Boardman. He will need to ask for an extension for the contractor's in-water work permit, pushing it out past the end of September.

9. Call for Public Comment

Eric Hofeld thanked the Board for allowing them to share his expertise with OLWS. The Board reciprocated his gratitude and let him know how much they valued his knowledge.

10. Business from the Board

Treasurer Fisher attended to the Oak Grove Community Council meeting and shared the presentation from the local business owner, Lazerwerks, located in the Gigi's complex. The owner has been there since 2007 and they provide awards, placards, and engravings for many customers. The New Century Players gave a long presentation. The Land Use Application Review Team (LIUART) presented information on the vacant lot right next to the house across the street from the OLWS administration building – could this be a possibility for parking for the District?

Vice President Keil attended the North Clackamas Chamber of Commerce Public Policy Forum and referred to her report in the Board Packet. There was a disorganized presentation on a tobacco retail licensing Measure from the Oregon Health Department. The presentation was not well-received, and many thought the work to protect people from underage smoking could be better done by another entity, like the Oregon Liquor Control Commission. The second presentation was by the Superintendent of the North Clackamas School District about the levy on the ballot. The levy will cost about \$30/month for a home assessed at about \$221,800 and will help the District catch up because of lagging funding requests over the last decade compared with state's budget increases over the same period. The third presentation was Dave Hun talking about high pharmaceutical prices and their goal to put pressure on drug companies to lower costs. There was no specific plan outlined or fundraising goal at this time, so there was little impact.

Director Williams reported that the Jennings Lodge CPO had a presentation from the new Executive Director, Neil Shulman from North Clackamas Urban Watersheds Council presented on NCUWC mission and thanked OLWS for their funding. Next came a presentation about what CPO's in Clackamas County have learned over the past five years. The takeaway is that the County Commissioners do not care about unincorporated neighborhoods, advocacy and lobbying are the best ways to approach public officials and planning and zoning regulations need to be fixed. Upcoming goals for CPO's will be to amend zoning regulations, a focus on who they help elect (for all elected positions), and that they want to see permit and building applications tracked to ensure that conditional uses are being met. Then they asked what topics should be at CPO meetings. Suggestions included education for the group regarding zoning regulations and non-compliance, develop a list of properties in Jennings Lodge that could be subdivided for infill. They discussed garage sales and that frequent sales at regular locations were in compliance.

Director Paul Gornick attended the August 22nd meeting of the Sunrise Water Authority. They interviewed two candidates for one of the two open Board positions and the Board selected Wayne Barstow for Position #3. The Board unanimously passed the first reading of Ordinance 2018-01 reconstituting the NCCWC under the new IGA. The second reading will take place on September 26th. There were discussions on topics from their consent agenda items involving main replacements whose final budgets were significantly higher than their projected CIP budgets. One had more than doubled due to half-street replacement conditions placed by the County. The Board nominated and approved their representatives to the NCCWC and the Clackamas River Basin Council. During the meeting the managers requested Board direction for over and under billing on customer accounts and the consensus was to look back 24 months on the accounts, delegating the payment arrangements to be made through the General Manager. Board review of specific cases would take place as requested by either the G.M. or the customer. In the operations section he noted that unaccounted-for water dropped from 10% in May 2017 to 6.5% in July 2018. The Board convened their local contract review Board and approved an exemption from competitive bidding of meters and related equipment and bank and payment services. Then they amended by resolution a 2015 ordinance to include recurring budget approved purchases in the \$50,000 spending limit for the G.M.

President Gibson attended C4 where the big topic was vehicle registration and fees. She highlighted a graphic (see Board packet). Washington County has 1300 miles of road with an annual collection of 14.9 million dollars funded by four funding sources: a local gas tax, a road tax, local property tax and vehicle registration. Multnomah County has 230 miles of road with 17.9 million dollars funding from local gas tax and vehicle registration fees. Clackamas County has 1400 miles and no local funding sources currently (except for gas tax from the state of Oregon). Clackamas County would like to deed their roads to the cities within it. The Cities would like to own the roads because currently Clackamas County does not build its roads up to the same standards that cities require. Comment that with a vehicle registration fee, 40% goes to the county and the rest to the city, which can use it as needed. Many people want to make sure that the money would go to road related needs.

OLWS does not have a CRBC Board liaison, and we are not required to. Kevin Williams does not need to be an alternate for "Impact" because Nancy Gibson is the alternate to the primary Don Trotter. This meeting is twice a month, second and fourth Wednesdays. Along

with this meeting is the C4 Metro Subcommittee Meeting every Wednesday at 7:30 a.m. Susan Keil must be the alternate to Lynn Fisher for the Oak Grove Community Council because she lives in the area. Who will go to CRW meetings? Lynn Fisher volunteered to attend the CRW meetings, and Paul Gornick volunteered to be the alternate. Lynn Fisher updated the group that the DAB is not currently meeting (NCPRD) and that the Master Planning CAC is also not currently meeting. The Concord Community Stakeholders Association is no longer in existence. The new Concord Task Force will start meeting in a few weeks and Lynn Fisher will be a part of it, representing DAB and parks constituents, not OLWS.

11. Adjourn Regular Meeting

President Nancy Gibson adjourned the regular meeting at 8:43 p.m.

Respectfully submitted,

Nancy Gibson
President, Board of Directors

Susan Keil
Secretary, Board of Directors

Date: _____

Date: _____

OAK LODGE
WATER SERVICES
STAFF REPORT

To: Board of Directors
From: Kelly Stacey, Finance Director
Agenda Item: Consolidation Cost Savings Report
Item No.: 4
Date: October 16, 2018

Background

In 2015 the FCS Group conducted a study of the former water and sanitary districts to identify efficiencies which would likely result from the consolidation of the two districts. The report cited several opportunities for cost savings due to efficiencies anticipated with the consolidation. Their report provides a structure and framework for evaluating those specific opportunities.

FSC Group predicted consolidating the two agencies would result in ongoing savings of about \$425,000 per year. These savings would result from eliminating three positions, combining the financial system, combining the office space, and reducing materials and services budgets in consequence of having one district instead of two.

The FSC study was the basis of asking the public to decide if consolidation was in the best interest of the customers. In May of 2016 the voters overwhelmingly voted to consolidate Oak Lodge Water District and Oak Lodge Sanitary District. On January 1, 2017, Oak Lodge Water Services District became the new combined district.

Overview

The attached report is the analysis of the savings related to the consolidation. Using the FSC report as a framework, I methodically researched the savings. I used the 2016 audited financial reports from both former agencies as my beginning numbers. In evaluating the savings, I used the current pricing, contracts for services and known salaries to determine the dollars saved. Most of the materials and services savings are known, but not yet fully reflected in the District's spending. For instance, we have consolidated to one Financial Software system, however last fiscal year we were still paying maintenance and support fees on the legacy systems. Beginning January 2019, we will have only one annual fee. By the 2020 fiscal year, we should fully recognize savings as described in the report. With that being said, it is important to note that some of the one-time costs related to the consolidation may still continue for some time.

It is also important to note that the two administrative offices have not yet been combined—this is a project in process. Consequently, the savings or costs associated with combining them will be coming in a separate report and have not been evaluated as part of the Consolidation Cost Savings Report before you today.

Recommendation

It is recommended that the board of Directors approve this report to be published on our website and saved as an official report of the savings related to the consolidation.

Attachments:

1. Consolidation Cost Savings Report

To: Board of Directors
From: Kelly Stacey, Finance Director
Subject: Consolidation Costs Savings Report
Date: October 16, 2018

Introduction

In February of 2015, FCS Group (FCS) was hired by both Oak Lodge Sanitary District (OLSD) and Oak Lodge Water District (OLWD) to evaluate the potential consolidation of the two districts. As a part of this evaluation, FCS examined the characteristics of the two organizations, job functions and materials and services budgets to identify cost savings. In December of 2015, FCS Group submitted an Evaluation of Agency Consolidation of Oak Lodge Sanitary District (OLSD) and Oak Lodge Water District (OLWD) for review with the Board and the public.

This memorandum is intended to be an up-to-date cost savings analysis of the FCS Group report. The report provides a structure and framework for evaluating those specific opportunities and responses to each element in assessing the efficiencies recognized. Some of the items, such as personnel costs related to the vacant positions were recognized from the beginning, others began in the current fiscal year, such as the finance software maintenance. In any case, the figures given are the long-term ongoing savings that will be seen in whole beginning with the 2019/2020 fiscal year.

Summary

FCS Group identified these high-level efficiencies as likely to result from the consolidation efforts. Each of the elements cited are more fully developed and addressed in detail below:

1. Consolidating the two Districts would result in ongoing savings of about \$425,000 per year. These savings would primarily result from eliminating three full-time equivalent (FTE), combining the two separate financial systems, combining the office space, and reducing materials and services budgets in consequence of having one district instead of two.
 - a. \$214,000 of the savings was estimated to come from personnel costs
 - b. \$211,000 of the savings was estimated to come from the materials and services budgets. Any organizational change of this magnitude would be unavoidably complicated.

-
2. Three positions were vacant by the January 1, 2017 formation of Oak Lodge Water Services District (OLWSD)—one of the General Managers, one high-level manager and one administrative staff employee. This has two implications under the recommended scenario:
 - a. First, no employees were laid off as part of the consolidation.
 - b. Secondly, the ongoing savings would be realized at the early end of the implementation period, generating sufficient savings to fund the one-time costs. Estimated one-time costs of \$870,000 were identified in the report.
 3. Market and sell the OLSD building.
 - a. Estimate that about \$730,000 of one-time revenue could be generated, which could logically be used to offset the cost of remodeling the current administration building to house all the necessary staff.
 - b. This original assumption has proven to be false. As time has passed, the value of the OLSD building has grown in value, as has the cost of the construction of the new office space due to the refinement of the requirements of the ultimate space and the rapidly rising costs of construction in general within Oregon. Staff is currently looking at what are the likely true costs. This current report will not address any costs or savings related to this portion of the consolidation.

Ongoing Savings and One-Time Costs

FCS evaluated each employees' job function. Based on this analysis they determined through their assumptions the elimination of 3 to 4 FTE and developed two scenarios based on this analysis. The newly formed District opted to choose Scenario 2 which was recommended and would eliminate 3 FTE. The 3 FTE would be a General Manager, a Finance/Administrative Manager, and an administrative support position.

The previous District boards chose to have the FTEs eliminated through attrition rather than a lay off. It was not determined exactly when the retirements or vacancies would take place and the savings would be recognized. As it turned out, all three positions were vacated before the consolidation went into effect on January 1, 2017.

The indirect savings will take longer to achieve. With Scenario 2 the projected savings would be \$425,000 per year beginning the year after all the positions were vacated. This analysis will look at the actual savings and the offsets that are attributed to the positions and other savings related

to the consolidation. It will also address some cost avoidance, purchasing one new financial software at a purchase price of \$150,000, instead of two finance systems each at a \$150,000.

Timing of Costs and Savings

Although the savings of personnel costs came earlier than expected, many of the up-front costs have extended beyond the original timeline. Considering it is past the originally forecasted estimate of a July 1, 2018 move in date to the combined building, we are projecting at least several more years to complete the items related to the consolidation. Legal services continue to be necessary as staff develop new policies which had not been in place or needed updating and to negotiate a variety of new and revised contracts. The District only recently began joint billing and the balance of the financial and permitting software will continue through fiscal year 2018/2019. With that in mind, OLWS will see part of the savings in 2018/2019 and full annual savings beginning in 2019/2020.

At the same time, many savings and costs along with efficiencies in operations occurred early on and will add to continuing savings overtime in the potential costs of providing the current service level for the District. After deferring capital projects for the last several years, the fund balances in Water, Wastewater and Watershed Protection has grown beyond the original amounts mentioned in the FCS report. This money is needed for upcoming capital projects and to possibly fund a PERS side account to offset future increases. It may be necessary to look to other funding sources to construct the new District headquarters as it is unlikely that the \$500,000 (which includes the purchase of additional property) mentioned in the FCS report is a realistic number.

So far, the fund balances have not been tapped to finance the one-time costs associated with the consolidation. As a financial strategy, savings in other areas of OLWS have been reallocated to the areas needing extra funding for onetime expenditures.

Process

Spurred by the opportunity created by the planned retirement of one of the General Managers, the two boards began discussing the potential creation of a single district in 2013 and 2014. A preliminary feasibility study by Steve Donovan of Donovan Enterprises, Inc. was presented to the two boards in June 2014. The Donovan study projected potential ongoing savings of about \$612,000 per year, based mostly on a reduction of five administrative and management positions. The Donovan study also identified potential revenue of \$730,000 from the sale of the OWSD headquarters building.

The Donovan study was a high-level look into the consolidation of the two Districts with unconfirmed assumptions. Even with some overlap of duties, there is extra work required in each of the areas compared to being just one service. Even though there are half the bills, there are still the same number of charges since Water, Wastewater and Watershed Protection are all

separate revenue producers. The same goes with many of the other duties: one payroll but more employees than either of the prior agencies; one accounts payable but nearly twice as many invoices as either function had before; and the list goes on to include the work of the General Manager, Finance Director, Engineer and so on. It was later determined by the FCS Report that it was not feasible to consider reducing staff by five FTEs as stated in the Donovan study.

Per-Employee Benefits

The benefits percentages shown in the FCS report reveal several items regarding the cost of benefits for the two Districts. First, the salary-driven benefits were significantly higher for OLWD than OLSD—24% vs. 18%. Furthermore, per-employee benefits such as health insurance are also more costly to OLWD than they were to OLSD—\$24,231 per employee as opposed to \$20,031 per employee. Among other things, this reflects the fact that OLWD employees paid 5% of their premium cost while OLSD employees paid 10%. In addition, the workers' compensation budget per employee is higher for the OLWD than for the OLSD—\$3,077 per employee as opposed to \$1,677 per employee.

Here we start to see efficiencies in the combined numbers for OLWS. The numbers as a percentage are all better than the weighted average of the two districts. Beginning September 2017, the new rate for Oak Lodge Water Services is 19.69% for Tier 1 & 2 and 12.82% for OPSRP. The PERS rate for OLWS is up from OLSD but down from OLWD. The current tax cost to the OLWS District is 19.79% which is just under the previous total. The current cost per employee for healthcare and other benefits is decreased to \$17,789.15 per employee. This is less than either of the old Districts' costs and is 19.18% of salary. The overall benefits cost as a percent markup of salary cost is 46.475%.

Many factors affect the overall benefits to salaries. Items such as lower average salaries per employee increases the benefits cost as percent of markup since the cost of medical and other insurance is a flat rate. The PERS rates continue to increase. For 2018 the combined PERS equaled 16.34% of salaries. PERS rates will continue to rise, unrelated to the consolidation. The rate is directly related to current and past employees. As Tier 1 and 2 phases out there will be less fluctuation from year to year; however, that is decades away.

In the meantime, agencies are looking to the State for ways to offset future increases and be more in control of their budgets for retirement. The 2018 Legislature passed Senate Bill 1566, which was the result of the Governor's Unfunded Actuarial Liability Task Force last year. The bill provides incentives for employers to make unfunded actuarial liability (UAL) lump-sum payments to PERS to reduce their contribution rates in the future. The District is examining its options for participating in the buy-down program offered by the State. Additional information will be brought to the Board once the analysis is complete.

Vacation and Sick Leave Accruals

The OLSD was slightly more generous with vacation accruals, though it varied with an employee's tenure. By year 2020, the accrual rates were the same. The OLWD had a more generous cap, allowing its employee to accrue up to 400 hours, compared with 220 hours for the OLSD. A higher cap creates a higher vacation payoff when employees leave their position.

For the combined Districts, the vacation accruals moved to the prior OLSD's slightly more generous and the prior OLWD's more generous cap. However, there is no longer the ability to sellback excess vacation. The increased cap does add an increased liability to OLWS when employees leave employment as there could be a substantial payout.

For sick leave, the accrual rates for both prior Districts were the same, at 96 hours per year. After ten years of service the OLWD allowed 25% of accrued sick leave to be cashed out upon separation, but its cost exposure is somewhat limited by capping sick leave accrual at 920 hours. Prior employees eligible for the sick leave payout have been compensated resulting in a one-time expense. OLSD did not offer any sick leave cash-out upon separation, and therefore had less need of a sick leave cap. There is no longer this benefit which will save OLWS money in future years when employees retire.

These differing approaches to employee accruals were apparent in the financial statements. On June 30, 2014, OLWD's total liability for accrued compensated absences was \$126,255. For the OLSD—with more than double the annual salary cost—the figure was only \$131,640.

OLWS has taken a new approach. Employees now do not have the ability to cash in vacation hours each year, and they do not get paid out for any compensatory time they have earned. They do get the higher cap on their vacation hours of 400 hours and their compensatory time is capped at a rolling 80 hours. On June 30, 2017 the OLWS's liability for accrued compensated absences was \$193,406, or 75% of the prior Districts' combined 2014 total.

Savings from Consolidation

Personnel Costs

For personnel costs a study was done for only the positions where it was thought potential overlap for work tasks performed by the two former Districts might occur. Existing administrative and management functions were looked at, by position and then by function, with estimated time data provided by District officials. The time required for each function was measured in FTEs. In total, there were 18.0 FTEs of management and administrative employees in the two Districts.

For each function, assumptions were made about the degree of duplication between the two agencies. The assumed percentage of duplication gave a basis on which to assess the time which

would be required for each function if the two agencies were combined. The result of this part of the analysis was a theoretical finding that 4.0 FTEs could be eliminated due to consolidation.

Two scenarios were constructed that identified particular positions for a combined organization, along with the cost of those positions. Scenario 1 matched the functional analysis by assuming that 14 administrative and management positions would be needed by a combined District, thus saving 4.0 FTEs as compared to the two separate Districts. Scenario 2 is deliberately conservative by assuming that 15 administrative and management positions would be needed by a combined organization, thus saving only 3.0 FTEs. Where there were salary differences in what seem like comparable positions, the scenarios assumed the OLWS would choose the higher salary levels. The implication of this assumption is the savings generated by reducing positions would be partly offset by the cost of increasing the salaries of OLWD employees who become part of a new combined District.

While both scenarios seem to work on paper, Scenario 2 was more conservative and probably more realistic. Because of the then existing vacancy and planned retirements, Scenario 2 also would allow a consolidation to take place without employee layoffs. Between the two scenarios, the OLWS opted to go with Scenario 2 and eliminated three positions. All three positions were vacated prior to the January 1, 2017 formation of the OLWS.

Materials and Services Costs

After arriving at estimates of which positions might be needed by a combined agency and the personnel cost savings associated with each scenario, the spotlight was turned to the materials and services (M&S) part of the budget. The consolidation has four main drivers of M&S savings. Some M&S costs would go down simply because of having one organization instead of two organizations. For example, with the consolidation, there is one board, one budget committee with one set of required legal notices, and postage for one set of customer bills with the three services billed on only one bill.

Looking at M&S savings, as stated in the FCS report, there are four main drivers of the savings:

- First, will be a look at savings simply because of having one organization.
- Second, costs driven by the number of employees.
- Third, the costs related to one headquarters building vs two. Some of these savings have not yet come to fruition so cannot be substantiated. One financial system, one GIS system, and other systems will be looked at.
- And the fourth is more related to one-time costs related to bringing everyone to one headquarters and well as other items that have been identified.

In examining the actual costs, the attention will be on savings as well as added costs. They will be netted to come to the ongoing costs related to the OLWS.

After examining the M&S line items in detail, FCS estimated that consolidation would yield annual savings for M&S of about \$211,000 under Scenario 2.

According to the report, adding together the total ongoing savings in both personnel and M&S costs would result in an estimated consolidation savings of about \$425,000 per year under Scenario 2.

Savings in Personnel Costs

Potential Time Savings by Function

After obtaining rough time estimates for each individual employee, the data was sorted by standard function rather than by employee, to determine how much total time was being spent on each standard function.

Based on the time estimates given by the District's employees and the degree of overlap assumed for the various functions, it was determined that a total of 3.4 FTEs could be saved from the standard functions if the two Districts were combined into a single District.

It is still too early to tell if this hypothesis was an accurate one. Much of this first year has been spent in the consolidation of the Districts, most notably, the financial software implementation. This has required extra hours of work that will be continuing for several months as the cleanup will take some time to complete. In addition, there are other items on the horizon that will occupy the administrative staff's time such as the new meter change-outs which require data to be entered into the financial system. Administrative staff worked many hours of overtime and temporary staff were hired to help with the added workload attributed to the consolidation and financial software implementation and may need to be continued for much of this fiscal year as the workload continues to be high.

Translating Potential Time Savings into Dollars

At the time of the official consolidation, three positions had been vacated; one General Manager, the Administration Services Manager, and one Administrative Assistant position. At this point there is no plan to reduce staff any further. As staff's time is freed up in one area there may be some shifting of duties to cover areas that are currently lacking.

At the consolidation onset, OLSW's General Manager had retired leaving OLWD's General Manager as the General Manager of the new District. He has since retired, and there is a new General Manager.

Per the assumption of the FCS report, the OLWD's Finance Director is now the Finance Director of the new District and serves as the manager of the administration staff.

Also, as predicted in the FCS report, the administrative position at the wastewater treatment plant retired in June of 2016, thus giving OLWS the three vacant positions as the work of consolidating the two Districts began.

Salary Reconciliation

As noted earlier, OLSD had generally higher salaries than OLWD. In constructing scenarios, FCS assumed that salaries for positions that appear comparable would be reconciled to the higher level. There are two reasons for this assumption:

First for the managers: one potential rationale for the OLSD's higher management salaries was the fact those managers were part of a larger organization, and had more employees reporting directly or indirectly to them. A consolidated District would be even larger than either of its component Districts, so the rationale for higher salary levels would still apply.

For the non-managers: one important factor explaining the OLSD's higher salaries was the unionized workforce. Because a successor District would inherit the union contract, it would not be able to reduce salaries for non-management OLWS personnel. Therefore, the new District's only option was to either reconcile to higher salaries or continue the salary disparity. Continuing the salary disparity was viewed as unacceptable, so reconciling to the higher level was the result.

Benchmark Salaries and Average Benefit Percentage

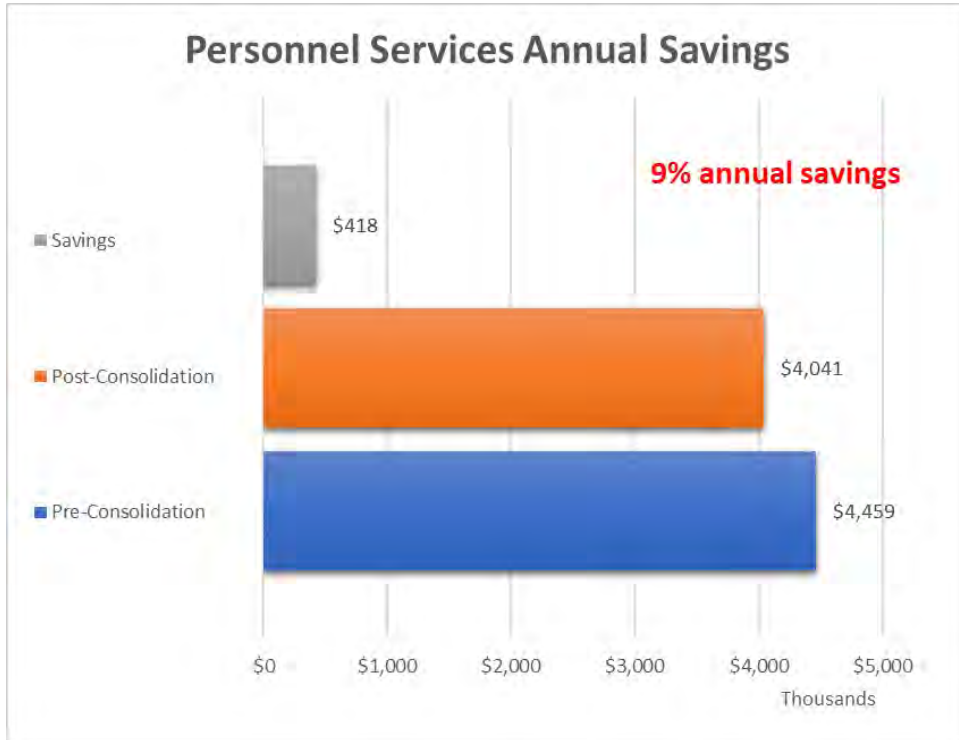
In constructing scenarios with positions for a combined District, rather than using the actual salaries of current employees, FCS used "benchmark salaries" set to 95% of the top of the range. This was to allow decisions about particular positions to be abstracted from incumbents. Individual employees earned more or less than the benchmark salaries, but in the aggregate, the total benchmark salary cost was approximately the same as total actual salaries.

FCS also averaged the benefit percentage for the two Districts. Mostly due to differing PERS charges, former OLWD benefits average 56% of salary cost, while former OLSD benefits average 41% of salary cost. The scenarios in the FCS report used the weighted average benefits percentage, which was 46%.

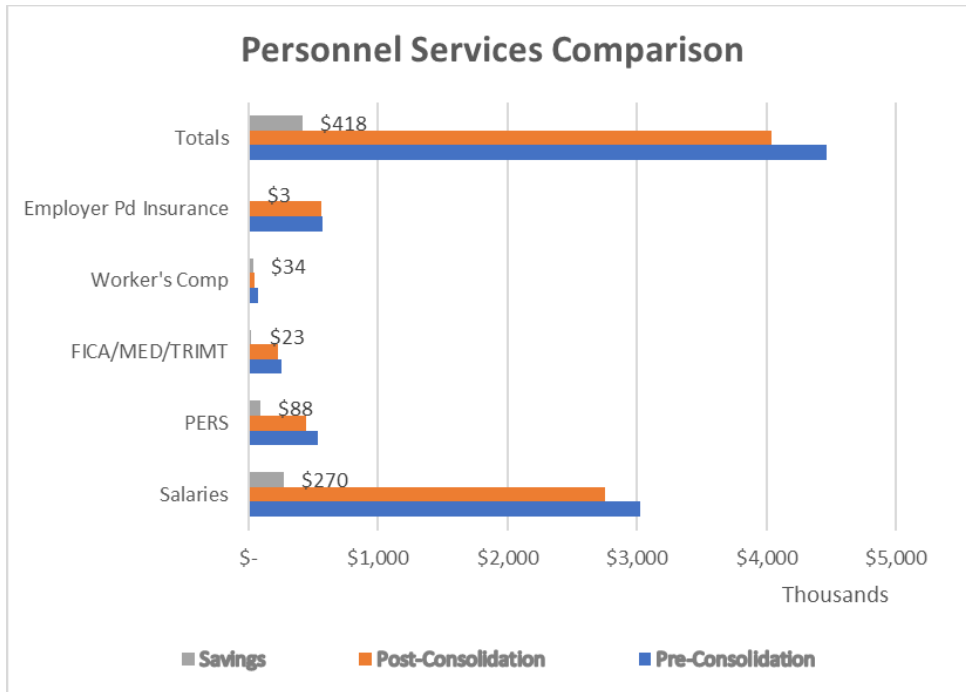
Since the purpose of this report is to highlight savings and costs that prevent savings, all personnel costs are being analyzed together. The comparison is to the salaries at the time the positions were vacated and all other salaries on December 31, 2016 with the salaries at July 1, 2017, which was after the union negotiations.

Using rounded totals, in Scenario 1 the FCS report estimated ongoing personnel savings of \$214,000 per year. FCS used benchmark salaries as described above. This analysis is based

on actual dollars spent previously and currently. As shown in the charts below, the savings realized far exceeded the estimate with a \$418,284 annual savings in salaries and benefits. That is a 9% annual savings.



The next graph shows savings (in thousands) were realized in all the listed categories. One remarkable thing about this is in the Employer Paid Insurance category: for all the former OLWD employees, life insurance value increased from \$10,000 to \$50,000, along with the addition of both short-term and long-term disability and yet there was still just over \$3,000 in annual savings.

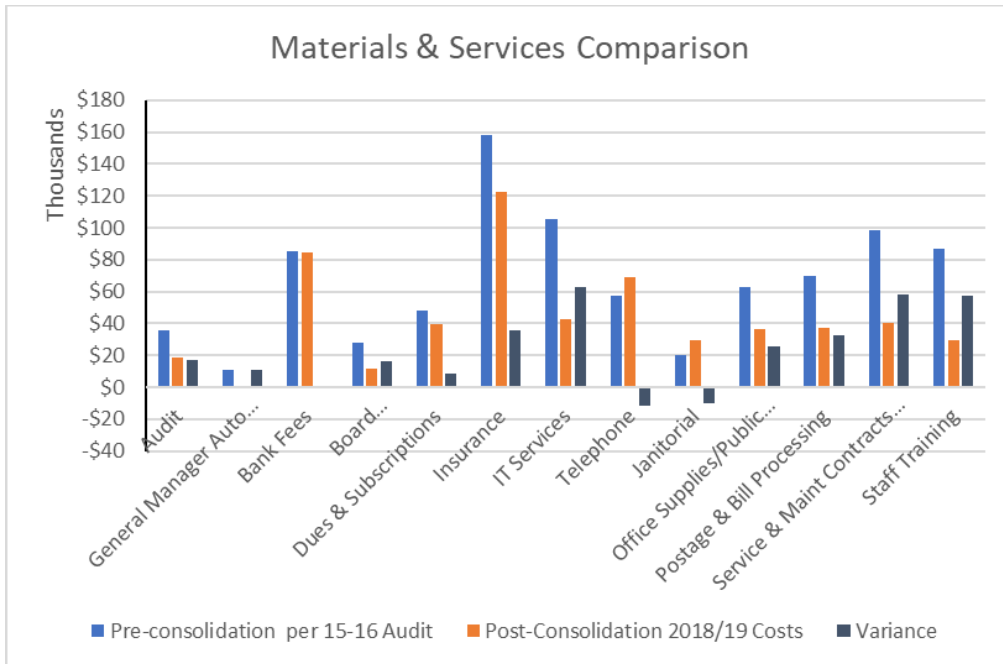


Savings in Materials and Services Costs

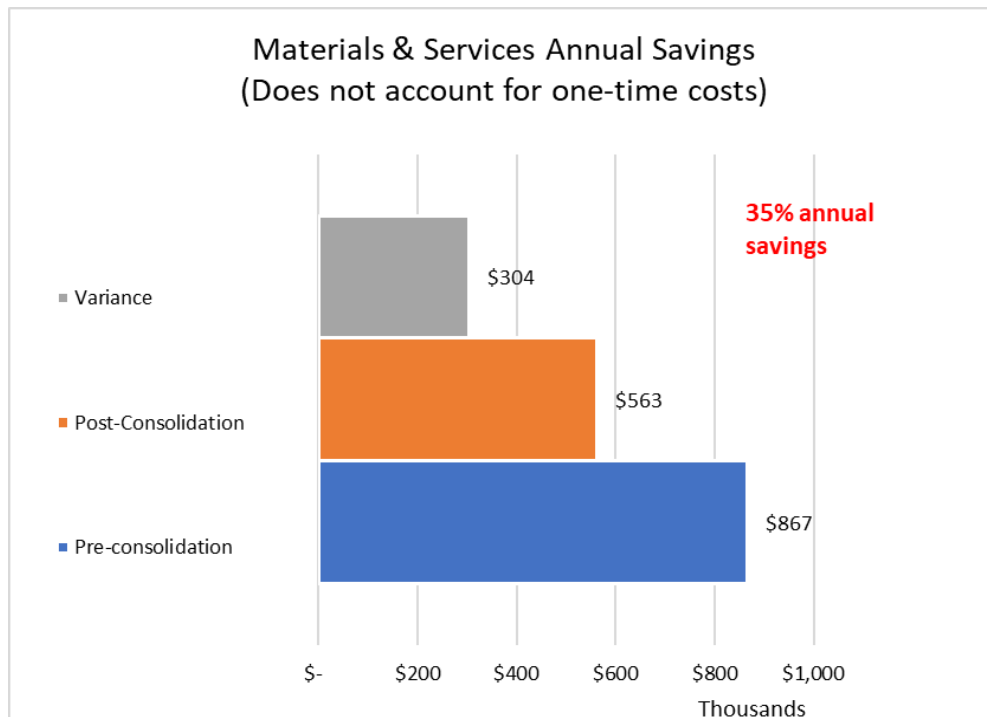
The M&S savings are driven by various factors. Some costs are saved simply because there is now one District instead of two. An example of this type of savings would be postage for mailing out customer bills. Other M&S costs are reduced because the number of employees would be reduced. Another example would be savings from having only one financial system. The M&S savings from combining headquarters buildings is not addressed here.

FCS estimated the consolidation of the two Districts would save \$88,861 in materials and services; reducing employees would save \$45,735 and changing IT software would save \$46,300 for a total savings of \$180,896. However, FCS also estimated there would be costs related to reducing to one building before cost savings might accrue which will be analyzed in a separate report to be developed later by staff for the Board of the OLWS.

The chart below outlines twelve key areas where FCS forecasted reduced costs or increased cost. To date the cost of telephones and janitorial has seen increases. With the telephones the District chose to keep the more robust albeit more expensive system. Even with the overall reduction of total telephone lines the cost of the service is now nearly \$12, 000 more expensive than the combined total of the prior Districts. As for janitorial services, the former OLWD paid slightly less than the current cost, however, it was discovered OLWD had not used a state required company for their service. Also, the new janitorial service offers more services than were being performed prior to the consolidation. The increase of \$9,766 also includes the increase in the OLSD contract now taken over by OLWS. In all other areas a reduction in cost has been realized.



Focusing on the thirteen areas outlined the combined District is experiencing annual savings in M&S of \$303,822. This represents a 35% savings as demonstrated in the graph below.



Reasons for Projected Savings

Following is a summary of the reasons for the projected ongoing savings. This analysis is compared to scenario 2 since the new District is operating under that scenario. With FSC

projecting savings of \$392,000 per year excluding costs related to the building (elections expense is actually a biennial cost, it is shown as an annual cost for purposes of this report), the ongoing annual savings has far exceeded expectations coming in at \$711,106.

Personnel savings due to reduced staff time spent in billing and collections, front desk/customer reception, overall district management, Board support, annual budget process, budget monitoring, financial reports, and maintaining the account database for general ledger, accounts payable, billing system, GIS, and purchasing functions are where the FCS forecasted the greatest savings by the reduction of 3 FTEs for a total savings of \$418,284.

M&S items highlighted come in at a savings of \$292,822. The reason for on-going cost savings changes include:

- Postage and mailing service cost reduced because of having fewer bills to mail out.
- All Board expenses reduced because of having one Board instead of two. This includes Board compensation, Board training and travel, board meeting expenses, and Board elections.
- Annual audit reduced because one District instead of two.
- Auto allowance reduce because new General Manager has no auto allowance compared to both General Managers in the old Districts.
- Cost of memberships, training and conferences, and mileage reimbursements are all reduced because of having three less FTEs and having one District.
- Office supply costs lower due to fewer administrative employees.
- The need for computer equipment, software, and related computer services reduced because of having fewer administration employees.
- One legal notice instead of two because of having one District instead of two.
- Reduced cost of web site maintenance, newsletters to the public, and Board meeting expenses because of having one district instead of two.
- Annual licensing costs for financial system reduced because of combining the two existing systems onto one system.
- Increased phone and janitorial cost because of choosing the richer plans of the two districts.

The savings of \$711,106 realized from the formation of the new District is significant and instrumental in offsetting one-time expenses. This includes temporary personnel related to the

software conversion, consultancy cost for a risk assessment to aid in the development of new policies and procedures, financial system setup, and other finance assistance related to the consolidation, and additional attorney fees to review policies and initial contractual agreements of the new District.

The one-time cost related to the purchase of the new financial software could be viewed as cost avoidance since both prior districts were looking at purchasing new software soon, consolidation meant only one finance system needed to be purchased.

There will be future increases such as the annual licensing costs for expanding the maintenance management system to add water items and the GIS system since the combine services increases the pipe segments raising OLWSD to a new cost tier.

The benefits in efficiencies continue to surface as the field crews from water and collections work together on projects that ultimately save the District money. Recently they were involved in building a driveway at the plant that saved the cost of hiring a contractor. During some periods of low staffing on the sanitary crew, the water crew has been able to help with driving the solids truck to the disposal site. Many of the field workers have started cross-training to cover in times of need.

There have been some unanticipated issues during the consolidation process which have interrupted the timeline and created some hardships which needed to be worked through. The District has had to fill nine of the thirty-four positions due to employees vacating their positions for new endeavors. Filling the positions and keeping services going has caused additional work for the remaining employees and has been time consuming. It has also caused some lag in the timelines initially anticipated. OLWS is now fully staffed and is focused back on track to complete the steps of the consolidation while welcoming and training the nine new employees.

As stated in the FCS report there is a difference between cost savings and a reduction in the budget or rates. In this case, we are talking about cost savings, which might not lead to a reduced budget or rates. The normal cost pressures of inflation, capital projects, or regulatory requirements can lead to increased costs independent of the effect of a consolidation. For example, if a new position were to be needed to meet a stormwater regulatory requirement, that would offset the savings created by consolidating the districts. But even in that instance, it would still be accurate to state (assuming Scenario 2 savings) that the District expects the ongoing cost of a single District to be less than the combined ongoing cost of two separate Districts by about \$711,000 per year in 2016 constant dollars. Just to provide a frame of reference: savings of \$425,000 per year represented about 5% of the combined operating budget of the two Districts, or roughly two years of inflation. The savings of \$711,000 is nearly 8% of the 2019 operating budget.

OAK LODGE
WATER SERVICES
STAFF REPORT

To: Board of Directors
From: Sarah Jo Chaplen, General Manager
Agenda Item: Commercial Real Estate Broker/ Agent of Record Contract
Item No.: 5
Date: October 16, 2018

Action Requested

Authorize the General Manager to sign a contract with Cushman & Wakefield of Oregon, Inc., to provide full range of commercial real estate services to Oak Lodge Water Services District from 2018-2022.

History

May 2016 Voters in the District passed a measure to consolidate Oak Lodge Water District and Oak Lodge Sanitary District into a single district. 3, 2004.

January 2017 Oak Lodge Water Services (OLWS) became the new single District. Board directed staff to work on consolidating all of the operational teams together in order to enhance service delivery, this included the built facilities.

July 2018 General Manager requested Board Facilities Sub-Committee be started to work with her on developing a complete range of options for the facilities portion of bringing the operational teams together and throughout the process until it is finished. Lynn Fisher and Kevin Williams volunteered their expertise.

October 1, 2018 Request for Proposal (RFP) for the Commercial Real Estate Broker/ Agent of Record closed.

Background

In working with the Facilities Sub-Committee, it became clear that expert real estate advice would assist the General Manager in making her recommendations to the Board for a complete range of options regarding the future use of two headquarters buildings, neither of which alone completely meets the District's needs. The options need to take into account the timing of construction and the realization of the highest potential value received for the property(s) in question. Whether the options reviewed are an expansion of a building on one site, or sale of two sites and the purchase of a third, an experienced Commercial Real Estate Broker resource will add essential data to the

depth and breadth of the analysis needed. Once the Board has finalized their decisions and directions to the General Manager, the Commercial Real Estate Broker can execute the sale(s) and purchases decided upon by the Board. After extensive advertising using the OLWS website, the Daily Journal of Commerce and the State Oregon Procurement Information Network (ORPIN) one bid was received. The facilities sub-committee of Lynn Fisher and Kevin Williams as well as the General Manager thoroughly reviewed the bid and found it met all OLWS requirements. Cushman & Wakefield is the successful bidder.

Financial Impacts

Typically, a Commercial Brokerage firm is not compensated until a sale, or purchase is made and for each real estate transaction a separate agreement is signed which spells out the compensation in detail. As part of the RFP process the potential range of costs were addressed by the bidder. Any separate real-estate agreements will be reviewed by the Facilities Sub-Committee and the General Manager who will return to the full Board with her recommendations. Compensation will be calculated differently if OLWS leases versus sells or buys. For leasing typically, many of the costs are covered by the landlord depending upon negotiations. Cushman & Wakefield has proposed a commission-based fee structure for disposition and acquisition of property. The fee structure for the development/ disposal of the building(s) will be based on the following ranges and are paid per individual transaction:

- For each individual real estate transaction less than \$8 million the cost = 5%
- For each individual real estate transaction between \$8 million to \$30 million the cost = 2%
- For each individual real estate transaction more than \$30 million the cost = 1%

Suggested Board Motion

"I move to authorize our General Manager to negotiate a final contract for Commercial Real Estate Broker/ Agent of Record services from 2018-2022 with Cushman & Wakefield, subject to final review by the District's attorney."

Attachments

1. Advertisement for Commercial Real Estate Broker
2. RFP for Commercial Real Estate Broker 2018-2022
3. Sample Personal Services Contract

Oak Lodge Water Services District

Request for Proposals

2018-2022

The Oak Lodge Water Services District is seeking proposals of commercial real estate brokers, agents, or advisors. The District intends to select a licensed, qualified firm, or individual to provide a full range of commercial real estate services and related services to assist the General Manager and the Board in assessing a complete range of options regarding the future use of two headquarters buildings, neither of which alone currently fully meets the District's needs. Proposals for the 2018-2022 Commercial Real Estate contract will be received at the District Office located at 14496 SE River Road, Oak Grove, Oregon 97267 until 2:00 p.m. on Monday October 1, 2018. Proposals received after the 2 p.m. deadline will not be considered and will be returned unopened to the proposer(s).

The Request for Proposal may be obtained for no cost at the District website at **<http://www.oaklodgewaterservices.org/rfps>**

Responses to the Request for Proposals shall be submitted in a sealed envelope plainly identifying the RFP name and Proposer's Name and Address. Proposals should be addressed to Sarah Jo Chaplen, 14496 SE River Road, Oak Grove, Oregon 97267.

Proposers are advised to check the District's website regularly for addenda and other pertinent notifications.

Proposals will be opened on October 1, 2018 at 4:00 p.m. at the District's office identified above.

For additional information regarding this Request for Proposal, please contact Sarah Jo Chaplen at (503) 353-4200 or by email at sarahjo@olwsd.org. The District reserves the right to reject any and all proposals or to negotiate individually with one or more firms, and to select one or more firms on the basis if determined to be in the best interest of the District.



Request for Proposals

for

2018-2022

Commercial Real Estate Broker/ Agent of Record

August 2018

Oak Lodge Water Services District
14496 SE River Road
Oak Grove, OR 97267
(503) 353-4230

OAK LODGE WATER SERVICES DISTRICT, OREGON
COMMERCIAL REAL ESTATE BROKER/ AGENT OF RECORD

August 30, 2018

REQUEST FOR PROPOSALS

INTRODUCTION

The Oak Lodge Water Services District (District) is an Oregon water and sanitary district with a 2016 population of approximately 30,000. The District employs approximately 34 full time staff and is governed by an elected Board with five Board members. The Board acts as the Local Contract Review Board for the District. The District serves its public by providing safe drinking water, treating wastewater, and improving surface water quality through its MS4 Permit.

OVERVIEW AND BACKGROUND

The Oak Lodge Water Services District (District) is requesting proposals of commercial real estate brokers, agents, or advisors, hereafter referred to as “company”. The District intends to select a licensed, qualified firm or individual to provide a full range of commercial real estate services and related services to assist the General Manager and the Board in assessing a full range of options regarding the future use of two headquarters buildings, neither of which alone currently fully meets the District’s needs. In developing the potential range of options, creativity and the ability to estimate costs of construction options and income from sale(s) will be essential, as is experience working with similar utility businesses and the public sector. The company should then be able to work with the District through all the real estate steps of implementing the selected option. The first property is referred to as the Technical Services Building and is at 14611 SE River Road, Oak Grove, Oregon 97267. It is a single-story office building of 4,300 square feet, on a 0.5 acre lot, zoned C2. The second property is the District’s Administration Building at 14496 SE River Road, Oak Grove, Oregon 97267 and is a combination 6,100 single story office/ public works building, with a public works yard and two covered garages totaling 6,600 square feet of covered garage storage. The property area totals 1.275 acres and is on land zoned as R7.

PURPOSE AND OPPORTUNITY

District intends to retain a qualified commercial real estate firm or individual agent, broker, or advisor to assist in developing the range of options best suited to delivering to the District one headquarters building to house the administration, water distribution, sanitary collections and technical services teams as well as most of the public works rolling stock and other equipment and supplies needed for the District’s utility work. The District is seeking a commercial real estate firm or individual to develop and evaluate a full range of options for a headquarters building for the District. This includes examining the current market for similar alternative

buildings/ properties which must be sited within the District's service area and advising the District on the best options to sell one or both District buildings in a timely manner that best protects the District's interests. The company will then market the District property(s) through commercial real estate marketing methods until the property(s) sell, or until the contract with the commercial real estate company expires. The company will also execute any real estate purchases selected from the analyzed options presented to the General Manager and the Board.

Award of this contract, if any, will be to firm or individual deemed best qualified, in accordance with the selection criteria, to perform the services outlined in this RFP, and to perform other services as deemed necessary by District. The District reserves the right to award a contract to multiple firms or individuals if the District determines it is in the best interest of the District to do so. The District will award the RFP based on the proposal(s) that provide the greatest value to the District. Compensation, while an important factor, will be only one criterion used to evaluate the responses to the RFP.

The General Manager and Facilities Sub-Committee will evaluate all submissions and make a recommendation for services to the District Board. Please do not attempt to contact any staff or official of any participating agency outside of this RFP selection process. Due to the number of interested companies for this project we are unable to grant individual meetings prior to the submittal date, but the District may request interviews of the top-scoring responders.

HOW TO RESPOND TO THE RFP:

The RFP document is available at <http://www.oaklodgewaterservices.org/rfps>. Each Proposer shall provide three copies of its response, sealed in an envelope plainly identifying Project Name, and Proposer's Name and Addressed. Proposals shall be addressed and submitted to the following location by 2 p.m. on Monday, October 1, 2018.

Oak Lodge Water Services District—Sarah Jo Chaplen

14496 SE River Road

Oak Grove, Oregon 97267.

All proposals must arrive at the Oak Lodge Water Services District Office on or before the time and date due. Electronically mailed or faxed proposals will not be accepted.

TIME, DATE, AND PLACE OF OPENING

Proposals will be opened at 4 p.m. on Monday, October 1, 2018.

PROPOSAL REQUIREMENTS AND SCORING

The proposals should include all of the following information:

- A) **Identifying Information** – identify the company, individual, broker, or agent who will serve the District. Include a description of each person's role in the projects, if more than one person is representing the proposer. Include any business alias information, real estate license information, and any proposed sub-contracting arrangements. Include physical addresses, contract person(s), phone numbers and e-mail addresses.

- B) **Experience** – describe the experience that the firm, individual, broker or agent has in the successful sale, purchase, or lease of a headquarters building in the Portland/ Metropolitan region where you have assisted clients to expand their current headquarters or move their headquarters to a different site. What parts of the project did the company work on and what unique considerations did you need to address to meet your client’s goals? Please describe any relevant experience working with other utility businesses and with public sector entities. Include an explanation as to how you and your company will add value above and beyond other potential proposers.
- C) **Compensation** – fully identify all commissions, fees, and other compensation (including the source thereof), as wells as reimbursable expenses, that will be paid to the firm or individual advisor, agent or broker. Identify and clearly define said expenses including a schedule of expenses applicable when acting on behalf of the District as either the buyer, the seller, the lessor, or the lessee. All expenses shall be clearly denoted as either a fixed fee or as a percentage of the sales or lease price as applicable.
- D) **Terms and Conditions** – this RFP includes a draft services agreement the District intends to use as the contract with the successful proposer(s). Please provide any additional terms and conditions or proposed modifications to the service agreement. The District will negotiate a final agreement with the successful proposer(s) within the scope of the services called for by this RFP.
- E) **Authorization** – proposals must contain the signature of at least one individual who authorizes the proposal. If signed on behalf of a firm, said signatory must provide evidence of authority from the firm – typically as an officer, primary agent, or owner.
- F) **Project Approach** - proposals must contain a description concerning how the project would be completed including timelines, information needed from District in order to prepare a through analysis, and why the proposed approach and experience are best for the District. The proposer must meet the highest standards prevalent in the industry or business most closely involved in providing the services.
- G) **Disclosures** – proposals must specifically address the following disclosures:
 - a. Is the proposer currently or expecting to assist any other organization in a search for land or office space within the District’s boundaries?
 - b. How does the proposer resolve the situation if a potential or actual conflict of interest develops while providing services to the District?

Failure to provide the above information may disqualify the proposal as non-responsive.

Proposals will be scored by assigning each Evaluation Criterion a score from 0-100 and weighting the score based on the following factors:

Evaluation Criterion	Weighting Factor
Experience	25%
Compensation	25%
Proposed Terms and Conditions	25%
Project Approach/Conflict Disclosure Process	25%

Ranking of Proposals

Proposals may be ranked by the Selection Review Committee based on evaluation of responses and interviews (if any), with the first-ranked Proposal being that Proposer which is deemed to be the most appropriate, all in the sole judgement of the Selection Review Committee. The District seeks to select the most qualified proposer.

Proposal scores will be totaled and ranked. Any Proposal in response to this RFP shall be considered de facto permission to the District to disclose the results, when completed, to selected reviewers at the sole discretion of the District.

OTHER PROVISIONS

District's Rights Reserved – District reserves the right to accept or reject any or all proposals in whole, or in part, to waive any irregularities in any proposal, to accept the proposal, which in the judgement of District is most advantageous to District and to re-advertise if desired.

Conflict of Interest -By submitting a proposal, the proposer declares that it presently has no known interest, and shall acquire no interest, direct or indirect, that would conflict in any manner or degree with the performance of its services hereunder. Proposers further agree that, in the performance of the agreement, no person having any such interest shall be employed.

Ownership – All documents and materials prepared pursuant to this RFP and the resulting contract will become the property of District. District shall have the unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data or other materials prepared under this process.

Verbal Agreement - No verbal agreement or conversation with any appointed official or employee of any of the parties involved, either before, during or after the submittal of a proposal shall affect or modify any of the terms or obligations herein contained, nor shall such verbal agreement or conversation entitle a proposer to any additional compensation or consideration whatsoever under the terms of this RFP.

Changes – The District may, from time to time, request changes in the RFP. Such changes shall be incorporated in written addenda to this RFP. It is the responsibility of each Proposer to obtain any addenda, which will be made available on the District's website - <http://www.oaklodgewaterservices.org/rfps>.

Anti-Discrimination - No proposer shall discriminate against any person or applicant for employment because of race, color, creed, religion, sex, national origin or ancestry, age, marital status, physical or mental disability, political beliefs or affiliations, or sexual orientation.

Protests – A proposer wishing to protest the procurement process, must make the protest in accordance with ORS 279B.400 through 279B.425 and OAR 137-046-0470.

QUESTIONS

All questions about this RFP must be directed only to Sarah Jo Chaplen, General Manager at sarahjo@olwsd.org.

POSTED

- Daily Journal of Commerce
- Oregon Procurement Information Network
- Oak Lodge Water Services District website <http://www.oaklodgewaterservices.org/rfps>



**SAMPLE COMMERCIAL REAL ESTATE
BROKER/ AGENT OF RECORD SERVICES
AGREEMENT WITH
OAK LODGE WATER SERVICES DISTRICT**

THIS AGREEMENT, by and between Oak Lodge Water Services District, a special district formed under the authorization of ORS 264 and ORS 450, hereinafter called "District" and (Name and Address of Firm), whose authorized representative is (Name of Representative), hereinafter referred to as the "Contractor."

RECITALS

WHEREAS, the District desires to consider options for either the expansion of the existing building or for the construction or acquisition of a new headquarters building, including the potential sale of Oak Lodge Water District property(s) as part of that project; and

WHEREAS, the accomplishment of the work and services described in this Agreement is necessary and essential to the achievement of that task for the District; and

WHEREAS, the District desires to engage the Contractor to render professional commercial real estate broker services for the on-going work described in this Agreement, and the Contractor is willing and qualified to perform such services;

THEREFORE, in consideration of the promises and covenants contained herein, the parties hereby agree as follows:

1. Contractor's Scope of Services

The Contractor shall perform professional commercial real estate broker services relevant to the Project in accordance with the terms and conditions set forth herein, and as provided in Exhibit A, which is attached hereto and by this reference made a part of this Agreement ("Scope of Services"). Except as otherwise modified in this Agreement, the Scope of Services shall include the proposal by Contractor dated _____ and which served as the basis for the District's award of this Agreement to Contractor.

2. Effective Date and Duration

This agreement shall become effective upon the date of execution by the District and shall expire, unless otherwise terminated or extended, on June 30, 2022, whichever comes first. By mutual written agreement of the parties, this Agreement may be extended for an additional period or periods not to exceed two years beyond the initial term. All work under this Agreement shall be completed prior to the expiration of this Agreement.

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

District shall pay Contractor for services performed under this Agreement in accordance with the rates set forth in Exhibit B [*To be determined, based on structure and terms of successful proposal(s) and final negotiation with District*]

B. Payment Schedule

[*To be based on proposal and determined after negotiations*]

C. Payment for Special Services

Only when directed in writing by the District and signed by both parties as an addendum to this Agreement, the Contractor shall furnish or acquire for the District the professional services based on the hourly rate schedule as described in Exhibit A of this contract for minor project additions and/or alterations.

D. Cost Records

The Contractor shall furnish cost records for all billings pertaining to other than lump sum fees to substantiate all charges. For such purposes, the books of account of the Contractor shall be subject to audit by the District. The Contractor shall complete work and cost records for all billings in accordance with generally accepted accounting principles.

E. Contract Identification

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

F. Payment – General

- 1)** Contractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.
- 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 under the contract who are excluded under ORS 653.010 to 653.261 or under 29 USC sections 201 to 209 from receiving overtime.
- 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)** The District certifies that sufficient funds are available and authorized for expenditure to finance costs of this contract.
- 5)** Contractor shall make payments promptly, as due, to all persons supplying services or materials for work covered under this contract. Contractor shall not permit any lien or claim to be filed or prosecuted against the District on any account of any service or materials furnished.
- 6)** If Contractor fails, neglects or refuses to make prompt payment of any claim for labor, materials, or services furnished to Contractor, sub-consultant or subcontractor by any person as such claim becomes due, District 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.

4. Ownership of Plans and Documents: Records

- A. The District shall have unlimited authority to use the materials received from the Contractor in any way the District deems necessary. Any use, re-use or alteration of any materials other than as contemplated by the applicable Scope of Services shall be at the District's sole risk, unless written permission has been received from Contractor prior to any such use.
- B. The District shall make copies, for the use of and without cost to the Contractor, of all of its maps, records, laboratory tests, or other data pertinent to the work to be performed by the Contractor pursuant to this Agreement, and also make available any other maps, records, or other materials available to the District from any other public agency or body.
- C. The Contractor shall furnish to the District, copies of all maps, records, field notes, and tests which were developed in the course of work for the District and for which compensation has been received by the Contractor at no additional expense to the District except as provided elsewhere in this Agreement.

5. Assignment/Delegation

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

6. Commercial Real Estate Broker/ Agent of Record is Independent Contractor

- A. The District's General Manager, or designee, shall be responsible for determining whether Contractor's work product is satisfactory and consistent with this agreement, but Contractor is not subject to the direction and control of the District. 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 an independent contractor and not an employee of District. Contractor acknowledges Contractor's status as an independent contractor and acknowledges that Contractor is not an employee of the District for purposes of workers compensation law, public employee benefits law, or any other law. All persons retained by Contractor to provide services under this contract are employees or agents of Contractor and not of District. Contractor acknowledges that it is not entitled to benefits of any kind to which a District 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 the District for any purpose, District 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 District or third party)

as a result of said finding and to the full extent of any payments that District is required to make (to Contractor or to a third party) as a result of said finding.

- C. The undersigned Contractor hereby represents that no employee of the District or any partnership or corporation in which a District employee has an interest, has or will receive any remuneration of any description from the Contractor, either directly or indirectly, in connection with the letting or performance of this Agreement, except as specifically declared in writing.
- D. If this payment is to be charged against Federal funds, Contractor certifies that he/she is not currently employed by the Federal Government and the amount charged does not exceed his/her normal charge for the type of service provided.
- E. 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.
- F. Contractor certifies that it currently has an appropriate business license or will obtain one prior to delivering services under this Agreement.
- G. Contractor is not an officer, employee, or agent of the District as those terms are used in ORS 30.265.

7. Indemnity

- A. The District has relied upon the professional ability and training of the Contractor as a material inducement to enter into this Agreement. Contractor represents to the District that the work under this contract will be performed in accordance with the highest professional standards of skill and care 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, it being understood that acceptance of Contractor's work by the District shall not operate as a waiver or release.
- B. Contractor shall fully defend, indemnify, and hold harmless Oak Lodge Water Services District, its employees, board members, 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 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 and agents. This indemnification applies to and includes, without limitation, the payment of all penalties, fines, judgements, awards, decrees, attorney's fees, and related costs of expenses, and any reimbursements to Oak Lodge Water Services District for any and all legal fees, expenses, and costs incurred by it.

8. Insurance

Contractor and its subcontractors shall maintain insurance acceptable to District in full force and effect throughout the term of this contract. Such insurance shall cover risks arising directly or indirectly out of Contractor's activities or work hereunder, including the operations of its subcontractors of any tier. Such insurance shall include provisions that such insurance is primary insurance with respect to the interests of District and that any other insurance maintained by District 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. Professional Liability and Commercial General Liability Insurance

Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this contract, Professional Liability Insurance, Commercial General Liability Insurance, and Auto 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. Such insurance shall be primary and non-contributory. The following insurance will be carried:

B. Commercial Automobile Insurance

Contractor shall also obtain, at Contractor's expense, and keep in effect during the term of the contract 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 Contract 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 include the District its officers, directors, and employees as additional insureds with respect to any liabilities that occur in connection with this contract.

E. Notice of Cancellation or Non-Renewal

Contractor is responsible to provide the District at least 30 days written notice prior to any cancellation, material change, or intent to non-renew insurance coverage. Any failure to comply with this provision will not affect the insurance coverage provided to the District. 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 the District. The District 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 contract, the Contractor shall furnish a Certificate of Insurance to the District. No contract shall be affected until the required certificates have been received and approved by the District. 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 (Description of Work). The District, its officers, directors and employees shall be added as additional insureds with respects to this contract. "Contractor insurance coverage is primary" shall be written into the description portion of 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 the District is excess and not contributory insurance in any 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 District. A copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, or at the discretion of District, in lieu thereof, a certificate in form satisfactory to District certifying to the issuance of such insurance shall be forwarded to:

Contract No. _____
District Attn: Sarah Jo Chaplen
Business Phone: 503-653-1653
Business Fax: 503-653-0586
14611 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 District 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 services with this contract.

9. Termination Without Cause

At any time and without cause, District shall have the right, in its sole discretion, to terminate this Agreement by giving notice to Contractor. If District terminates the contract pursuant to this paragraph, it shall pay Contractor for services rendered to the 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.

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, should not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights on any 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, email or by fax. 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:

District	(Contractor's Firm Name):
Attn: Sarah Jo Chaplen	Attn: (insert contract manager's name)
14496 SE River Road Oak Grove, Oregon 97267	Address: (insert contract manager's address)
Phone: (503) 353-4200	Phone: (insert #)
Fax: (503) 653-1973	Fax: (insert #)
Email Address: sarahjo@olwsd.org	Email Address: (insert address)

and when so addressed, shall be deemed given upon deposit in the United States mail, postage prepaid, or when so faxed, shall be deemed given upon successful fax. 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 District 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 obligation 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

Contractor shall perform such additional work as may be necessary to correct negligent errors in the work required under this Agreement without undue delays and without additional cost.

17. Extra (Changes) Work

Only General Manager may authorize extra (and/or change) work. Failure of Contractor to secure authorization for extra work shall constitute a waiver of all right to adjustment in the contract price or contract time due to such unauthorized extra work and Contractor thereafter shall be entitled to no compensation whatsoever for the performance of such work.

18. 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.

19. Compliance With Applicable Law

Contractor shall comply with all applicable federal, state, local laws and ordinances, including but not limited to ORS 279B.020, 279B.220, 279B.225, 279B.230, and 279B.235, which are incorporated herein. If Contractor is a foreign contractor as defined in ORS 279A.120, Contractor shall comply with that section and the District must satisfy itself that the requirements of ORS 279A.120 have been complied with by Contractor before District issues final payment under this agreement. Contractor shall not provide or offer to provide any appreciable pecuniary or material benefit to any officer or employee of District in connection with this Agreement in violation of ORS chapter 244. By executing this Agreement, Contractor certifies it is in compliance with all tax laws of the State of Oregon and will remain in compliance during the term of this Agreement.

20. Conflict Between Terms

It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this instrument in the proposal of the contract, this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

21. Access to Records

District shall have access to such books, documents, papers and records of Contractor as are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts.

22. Audit

Contractor shall maintain records to help assure conformance with the terms and conditions of this Agreement, and to help assure adequate performance and accurate expenditures within the contract period. Contractor agrees to permit District, the State of Oregon, the federal government, or their duly authorized representatives to audit all records pertaining to this Agreement to help assure the accurate expenditure of funds.

23. Severability

In the event any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the validity of the remaining terms and provisions shall not be affected to the extent that it did not materially affect the intent of the parties when they entered into the agreement.

24. Complete Agreement

This Agreement and attached exhibit(s) constitutes 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 specific instances and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. Engineer, by the signature of its authorized representative, hereby acknowledges that he/she has read this Agreement, understands it and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, District has caused this Agreement to be executed by its duly authorized undersigned officer and Contractor has executed this Agreement on the date hereinabove first written.

OAK LODGE WATER SERVICES

Signature

Print Name & Title

Date

CONTRACTOR

Signature

Print Name & Title

Date



STAFF REPORT

To: Board of Directors
From: Kelly Stacey, Finance Director
Agenda Item: Adoption of Finance Policies
Item No.: 6
Date: October 16, 2018

Background

Financial policies are central to a strategic, long-term approach to financial management. Some of the most powerful arguments in favor of adopting formal, written financial policies include their ability to help governments:

1. Institutionalize good financial management practices. Formal policies usually outlive their creators, and, thus, promote stability and continuity. They also prevent the need to re-invent responses to recurring issues.
2. Clarify and crystallize strategic intent for financial management. Financial policies define a shared understanding of how the organization will develop its financial practices and manage its resources to provide the best value to the community.
3. Define boundaries. Financial policies define limits on the actions staff may take. The policy framework provides the boundaries within which staff can innovate in order to realize the organization's strategic intent.
4. Support good bond ratings and thereby reduce the cost of borrowing.
5. Promote long-term and strategic thinking. The strategic intent articulated by many financial policies necessarily demands a long-term perspective from the organization.
6. Manage risks to financial condition. A key component of governance accountability is not to incur excessive risk in the pursuit of public goals. Financial policies identify important risks to financial condition.
7. Comply with established public management best practices. The Government Finance Officers Association (GFOA), through its officially adopted Best Practices endorsement of National Advisory Council on State and Local Budgeting (NACSLB) budget practices and the GFOA Distinguished Budget Presentation Award Program, has recognized financial policies as an essential part of public financial management.

Overview

Last month the board was presented with seven Financial policies. After the Board's initial review, the suggested edits to the policies were made and the

revised policies are attached. The Low-Income Rate Relief Policy also has a minor conflict with our Rules and Regulations in the renewal timing. Laura Westmeyer says it is a non-urgent update that we will need to do to our Rules and Regulations. Per the labor attorney, the Surplus Property Disposal Policy has been sent to the Union for review.

Recommendation

"I move to approve the attached financial policies after final approval from the Union. The Finance Director, General Manager and Attorney will finalize."

Attachments:

1. Budget Policy
2. Dept Policy
3. Fund Balance Reserve Policy
4. Investment Policy
5. Low Income Rate Relief Policy
6. Revenue Policy
7. Surplus Property Disposal Policy
 - a. Surplus Request Form

Oak Lodge Water Services District



Budget Policy

Adopted xxxxxxxx

This document supersedes any and all previous budget policies.

I. Purpose

The purpose of this policy is to establish guidelines for Oak Lodge Water Services District (District) to account for public funds, to manage municipal finances wisely, and to plan for the provision of services desired by the public through the budget cycle.

This policy is designed to provide conceptual standards for financial decision-making, enhance consistency in financial decisions, and establish parameters to use in directing the day-to-day financial affairs of the District.

II. Scope

This policy governs the budgeting process, monitoring of budget execution, performance monitoring, and any revision of the budget.

III. Objectives

The primary objectives of budget activities shall be:

- To ensure that the annual budgeting process is performed in a timely manner and supports the District's financial and operational planning objectives and processes.
- To ensure actual versus budget variance is monitored and that significant variances are explained and reported.
- To ensure that expenditures made are in line with program objectives.
- To ensure that budgets are reviewed periodically for relevance and revised as necessary.

To the extent possible, the District's budget process will:

- Incorporate a long-term perspective,
- Establish linkages to broad organizational goals,
- Focus budget decisions on results and outcomes,
- Involve and promote effective communication with stakeholders, and
- Provide incentives to District management and employees.

IV. Policy Statement

A. Oregon Local Budget Law

The District must follow the requirements of Oregon Local Budget Law.

B. Long-term Focus

The District recognizes the importance of long-term strategic planning. Similarly, it recognizes that prudent financial planning considers the multi-year implications of financial decisions. The District shall maintain a long-term focus in its financial planning that is mindful of the long-term objectives of the District.

C. Conservatism

Revenues will be projected conservatively, but realistically, considering:

1. past experience,
2. the volatility of the revenue source,
3. inflation and other economic conditions, and
4. the costs of providing the related service.

Expenditures will be projected conservatively considering:

1. a conservative but likely scenario of events (versus “worst case”),
2. specific, identified needs of the program or service,
3. historic consumption and trends, and
4. inflation and other economic trends.

D. Matching Concept

The District will make an effort to match one-time resources with one-time uses in the development of the budget. Similarly, recurring resources will be identified with recurring uses to the extent possible.

If it becomes necessary to use one-time resources to balance the District’s budget, a plan for achieving a structural balance will be developed simultaneously that identifies revenue enhancements or expenditure decreases to bring the budget back into balance

E. Contingencies and Unappropriated Ending Fund Balance

Contingencies will be budgeted in all operating funds to provide flexibility and to address unforeseen circumstances that may arise after the budget is adopted. There shall be no expenditures from contingencies. Transfers of appropriations to expenditure categories may be made with Board of Director Resolution.

The District will report an unappropriated ending fund balance in the debt service funds equal to the first scheduled debt service payment of the subsequent year. Unappropriated fund balances may not be appropriated or spent. Unappropriated balances will then be available and appropriated in the following year to ensure adequate resources to cover debt service.

F. Budget Development

1. The operating budget is the District’s financial operating plan. All funds will be subject to appropriation by the Board of Directors.
2. The budget will be balanced for each fund. The proposed cash resources of each fund (beginning of year fund balance plus estimated receipts) will equal or exceed appropriations. When necessary, the following budget-balancing strategies will be used, in order of priority:
 - a. Reduce expenditures through improved productivity.
 - b. Shift expenses to other parties.

- c. Create new service fees or increase existing fees and charges.
 - d. Reduce or eliminate services.
 3. Unencumbered appropriations lapse at the end of the fiscal year.
 4. The Finance Director shall serve as the District's Budget Officer, and as such will present the proposed budget to the Budget Committee for consideration and eventual approval. The General Manager is the Finance Director's alternate.
 5. Public hearings will be held to obtain public input on the District's proposed and approved budget.
 6. The District's budget shall be prepared on the modified accrual basis. The budget will be sufficiently detailed to identify all significant sources and uses of funds. Actual prior year data and projected current year results will be presented for comparative purposes.
 7. The budget will be adopted by the Board of Directors no later than June 30.
- G. Budget Modification
 1. The adopted budget may be amended to transfer appropriations between funds or budget categories through resolution of the Board of Directors.
 2. A supplemental budget may be adopted by the Board of Directors, following a public hearing, to increase the adopted appropriations of any fund.

Oak Lodge Water Services District

The logo for Oak Lodge Water Services is displayed within a blue rectangular box. It features the words "OAK LODGE" in a large, white, sans-serif font, with a stylized white oak leaf icon positioned between the words. Below this, a thin white horizontal line separates the top text from the words "WATER SERVICES" in a smaller, white, sans-serif font.

OAK LODGE
WATER SERVICES

Debt Policy

Adopted xxxxxxxx

This document supersedes any and all previous debt policies.

I. Purpose

This Debt Policy for the Oak Lodge Water Services District (OLWSD or District) is established to help ensure that all debt is issued both prudently and cost effectively. This policy sets forth comprehensive guidelines for the financing of capital expenditures of OLWSD. Adherence to the policy is essential to ensure that the Board of Directors maintains a sound debt position and protects the credit quality of its obligations.

II. Governing Authority

The District's debt policy shall be operated in conformance with Oregon Revised Statutes, applicable federal law and other regulatory requirements. The Finance Director will maintain the debt policy and develop recommendations for debt financing. The policy will be reviewed annually and reported by the Finance Director and General Manager to the District's Board of Directors.

III. Scope

This policy applies to all financing activities of the District with regard to drinking water, sanitary sewer and watershed protection systems.

IV. Objectives

The objectives of the policy shall be that:

- i. the District obtain financing only when necessary,
- ii. the process for identifying the timing and amount of debt or other financing be as efficient as possible,
- iii. the most favorable interest rate and other related costs be obtained, and
- iv. when appropriate, future financial flexibility be maintained.

V. Conditions of Debt

1. Debt Limits

i. Legal Restrictions

- The District shall observe and comply with all legal restrictions including State constitution or law, local charter, by-laws, resolution or ordinance, or covenant, and bond referenda approved by voters.

ii. Public Policies

- The District shall observe and support appropriate public policy considerations including the purposes for which debt proceeds may be used or prohibited,
- The types of debt that may be issued or prohibited, the relationship to and integration with the Capital Improvement Program, and policy goals related to economic development, including potential public-private partnerships.

iii. Financial Restrictions

A. Direct Debt

The District shall develop and maintain financial information in the consideration and evaluation of its debt position including the ratio of debt per capita, the ratio of debt to personal income, the ratio of debt to taxable property value, and debt service payments as a percentage of general fund revenues or expenditures.

B. Revenue Debt

The District may consider issuance of revenue bonds as an alternative to other types of financing when the situation and conditions of the borrowing so indicate, and upon advice from financial advisors and/or bond counsel.

C. Conduit Debt

The District shall not engage in the issuance of conduit debt.

D. Short-term Debt

The District may engage in short-term financing if cash or working capital needs so dictate. All short-term borrowings should reflect the same objectives as those identified for debt financing above.

E. Variable Rate Debt

The District may consider issuance of variable rate debt as an alternative to other types of financing when the situation and conditions of the borrowing so indicate, and upon advice from financial advisors and/or bond counsel.

2. Debt Structuring Practices

The District shall consult with financial advisors and bond counsel, and within the framework of applicable accounting and reporting requirements to identify and implement sound debt structuring practices for each type of bond to the best advantage of the District, including:

- Maximum term
- Average maturity
- Debt service pattern (i.e. equal payments or equal principal amortization)
- Use of optional redemption features that reflect market conditions and/or needs of the District,
- Use of variable or fixed-rate debt, credit enhancements, short-term debt, and limitations as to when, and to what extent, each can be used, and
- Other structuring practices should be considered, such as capitalizing interest during the construction of the project and deferral of principal, and/or other internal credit support, including general obligation pledges.

3. Debt Issuance Practices

The District shall employ sound practices for debt issuance in the context of best practices and strong internal controls, including:

- Selection and use of professional service providers, including an independent financial advisor, to assist with determining the method of sale and the selection of other financing team members,
- Criteria for determining the sale method (competitive, negotiated, private placement) and investment of proceeds,
- Use of comparative bond pricing services or market indices as a benchmark in negotiated transactions, as well as to evaluate final bond pricing results,
- Criteria for issuance of refunding bonds, and
- Use of credit ratings, minimum bond ratings, determination of the number of ratings, and selection of rating services.

4. Debt Management Practices

The District shall manage outstanding debt to the direct advantage of the District and ultimately to the benefit of rate payers. In doing so, the District shall:

- Establish and maintain appropriate funds and accounting structures to properly support budgeting, recording, and reporting of debt service activities,
- Establish, document, and maintain a system of internal control over debt activities including Board approvals for debt issuance and proper authorization for debt service payments, and
- Provide for periodic review of the District's debt position for purposes of reporting to the Board of Directors and evaluation of opportunities for refunding or other adjustments to the portfolio.

Oak Lodge Water Services District

The logo for Oak Lodge Water Services is contained within a blue rectangular box. It features the words "OAK LODGE" in a large, white, sans-serif font. A stylized white oak leaf is positioned between the words "OAK" and "LODGE". Below "OAK LODGE" is a thin white horizontal line, and underneath that line, the words "WATER SERVICES" are written in a smaller, white, all-caps, sans-serif font with wide letter spacing.

OAK LODGE
WATER SERVICES

Fund Balance and Reserve Policy

Adopted xxxxxxxx

This document supersedes any and all previous fund balance and reserve policies.

I. Purpose

The District wishes to maintain existing service levels without unnecessary increases in rates or fees and maintain a stable financial position during periods of economic uncertainty. To that end, the District will establish prudent reserves in certain funds in order to ensure financial stability throughout the fiscal year including provision for unforeseen contingencies and consideration to revenue timing. This policy establishes threshold minimums for the District’s funds and is intended to serve as a guide for operational, budgetary, and policy decisions made by the Board of Directors and management.

II. Definition

Fund balance is defined as the difference between assets and liabilities in a fund. Reserves are broadly referred to as the portion of fund balance held in reserve to provide a buffer against risk, unforeseen circumstances, or for planned future expenditures.

For purposes of this policy, the terms “fund balance” and “reserves” may be used together and interchangeably to refer to amounts retained in the District’s various funds for purposes of offsetting risk, providing flexibility and stability, or for specific future expenditures.

An adequate fund balance is critical to lessen the impact of revenue shortfalls and/or unanticipated expenditures over time and provide a lower level of financial risk. Fund balance also serves as a source of bridge funding from year to year, allowing the District to maintain or transition to sustainable service levels.

III. Policy Statement

The District will establish and maintain a minimum fund balance in identified funds to:

- 1. Provide sufficient resources to meet cash flow needs;
- 2. Maintain an investment grade bond rating capacity;
- 3. Cover unforeseen emergencies;
- 4. Avoid short-term borrowing to fund operations; and
- 5. Set aside funds for major capital projects or equipment purchase when deemed appropriate.

Fund balance targets for respective funds are as follows:

Drinking Water Fund
A minimum fund balance equal to three (3) months of operations or 25% of budgeted expenditures in the Fund.

Wastewater Reclamation Fund
A minimum fund balance equal to three (3) months of operations or 25% of budgeted expenditures in the Fund.

Watershed Protection Fund
A minimum fund balance equal to three (3) months of operations or 25% of budgeted expenditures in the Fund.

Water Capital Reserve Fund

A minimum balance adequate to spread the cost of replacement of capital assets over the life of the respective assets. Additionally, the minimum balance should be consistent with identified funding needs of the District's Capital Improvement Plan (CIP)

Wastewater Capital Reserve

A minimum balance adequate to spread the cost of replacement of capital assets over the life of the respective assets. Additionally, the minimum balance should be consistent with identified funding needs of the District's Capital Improvement Plan (CIP)

Watershed Protection Capital Reserve

A minimum balance adequate to spread the cost of replacement of capital assets over the life of the respective assets. Additionally, the minimum balance should be consistent with identified funding needs of the District's Capital Improvement Plan (CIP)

Wastewater Revenue Bond Debt Service

A minimum fund balance equal to the first debt service payment due in the subsequent fiscal year.

Wastewater GO Bond Debt Service

A minimum fund balance equal to the first debt service payment due in the subsequent fiscal year.

Oak Lodge Water Services District

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OAK LODGE
WATER SERVICES

Investment Policy

Adopted xxxxxxxx

This document supersedes any and all previous investment policies.

I. Purpose

This Investment Policy defines the parameters within which funds are to be invested by Oak Lodge Water Services District (OLWSD or District). OLWSD is a special district whose purpose is to provide drinking water, sanitary sewer collection and treatment, and watershed protection. This policy also formalizes the framework, pursuant to ORS 294.135, for the District's investment activities to ensure effective and judicious management of funds within the scope of this policy.

These guidelines are intended to be broad enough to allow designated investment staff to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

II. Governing Authority

The District's investment program shall be operated in conformance with Oregon Revised Statutes and applicable federal law. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810. All funds within the scope of this policy are subject to laws established by the state of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this investment policy immediately upon being enacted.

III. Scope

This policy applies to activities of the District with regard to investing the financial assets of temporary surplus funds resulting from time elapsed between receipt of revenues and disbursement of those funds within all funds managed by the District. The amount of funds falling within the scope of this policy over the next three years is expected to range between \$5 million and \$15 million.

IV. Objectives

The primary objectives, in priority order, of investment activities shall be:

1. Preservation of Invested Capital

Investment activities shall be undertaken in a manner that seeks to ensure the preservation of capital and the protection of investment principal in the overall portfolio. The goal is to mitigate credit risk and interest rate risk.

2. Liquidity

The investment portfolio shall remain liquid to meet all reasonably anticipated operating requirements. Furthermore, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in the Oregon Short Term Fund, which offers next-day liquidity. Where possible and prudent, the portfolio should be structured so that investments mature concurrent with anticipated demands.

3. Return

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Although return consists of both principal return (gains and losses due to market value fluctuations) and income return (yield), this policy discourages active trading and turnover of investments. Investments should generally be held to maturity.

V. Standards of Care

1. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy.

The "prudent person" standard states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

3. Delegation of Authority and Responsibilities

i. Governing Body

The District's Board of Directors will retain ultimate fiduciary responsibility for invested funds.

ii. Delegation of Authority

Authority to manage investments within the scope of this policy and operate the investment program in accordance with established written procedures and internal controls is granted to the Finance Director, hereinafter referred to as Investment Officer, and derived from the following: ORS 294.035 to 294.053, 294.125 to 294.145, and 294.810.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

iii. Investment Municipal Adviser

The Finance Director may engage the services of one or more external investment managers or advisors to assist in the management of the District's investment portfolio in a manner consistent with this investment policy, and in accordance with the District's procurement policies and practices. All investment transactions by approved investment advisers must be pre-approved in writing by the Investment Officer and compliant with this Investment Policy.

VI. Transaction counterparties, Investment Advisers and Depositories

1. Broker/Dealers

The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives.

The following minimum criteria must be met prior to authorizing investment transactions. The Investment Officer may impose more stringent criteria.

i. Broker/Dealer firms must meet the following minimum criteria:

- A. Be registered with the Securities and Exchange Commission (SEC)
 - B. Be registered with the Financial Industry Regulatory Authority (FINRA)
 - C. Provide most recent audited financials
 - D. Provide FINRA Focus Report filings
- ii. Approved broker/dealer employees who execute transactions with the District must meet the following minimum criteria:
- A. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
 - B. Be licensed by the State of Oregon;
 - C. Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.
- iii. The Investment Officer may want to establish policies for engaging broker/dealer firms and registered representatives that are more restrictive than stated in this policy. Additional requisites or due diligence items may include:
- A. Positive references from at least three other local government clients.
 - B. As part of the periodic due diligence review, inquiries with other local government clients with regard to their recent experiences with broker/dealer firms or registered representatives and any change in relationship status.
 - C. Requirement that approved registered representatives provide notification within 30 days of any formal investigations or disciplinary actions initiated by federal or state regulators.
 - D. Requirement that prospective registered representatives have an established history of advising local governments with similar amounts of assets under management.
2. Direct Issuers
Obligations that are permitted for purchase by this policy may be purchased directly from the issuer.
3. Investment Advisers
A list will be maintained of approved advisers selected by conducting a process of due diligence.
- i. The following items are required for all approved Investment Advisers:
 - A. The investment adviser firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the State of Oregon (*Note: Investment adviser firms with assets under management > \$100 million must be registered with the SEC, otherwise the firm must be licensed by the State of Oregon*).

- B. All investment adviser firm representatives conducting investment transactions on behalf of the District must be registered representatives with FINRA.
 - C. All investment adviser firm representatives conducting investment transactions on behalf of the District must be licensed by the State of Oregon.
 - D. Certification, by all of the adviser representatives conducting investment transactions on behalf of this entity, of having read, understood and agreed to comply with this investment policy.
- ii. A periodic (at least annual) review of all investment advisers under contract will be conducted by the Investment Officer to determine their continued eligibility within the portfolio guidelines. Factors to consider would be:
- A. Pending investigations by securities regulators
 - B. Significant changes in net capital
 - C. Pending customer arbitration cases
 - D. Regulatory enforcement actions
- iii. The Investment Officer may want to establish guidelines or policies for engaging investment advisers' services that are more restrictive than stated in this policy. Additional requisites or due diligence items may include:
- A. Positive references from at least three other local government clients of a prospective investment adviser firm.
 - B. As part of the periodic due diligence review, inquiries with other local government clients of approved investment advisers with regard to their recent experiences with the adviser and any change in the relationship status.
 - C. Requirement that approved investment advisers provide notification within 30 days of a relationship termination by an Oregon based local government.
 - D. Requirement that approved investment adviser provide notification within 30 days of any formal investigations or disciplinary actions initiated by federal or state regulators.
 - E. Requirement that prospective investment advisers have an established history of advising local governments with similar amounts of assets under management.
4. Depositories
- All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

5. Competitive Transactions

- i. The Investment Officer shall obtain and document competitive bid information on all investments purchased or sold in the secondary market. Competitive bids or offers should be obtained, when possible, from at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform.
- ii. In the instance of a security for which there is no readily available competitive bid or offering on the same specific issue, then the Investment Officer shall document quotations for comparable or alternative securities.
- iii. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities as the same original issue price. However, the Investment Officer is encouraged to document quotations on comparable securities.
- iv. If an investment adviser provides investment management services, the adviser must retain documentation of competitive pricing execution on each transaction and provide upon request.

VII. Administration and Operations

1. Delivery vs. Payment

All trades of marketable securities will be executed (cleared and settled) by delivery vs. payment (DVP) to ensure that securities are deposited in the District's safekeeping institution prior to the release of funds.

2. Third-Party Safekeeping

Securities will be held by an independent third-party safekeeping institution selected by the District. All securities will be evidenced by safekeeping receipts in the District's name. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

3. Internal Controls

The Investment Officer is responsible for establishing and maintaining an adequate internal control structure designed to reasonably assure that invested funds are invested within the parameters of this Investment policy and, protected from loss, theft or misuse. Specifics for the internal controls shall be documented in writing. The established control structure shall be reviewed and updated periodically by the Investment Officer.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points at a minimum:

- i. Compliance with Investment Policy
 - ii. Control of collusion
 - iii. Separation of transaction authority from accounting and record keeping
 - iv. Custodial safekeeping
 - v. Avoidance of physical delivery of securities whenever possible and address control requirements for physical delivery where necessary
 - vi. Clear delegation of authority to subordinate staff members
 - vii. Confirmation of transactions for investments and wire transfers in written or digitally verifiable electronic form
 - viii. Dual authorizations of wire and automated clearing house (ACH) transfers
 - ix. Staff training
 - x. Review, maintenance and monitoring of security procedures both manual and automated
4. An external auditor shall provide an annual independent review to assure compliance with Oregon state law and the District's policies and procedures.

VIII. Suitable and Authorized Investments

1. Permitted Investments

The following investments are permitted pursuant to ORS 294.035, 294.040, and ORS 294.810.

- U.S. Treasury Bills
- U.S. Treasury Notes
- U.S. Treasury Zero Coupon Securities (STRIPS)
- Government Sponsored Enterprise Discount Notes
- Bankers Acceptances

All Bankers Acceptances shall be purchased from the following listed financial institutions, or any others as may be approved by the Board of Directors. Bankers Acceptances need not be in the name of the listed financial institution issuing the investment, but all such investments shall be made with a "qualified financial institution" as defined in ORS 294.035.

- Bank of America
 - KeyBank of Oregon
 - Northwest Investment Services, Inc.
 - Seattle Northwest Securities Corporation
 - U. S. National Association
 - Wells Fargo Bank, N.A.
- Certificates of Deposit
Purchase of Certificates of Deposit shall require the financial institution to issue a Certificate of Participation to cover the outstanding CD.
 - Repurchase Agreements
All Repurchase Agreements will be fully collateralized by U.S. Government and U.S. Agency obligations. The financial institution will provide a signed repurchase agreement.

- **Commercial Paper**
Investments in commercial paper must be rated A-1 or P-1 by Standard & Poor's or Moody's. Commercial Paper ratings may be A-2 or P-2 or better if issued on Oregon business enterprises and shall be with a qualified financial institution, a holding company, or an Oregon business, all as referenced in ORS 294.035(12). Specific requirements apply under ORS 294.035(9)(c) for purchasing the lower rated debt.
- **Corporate Notes**
Investments in corporate notes are limited to those issued under section 3(a)(2) or 3(a)(3) (but not under Section 4(2)) of the Securities Act of 1933. Corporate notes must be issued by a commercial, industrial or utility business enterprise, or on behalf of a financial institution.

Corporate notes must be rated AA or Aa. Corporate note ratings may be A or better if issued on Oregon business enterprises when they meet the specific requirements under ORS 294.035(9)(c) for purchasing the lower rated debt.

In addition to the above, the District may elect to participate in the Local Government Investment Pool.

2. **Approval of Permitted Investments**
If additional types of securities are considered for investment, per Oregon state statute they will not be eligible for investment until this Policy has been amended and the amended version adopted by the District.
3. **Prohibited Investments**
 - i. **Private Placement or "144A" Securities**
Private placement or "144A" securities are not allowed. For purposes of the policy, SEC Rule 144A securities are defined to include commercial paper privately placed under section 4(a)(2) of the Securities Act of 1933.
 - ii. **US Agency Mortgage-backed Securities**
US agency mortgage-backed securities such as those securities issued by FNMA and FHLMC are not allowed.
 - iii. **Securities Lending**
The District shall not lend securities nor directly participate in a securities lending program.
4. **Demand Deposits and Time Deposits**
 - i. All demand deposits and time deposits (Examples of time deposits are: certificates of deposit and savings accounts) shall be held in qualified Oregon depositories in accordance with ORS Chapter 295.
 - ii. Demand deposits in qualified depository institutions are considered cash vehicles and not investments and are therefore outside the scope and restrictions of this policy. Pursuant to ORS 294.035(3)(d), time deposits, certificates of deposit and savings accounts are considered investments and within the scope of this policy.

5. Repurchase Agreements

- i. ORS 294.035 (3)(j) requires repurchase agreement collateral to be limited in maturity to three years and priced according to percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short Term Fund Board.
- ii. ORS 294.135 (2) limits the maximum term of any repurchase agreement to 90 days.
- iii. The OSTF Board has adopted the following margins:
 - A. US Treasury Securities: 102%
 - B. US Agency Discount and Coupon Securities: 102%
 - C. Mortgage Backed and Other*: 103%

*Limited to those securities described in ORS 294.035(1)

IX. Investment Parameters

1. Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. Credit risk will be mitigated by the following guidelines:

- i. **Diversification**
It is the policy of the District to diversify its investments. Where appropriate, exposures will be limited by security type; maturity; issuance, issuer, and security type, Allowed security types and Investment exposure limitations are detailed in the table below.
- ii. **Recognized Credit Ratings**
Investments must have a rating from at least one of the following nationally recognized statistical ratings organizations (NRSRO): Moody’s Investors Service; Standard & Poor’s; and Fitch Ratings Service as detailed in the table below. Ratings used to apply the guidelines below should be investment level ratings and not issuer level ratings.
- iii. **Portfolio Average Credit Rating**
The minimum weighted average credit rating of the portfolio’s rated investments shall be Aa/AA/AA by Moody’s Investors Service; Standard & Poor’s; and Fitch Ratings Service respectively.
- iv. **Exposure Constraints and Minimum Investment Credit Ratings**
The following table limits exposures among investments permitted by this policy.

(This table contains sample restraints. Local Governments should also consult applicable State Statutes and legal guidelines):

Issue Type	Maximum % Holdings	Minimum Ratings Moody’s/S&P/Fitch
US Treasury Obligations	100%	None
US Agency Securities Per Agency (Senior Obligations Only)	100% 33%	- -
Oregon Short Term Fund (Local Government Investment Pool)	Maximum allowed per ORS 294.810	-

Banker's Acceptances	25% ⁽¹⁾	A1+/P1/F1+
Time Deposits/Savings Accounts/Certificates of Deposit ⁽²⁾ Per Institution	50%	-
Repurchase Agreements	25%	-
Corporate Debt (Total)	5%	-
Corporate Commercial Paper Per Issuer	15% ⁽³⁾ 15% ⁽³⁾ 2.5% ⁽⁴⁾	- A1/P1/F1
Corporate Bonds Per Issuer	10% ⁽³⁾ 2.5% ⁽⁴⁾	Aa/AA/AA
Municipal Debt (Total)	10%	-
Municipal Commercial Paper	10%	A1/P1/F1
Municipal Bonds	10%	Aa/AA/AA

⁽¹⁾ 25% Maximum per ORS 294.035(D)

⁽²⁾ As authorized by ORS 294.035(3)(d)

⁽³⁾ 35% Maximum per ORS 294.035(D)

⁽⁴⁾ 5% Maximum per ORS 294.035(D)

v. Determining a Security's Rating

A single rating will be determined for each investment by utilizing the lowest security level rating available for the security from Standard and Poor's, Moody's Investor Services and Fitch Ratings respectively.

vi. Restriction on Issuers With Prior Default History

Per ORS 294.040, the bonds of issuers listed in ORS 294.035 (3)(a) to (c) may be purchased only if there has been no default in payment of either the principal of or the interest on the obligations of the issuing county, port, school district or city, for a period of five years next preceding the date of the investment.

2. Liquidity Risk

Liquidity risk is the risk that an investment may not be easily marketable or redeemable. The following strategies will be employed to mitigate liquidity risks:

i. The value of at least 25% of funds available for investing or three months of budgeted operating expenditures will be invested in the Oregon Short Term Fund, with a qualified depository institution, or investments maturing in less than 30 days to provide sufficient liquidity for expected disbursements.

ii. Funds in excess of liquidity requirements are allowed for investments maturing in greater than one year. However, longer-term investments tend to be less liquid than shorter term investments. Portfolio investment maturities will be limited as follows:

Total Portfolio Maturity Constraints:

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	25% or three months Estimated Operating Expenditures
Under 1 year	50%
Under 3 years	100%

- iii. Reserve or Capital Improvement Project monies may be invested in securities exceeding the maximum term if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.
- iv. Larger issuance sizes enhance liquidity, as there are likely to be a greater number of investors. Issuance sizes above a minimum amount qualify a corporate or municipal debt bond issuance for index eligibility. Index eligible bonds have a significantly larger investor base, which improves liquidity.
- v. Limiting investment in a specific debt issuance improves secondary market liquidity by assuring there are other owners of the issuance.

Issue Type	Maximum % of Issuance* (Par)
US Agency Securities	50%
Corporate Debt (Total)	
Corporate Commercial Paper	100%
Corporate Bonds	25%
Municipal Bonds	25%

*The par amount issued under a single CUSIP

3. Interest Rate Risk
- Longer-term investments have the potential to achieve higher returns but are also likely to exhibit higher market value volatility due to the changes in the general level of interest rates over the life of the investment(s). Interest rate risk will be mitigated by providing adequate liquidity for short term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes. Certain types of securities, including variable rate securities, securities with principal pay-downs prior to maturity, and securities with embedded options, will affect the interest rate risk profile of the portfolio differently in different interest rate environments. The following strategies will be employed to control and mitigate adverse changes in the market value of the portfolio due to changes in interest rates:
- i. Where feasible and prudent, investment maturities should be matched with expected cash outflows to mitigate market risk.
 - ii. To the extent feasible, investment maturities not matched with cash outflows, including liquidity investments under one year, should be staggered to mitigate reinvestment risk.
 - iii. No commitments to buy or sell securities may be made more than 14 days prior to the anticipated settlement date, or receive a fee other than interest for future deliveries.
 - iv. The maximum percent of callable securities in the portfolio shall be 5%;
 - v. The maximum stated final maturity of individual securities in the portfolio shall be three years, except as otherwise stated in this policy.
 - vi. The maximum portfolio average maturity (measured with stated final maturity) shall be 1.5 years.

X. Investment of Proceeds from Debt Issuance

1. Investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. Bond proceeds shall be invested in accordance with the parameters of this policy and the applicable bond covenants and tax laws.
2. Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for resale and are maturity matched with outflows. Consequently, funds within the scope of ORS 294.052 are not subject to this policy's liquidity risk constraints within section IX (2).

XI. Investment of Reserve or Capital Improvement Funds

1. Pursuant to ORS 294.135(1)(b), reserve or capital improvement project monies may be invested in securities exceeding three years when the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of the Board of Directors, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

XII. Guideline Measurement and Adherence

1. Guideline Measurement
Guideline measurements will use market value of investments.
2. Guideline Compliance
 - i. If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this policy, the Investment Officer shall bring the portfolio back into compliance in a prudent manner and as soon as prudently feasible.
 - ii. Violations of portfolio guidelines as a result of transactions; actions to bring the portfolio back into compliance and; reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the General Manager, and the Board if so directed.
 - iii. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

XIII. Reporting and Disclosure

1. Compliance
The Investment Officer shall prepare quarterly and annual reports that allows the Board of Directors to ascertain whether investment activities during the

reporting period have conformed to the investment policy. The report will include, at a minimum, the following:

- i. A listing of all investments held during the reporting period showing: par/face value; accounting book value; market value; type of investment; issuer; credit ratings; and yield to maturity (yield to worst if callable).
- ii. Average maturity of the portfolio at period-end
- iii. Maturity distribution of the portfolio at period-end
- iv. Average portfolio credit quality of the portfolio at period-end
- v. Average weighted yield to maturity (yield to worst if callable investments are allowed) of the portfolio
- vi. Distribution by type of investment
- vii. Transactions since last report
- viii. Distribution of transactions among financial counterparties such as broker/dealers
- ix. Violations of portfolio guidelines or non-compliance issues that occurred during the prior period or that are outstanding. This report should also note actions (taken or planned) to bring the portfolio back into compliance.

2. Performance Standards/ Evaluation

At least annually, the Investment Officer shall report comparisons of investment returns to relevant alternative investments and comparative Bond Indexes. The performance of the portfolio should be compared to the performance of alternative investments such as available certificates of deposit; the Oregon Short Term Fund; US Treasury rates; or against one or bond indices with a similar risk profile (e.g., Bond indexes comprised high grade investments and maximum maturities of three years).

When comparing performance, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return.

3. Marking to Market

The market value of the portfolio shall be calculated at least annually and a statement of the market value of the portfolio shall be issued at least annually.

4. Audits

Management shall establish an annual process of independent review by the external auditor to assure compliance with internal controls. Such audit will include tests deemed appropriate by the auditor.

XIV. Policy Maintenance and Considerations

1. Review

The investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends. The annual report should also serve as a venue to suggest policies and improvements to the investment program, and shall include an investment plan for the coming year.

2. Exemptions

Any investment held prior to the adoption of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested as provided by this policy.

3. Policy Adoption and Amendments

This investment policy and any modifications to this policy must be formally approved in writing by the Board of Directors.

This policy must be submitted to the Oregon Short Term Fund (OSTF) Board for review if:

- i. This policy allows maturities beyond 18 months unless the funds are being accumulated for a specific purpose, including future construction projects, and upon approval of the Board of Directors, the maximum maturity date matches the anticipated use of the funds (ORS 294.135(1)(b) and 294.135(3)).

This policy has not yet been submitted to the Oregon Short Term Fund Board for comment.

Regardless of whether this policy is submitted to the OSTF Board for comment, this policy shall be re-submitted not less than annually to the Board of Directors for approval.

Oak Lodge Water Services District

The logo for Oak Lodge Water Services is contained within a blue rectangular box. It features the words "OAK LODGE" in a large, white, sans-serif font. A stylized white oak leaf is positioned between the words "OAK" and "LODGE". Below "OAK LODGE" is a thin white horizontal line, and underneath that line, the words "WATER SERVICES" are written in a smaller, white, sans-serif font.

OAK LODGE
WATER SERVICES

Low-income Rate Relief Policy

Adopted xxxxxxxx

This document supersedes any and all previous low-income rate relief policies.

I. Purpose

The purpose of this policy is to allow eligible District customers to obtain a discounted rate on a portion of their bill.

II. Scope

This policy applies to residential customers of Oak Lodge Water Services District seeking rate relief on the basis of low-income resulting in economic hardship. Approved low-income applicants will receive a 50% reduction on the eligible portions of their bill. Eligible portions include water base rate, sanitary sewer charge, and watershed protection fee. Water consumption charges are not eligible for discount.

III. Policy Statement

The District encourages low-income customers to take advantage of District programs that provide relief from economic hardship. The Finance Director or their designee shall administer the Low-income rate relief policy to the direct benefit of the District's customers in accordance with this and all other applicable policies of the District.

A. Financing of Program

Drinking water, sanitary sewer and surface water management service charges shall be established at a level sufficient to cover revenue losses resulting from District customers qualifying for a reduced rate pursuant to District ordinance. The District shall budget resources to fund the revenue losses due to the program at the rate of 0.5 percent of budgeted drinking water, sanitary sewer and surface water management rate revenue. This budgeted amount shall serve as a cap to the program's cost which will require Board of Directors' approval to exceed upon Budget Committee Approval.

B. Eligibility

To be eligible for low-income rate relief applicants must meet the following minimum qualifications:

1. The applicant must be a residential customer or user of the District; and
2. The property served must be occupied and used by the applicant as his or her principal residence during the period for which rate relief is applied; and
3. If the applicant is not current, they must setup and adhere to an approved payment plan to bring the account current; and
4. The applicant's family, of which the applicant is a member, shall not exceed the gross annual household income levels as defined by the United States Housing and Urban Development Department as "Very Low Income" for the Portland-Vancouver area, most recent version.
5. The applicant must make written application on a form provided by the District; and
6. The applicant must provide proof of income status in a form determined by the District; and
7. The applicant may not own real property other than that associated with their principal residence for which the application is submitted.
8. "Family" means one person or two or more persons related by blood, marriage, legal adoption or guardianship; or a group of not more than five persons, all or part of whom are not related by blood, marriage, legal adoption or guardianship, living together as a simple

housekeeping and economic unit in the dwelling occupying the property for which the reduced rate is applied.

9. Enrollment in the rate reduction program ends if the applicant can no longer meet one or more of the program requirements or is disqualified for a violation of the policy.

C. Rate Relief

1. Rate reductions, if granted, are based on complete calendar months and commence on the first day of the month following the date the application is approved by the General Manager; and
2. Rate relief will last until April of the year after the initial application is approved. It is the applicant's duty to reapply for the program annually. If the District has not received the renewal application by March 31 each year the rate will revert to the standard service charge; and
3. Billings will not be prorated for partial month eligibility; and
4. The District will not retroactively adjust charges.

D. Contract

The application required under this policy shall be in a form provided by the District and shall contain a signed statement of agreement to abide by all terms of this policy and such subsequent rules and regulations as may be adopted by the Board.

1. Proof of Eligibility - Applicants must file with the District proof of eligibility in the form of a Federal or State tax filing form for the previous year, or other acceptable official document as the District may require.
2. Termination of Rate Reduction - Reduced rates for customers shall be terminated in the event of the occurrence of any of the following circumstances:
 - a. Minimum income levels are exceeded;
 - b. Applicant defaults in the performance of the terms and provisions of his/her contract with the District (including delinquency on services or other assessments);
 - c. Applicant moves from the dwelling;
 - d. Applicant (if an owner) sells, trades or otherwise relinquishes ownership of the dwelling;
 - e. Applicant fails to comply with any rule or regulation adopted; refuses to provide information to or hinders any investigation by the District into the continued eligibility of the applicant for reduced rates; makes any false or misleading statement in connection with a request to obtain or retain a rate reduction; or receives benefits under this policy with knowledge that he or she does not qualify for such benefits.

E. Confidentiality

To the maximum extent possible under the law, the applications, records and other information relating to rate reduction requests shall be kept confidential by the District.

F. Violation and Penalty

1. A violation of this policy shall be punishable by a penalty equal to twenty percent of the moneys owed and shall disqualify the further participation in the program.
2. Each violation of a separate provision of this policy shall constitute a separate offense and each day that a violation of this policy is committed or permitted to continue shall constitute a separate offense.

3. The disqualification of any person for violation of this policy shall disqualify such person from eligibility for a period of two years.
4. Multiple disqualifications of any person for violation of this policy shall disqualify such person from eligibility in perpetuity.

DRAFT

Oak Lodge Water Services District

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OAK LODGE
WATER SERVICES

Revenue Policy

Adopted xxxxxxxx

This document supersedes any and all previous revenue policies.

I. Purpose

The purpose of this policy is to establish guidelines for Oak Lodge Water Services District to encourage diversification and stabilization of the revenue base in order to minimize the effects of fluctuations in revenue yield.

II. Scope

This policy is designed to provide general principles and guidelines to promote effective control over, and proper accounting of revenues from external sources and the related accounts receivable.

III. Objectives

- Revenue received by the District shall be utilized in accordance with this policy.
- Revenue received for specific funds within the District shall be utilized for expenses and obligations of that fund.
- All revenue is accurately recorded in the District's accounting system in the period in which it is earned.
- Appropriate internal controls and sound financial business practices are adopted for the recognition and billing of revenue, the collection and timely recording and deposit of cash receipts, and the management of accounts receivable.

IV. Policy Statements

A. High level Roles and Responsibilities

The District will assign roles and responsibilities according to skills, knowledge, and expertise necessary to accomplish the respective tasks, and to maintain an appropriate separation of duties consistent with strong internal controls.

- The General Manager
 1. Provide guidance and advice on compliance to the political structures, political office-bearers and officials of the District.
- The Finance Director
 1. Administratively in charge of the budget;
 2. Advise the General Manager on the exercise of powers and duties assigned to the General Manager;
 3. Advise Senior Managers and other officials in the exercise of powers and duties assigned to them; and
 4. Must perform such budgeting, accounting, analysis, financial reporting, cash management, debt management, supply chain management, financial management, review and other duties as delegated by the General Manager to the Finance Director.
- Senior Management
 1. Managing and coordinating the financial administration of the District.
- Any Official or External Consultant duly appointed
 1. Performs any operation in respect to the revenue management given by the Finance Director or General Manager.

B. Determination of Fees and Charges

The District shall ensure that all fees and charges have a basis in the associated cost of providing the related service. Full costing shall be determined for all services, including

direct costs of materials, labor, and related services as well as any appropriate allocation of overhead or indirect costs.

C. Utility Billing

The District shall ensure the completeness and accuracy of billings to all utility customers as a basis for revenues collected.

- Water services

1. Meters shall be read on a regular cycle as a basis for accurate billing of usage to customers.
2. Property owners shall be responsible for utility charges to the property. The District will not establish accounts in the name of renters.
3. Utility bills are considered due upon receipt by the customer. Bills are considered delinquent on the 15th day of the month billed. Utility accounts are subject to termination of service once past due, and upon serving 7 days written notice to the account holder and at the physical address listed for the account.
4. The District may assess delinquent charges, interest, and additional fees for termination and/or reestablishment of service.
5. Once annually a customer may apply for an adjustment of their bill related to a documented water leak. The customer must present evidence of the repairs in order to be eligible for an adjustment. Underground leaks from the back of the meter up to the foundation are eligible for adjustments. Leak adjustments are not granted for leaking faucets, leaking toilets, sprinkler systems or accidental over-watering. To determine the adjustment amount, an average of water usage must be calculated. The average is calculated using the last three (3) years water consumption for the same time period as the leak. This amount is considered the User's actual water use and the User is billed for this amount at the current retail rate. The remaining usage shall be calculated as follows:
 - a. The billing shall reflect the North Clackamas County Water Commission wholesale water rate plus associated costs of delivering water to customers.
 - b. The Sanitary Sewer variable charges will be adjusted from the winter average calculation.

- Wastewater services

1. Wastewater usage fees will be based on the winter average (determined based on four (4) months out of five (5) between November and March) usage of water at the physical address listed for the account, and will be reevaluated annually.

- Watershed protection services

1. Fees are based on relative equivalent service units (ESU's) as determined by the District for each utility account.

- Utility adjustments to customer accounts may be initiated and approved by utility staff up to \$200. Any adjustment in an amount exceeding \$200 must be

approved by the Finance Director or his/her designee.

D. Detailed Role of Finance Director

- That the District has effective revenue collection systems
- That the revenue due to the District is calculated on a monthly basis;
- That all money received is promptly deposited in the District's primary and other bank accounts;
- That the District has and maintains a management, accounting and information system which—
 1. Recognizes revenue when it is earned;
 2. Accounts for debtors; and
 3. Accounts for receipts of revenue;
- That the District has and maintains a system of internal controls in respect to debtors and revenue, as may be prescribed;
- That the District charges interest on arrears, except where the Board has granted exemptions in accordance with its budget-related policies and within a prescribed framework; and
- That all revenue received by the District, including revenue received by any collecting agent on its behalf, is reconciled at least on a quarterly basis.

E. Receipt of Revenue to the District

- Cash transactions are verified by two employees to ensure that cash is properly recorded and deposited.
- Receipts are given to all customers who pay with cash. Customers paying with check are offered a receipt and customers who pay with debit/credit are offered a confirmation number.

Oak Lodge Water Services District



Surplus Property Disposal Policy

Adopted xxxxxxxx

This document supersedes any and all previous surplus property disposal policies.

I. Purpose

The purpose of this policy is to establish an efficient and effective method for disposal of the District's surplus property. This policy does not include real property disposal.

II. Scope

This policy directs the timely, efficient, cost-effective and safe disposition of surplus property in a manner consistent with the best interest of the District.

III. Governing Authority

All guidelines within the scope of this policy are subject to laws established by the State of Oregon. Any revisions or extensions of relevant sections of the ORS shall be assumed part of this surplus property disposal policy immediately upon being enacted.

IV. Policy

Surplus property with commercial value will be disposed of in a cost effective and efficient manner that achieves the highest net resale proceeds for the District. Surplus property with little or no commercial value or when the disposal and sales efforts are judged more costly than estimated net proceeds, may be transferred, donated, or eventually disposed of through salvage contracts or other cost effective and efficient means. Items that are broken, unusable or have no commercial, salvage or donation value may be declared as "trash" and efficiently and safely disposed of as such.

1. The District employee responsible for property he/she wishes to have declared surplus shall complete the surplus request form (See Appendix A) including a complete description of the item, location, condition, and estimated fair market value. Items valued over \$1,000.00 must be declared surplus by the Board of Directors. The employee requesting that the item be declared surplus and his/her supervisor/manager must sign the completed form before sending it to the Finance Director. The Finance Director will coordinate all requests to have property surplussed to the Board of Directors. Items under \$1,000 must be declared surplus by the Finance Director or their designee.
2. The requesting division will coordinate the notification to other District divisions through email. Internal District divisions will be given first priority in using the surplus items. If the item is no longer of value to the District, the item may be disposed of in the following methods:
 - a. Sell or transfer to another governmental agency, subject to the public notice and hearing requirements, for property with a value in excess of \$50,000.
 - b. Sell the item through a sealed-bid process.
 - c. The Finance Director or their designee may establish a selling price based upon an independent appraisal or published schedule of values generally accepted by

- the insurance industry, schedule and advertise a sale date, and sell to the first buyer meeting the sales terms.
- d. Trade the item in for new replacement equipment.
 - e. Send the item to the State surplus program.
 - f. Dispose as scrap metal -- see #8 below.
 - g. Donate the item to any organization operating within or providing a service to residents of the state of Oregon, which is recognized by the Internal Revenue Service as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended.
 - h. Properly discard the item if the item is broken, unusable, and/or hazardous. Documentation and pictures must be provided for an item to be disposed of.
3. Disposal of Property with Minimal Value. Surplus property which has a value of less than \$1,000.00, or for which the costs of sale are likely to exceed sale proceeds, may be disposed of by any means determined to be cost-effective, including disposal as waste. The employee making the disposal shall make a record of the value of the item and the manner of disposal.
 4. Discarding of surplus item(s) is the last option to be used unless the item is broken, unusable or has no commercial, salvage or donation value and/or the District has exhausted all other options for disposal.
 5. If the item is sold or transferred, the receiving individual or party must sign an "As-Is/Where-Is" Statement and/or Liability Waiver. If the District is responsible for the pick up or transfer of the item, it must obtain the signature of the individual or party receiving the item on the form and forward the form to the Finance Director for filing.
 6. Public Auction: Auctions must be sufficiently advertised in the manner most likely to obtain a competitive bidding pool for the property. Employees of the District may purchase surplus property from the District only at an advertised auction, and only if the employee submits the highest bid for such property.
 7. If the item is sold, the proceeds will be given to the Finance Director to be deposited into the fund that accounts for the asset. Checks for surplus items are to be made payable to Oak Lodge Water Services District (OLWSD).
 8. Vehicles
 - a. For vehicles being surplus, the requesting division shall attach to the surplus request form a printout from Kelly Blue Book with the estimated value of the vehicle.
 - b. District logos and other markings identifying vehicles as District property shall be removed prior to sale.

9. Personal Use Items

- a. An item (or indivisible set) of specialized and personal use may be sold to the employee or retired or terminated employee for whose use it was purchased. These items may be sold for fair market value without bid and by a process deemed most efficient by the General Manager. Items with no market value may be given to the employee or retired or terminated employee.

10. Scrap Metal

- a. The surplus request form shall be submitted to the Finance Director prior to when the scrap load is delivered to the recycling company. After delivery, weight ticket and check will be given to the Finance Director to include with the surplus request form for documentation.

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Appendix A



SURPLUS REQUEST FORM

DATE OF REQUEST: _____

REQUESTED MOVE DATE: _____

WORKORDER NUMBER: _____

Transferred From:	Transferred To:
Department:	
Contact Person:	
Building & Room:	
Phone:	
Fax:	
Email:	

List asset items separately identified by Asset ID# and Serial Number. Non-asset items may be grouped by type and do not require Asset ID# and **Serial** Numbers. Condition: (1) Good - functionally operational, (2) Fair - limited repairs necessary (3) Poor - major repairs necessary (4) Scrap

Line	Quantity	Asset ID#	Serial Number	Description (Item, Make, & Model)	Condition/Value
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					

Remarks:

SIGNATURE REQUIRED - PLEASE ALLOW UP TO TEN (10) BUSINESS DAYS FOR REMOVAL

RELEASING DEPARTMENT	Manager Approval
RELEASED BY:	RECEIVED BY:
SIGNATURE:	SIGNATURE:
DATE:	DATE:

Releasing official's signature certifies the asset information if applicable is correct and all software and data has been removed prior to being transferred.

SURPLUS REQUEST FORM CONTINUATION SHEET

All asset items must be listed separately and identified by Asset ID# and Serial Number. Non-asset items may be grouped by type and do not require Asset ID# and Serial Numbers. Condition: (1) Good - functionally operational, (2) Fair - limited repairs necessary (3) Poor - major repairs necessary (4) Scrap

Line	Quantity	Asset ID#	Serial Number	Description (Item, Make, & Model)	Condition/Value
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REMARKS:



STAFF REPORT

To: Board of Directors
From: Aleah Binkowski-Burk
Agenda Item: Review of Additional Employee Handbook Policies
Item No.: 7
Date: October 16, 2018

Overview

Over the next several months, we will be submitting additional Employee Handbook Policies for Board review. After the Board's initial review, the policies will be presented to the Union. Some of the policies contain language that could be interpreted as a change to the terms and conditions of employment for AFSCME represented team members. The National Labor Relations Act requires us to give the Union a minimum of 14 days to review the policies and decide whether to demand to bargain with the District over the changes the policies could implement. Once the Union has reviewed the policies and any appropriate changes are made, they will be brought back to the Board for final approval.

Background

The attached handbook policies are to be added to the existing Oak Lodge Water Services District Handbook. A cybersecurity policy will help the District mitigate risks by protecting the District from malicious external and internal users. It lays out a framework and a set of conduct for employees using District devices and software. The OLWS ethics policy summarizes acceptable and unacceptable behavior as outlined in the Oregon State Government Ethics laws. This policy is a more robust version of an existing policy that outlines how our employees should conduct themselves as a public employee.

Recommendation

No action is required. This month will be for discussion. The policies attached will be finalized with any Board input and brought back a future Board meeting for approval once the Union has been given an opportunity to review the policies.

Attachments

1. Ethics Policy
2. Cybersecurity Awareness Policy

Oak Lodge Water Services District

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OAK LODGE
WATER SERVICES

Ethics Policy

Adopted xxxxxxx
Resolution xx-xxxx

This document supersedes any and all previous ethics policies.

I. Purpose

The purpose of this policy is to establish a culture of openness, trust and to emphasize the employee’s and consumer’s expectation to be treated to fair business practices. This policy will serve to guide business behavior to ensure ethical conduct. Effective ethics is a team effort involving the participation and support of every District employee.

II. Scope

This policy applies to officials, employees, contractors, consultants, and other workers at the District, including all personnel affiliated with third parties.

III. Objectives

To adhere to legal, moral, and professional standards of conduct in the fulfillment of professional responsibilities. Standards of professional conduct as set forth in this policy are promulgated to enhance the performance of all persons engaged in District functions.

IV. Policy Statement

A. Personnel Standards

State law prohibits any public official, a term that includes all District employees, from using or attempting to use their official position or office to obtain a personal financial gain or to avoid a personal financial detriment that would not otherwise be available but for the public official’s holding of the official position.

However, as exceptions to that rule, state law allows public officials to accept the following:

- official compensation
- allowed honorarium
- reimbursement of expenses by an employer
- unsolicited awards for professional achievement
- gifts of less than \$50 in a calendar year from sources with a legislative or administrative interest
- unlimited gifts from sources with no legislative or administrative interest
- items that are expressly excluded from the state’s definition of gift

State law imposes additional limits on personal gain and avoidance of personal financial detriment that would not otherwise be available but for the employee’s holding of a position with the District. District employees are responsible for ensuring that their actions comply with state law. Please refer to the state’s Guide for Public Officials. The Oregon Government Ethics Commission may be contacted for additional resources.

1. District staff and officials shall demonstrate and be dedicated to the highest ideals of honor and integrity in all public and personal relationships to merit the respect, trust, and confidence of governing officials, other public officials, employees, and of the public.
2. Employees are expected to conduct themselves in a manner to avoid the appearance of impropriety. Conduct that could appear dishonest to a reasonable observer will undermine the public trust even if the conduct is not illegal.

3. They shall devote their time, skills, and energies to their office both independently and in cooperation with other professionals.
 4. They shall abide by approved professional practices and recommended standards.
 5. Employees are expected to recognize the possibility of a potential or actual conflict of interest they may have and disclose the conflict, in writing, to their supervisor/manager and the HR Manager. The HR Manager and/ or the General Manager shall acknowledge the potential or actual conflict in writing and determine whether such conflict can be resolved if appropriate. A copy of the disclosure and subsequent acknowledgement shall be placed in the District personnel file.
 6. Employees must not take any official action, the effect of which would be to the employee's private financial gain or loss, without first notifying the General Manager and immediate supervisor in writing of the actual or potential conflict of interest, and obtaining approval prior to taking such action. Nor may an employee allow the purchase by the District of any goods and services from a business with which the employee is associated, except when the purchase is expressly authorized by the Board through proper procedure.
- B. Employees may not solicit private business from fellow employees or from citizens while on duty and/or in uniform or otherwise readily identifiable as a City employee, such as while in a District vehicle. Responsibility as Public Officials
1. District staff and District officials shall recognize and be accountable for their responsibilities as officials in the public sector.
 2. They shall be sensitive and responsive to the rights of the public and its changing needs.
 3. They shall strive to provide the highest quality of performance and counsel.
 4. They shall exercise prudence and integrity in the management of funds in their custody and in all financial transactions.
 5. They shall uphold both the letter and the spirit of the constitution, legislation, and regulations governing their actions and report violations of the law to the appropriate authorities.
- C. Professional Development
1. District staff and officials shall be responsible for maintaining their own competence, for enhancing the competence of their colleagues. All staff and officials shall promote excellence in public service.
- D. Professional Integrity – Information
1. District staff and officials shall demonstrate professional integrity in the issuance and management of information.
 2. They shall not knowingly sign, subscribe to, or permit the issuance of any statement or report which contains any misstatement or which omits any material fact.
 3. They shall prepare and present statements and financial information pursuant to applicable law and generally accepted practices and guidelines.
 4. They shall respect and protect privileged information to which they have access by virtue of their office.
 5. They shall be sensitive and responsive to inquiries from the public and the media, within the framework of District policy.
 6. Employees may not use information received because of District employment for private gain, or to avoid financial detriment if the information is confidential or not readily available to the public. Information that is public may not be readily available to

the public if a special request is required to obtain the information or, special knowledge, such as that acquired as a District employee, is needed to take advantage of the information.

7. Employees must not use their employment in any way to obtain financial gain or avoid financial detriment for the employee, their household, or family members or for any business, not-for-profit organization, or other separate legal entity, which the employee or a member of the employee's household or family is associated.
 8. No employee may directly supervise an employee who is a member of their household or an employee with whom they are romantically involved. It is the responsibility of the supervisor or manager to promptly disclose, in writing, the existence of the relationship to the HR Manager, or the General Manager or to the President of the Board of Directors to resolve the conflict.
- E. Professional Integrity – Relationships
1. District staff and officials shall act with honor, integrity, and virtue in all professional relationships.
 2. They shall exhibit loyalty and trust in the affairs and interests of the District, within the confines of this policy.
 3. They shall not knowingly be a party to or condone any illegal or improper activity.
 4. They shall respect the rights, responsibilities, and integrity of their colleagues and other public officials with whom they work and associate.
 5. They shall manage all matters of personnel within the scope of their authority so that fairness and impartiality govern their decisions.
 6. They shall promote equal employment opportunities, and in doing so, oppose any discrimination, harassment, or other unfair practices.
- F. Conflict of Interest
1. District staff and officials shall actively avoid the appearance of or the fact of conflicting interests.
 2. They shall discharge their duties without favor and shall refrain from engaging in any outside matters of financial or personal interest incompatible with the impartial and objective performance of their duties.
 3. They shall not, directly or indirectly, seek or accept personal gain, which would influence, or appear to influence, the conduct of their official duties.
 4. Employees must not award business to a member of their household or family regardless of the mechanism used to provide that business. This prohibition includes the use of limited purchase orders or procurement cards to provide business to a household or family member.
 5. They shall not use public property or resources for personal or political gain.
 6. All Board members, District Staff and key District officials shall sign a Conflict of Interest statement.

Oak Lodge Water Services District

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OAK LODGE
WATER SERVICES

Cybersecurity Awareness Policy

Adopted xxxxxxxx
Resolution xx-xxxx

This document supersedes any and all previous cybersecurity policies.

I. Purpose

The purpose of this policy is to inform the District’s users (employees, contractors, Board members) of their obligatory requirements for protecting the technology and information assets of the District.

II. Policy Statement

It is the obligation of all users of District systems to protect technology and information assets from unauthorized access, theft, and destruction.

III. Definitions

Confidential Information

- Personnel information
- Classified financial information
- Customer data
- Data about partners
- Data about vendors
- Patents, formulas, or new technologies

Operational Information

- All non-confidential information

District Technology and Information Assets

- Computer hardware, CPU, Email, web, application servers, PC systems, application software, system software, cell phones, tablets, etc.
- System software including: operating systems, database management systems, backup and restore software, and communications protocols.
- Application software used by various District departments including custom written software applications and commercial off-the-shelf software packages.
- Communications network hardware and software including: routers, routing tables, hubs, modems, multiplexers, switches, firewalls, private lines, and associated network management software and tools.
- Electronic records, data, information or communications (Email, messaging, social media, etc.) including information in any form created, processed, stored, or transmitted under the District’s purview.

IV. Data Use and Ownership

- A. All data created using District electronic assets are the property of the District. Any employee personal information stored on any electronic asset belonging, including, but not limited to cell phones, tablets laptops and personal computers to the District shall have no presumption of privacy or confidentiality.
- B. Employees may use District electronic assets provided that the use adheres to this policy and to all other relevant District policies, state and federal laws, does not impose additional costs on the District, or does not interfere with their normal duties. Personal use of the

District's electronic assets resulting in increased District expenses may result in reimbursement owed to the District and could result in disciplinary action.

- C. Employees that have access to and use of electronic assets as part of their duties must have basic skills in the proper use of the asset.
- D. All employee interactions with social media on behalf of the District or representing the District in any way shall follow any relevant Social Media policy.
- E. All electronic assets that are the property of the District shall be managed by the District's IT Representative under the direction of the General Manager:
 - 1. Employees will not add, move, or remove assets without the prior approval of the IT Contractor.
 - 2. Employees may be issued electronic assets and accessories as part of their job responsibilities. In this event:
 - a. The employee will be issued assets at the request of their manager.
 - b. Employees are responsible to know and follow the appropriate protection, use, and care of this District property.
 - c. All replacements for loss or damage must be approved by the employee's manager.
 - d. In the event of loss or damage, the lost item must be immediately reported to the employee's manager and the District's IT Representative.
 - e. The IT Representative will maintain an inventory of authorized electronic assets and the employee authorized to use the asset.
- F. For security and maintenance purposes, the General Manager may authorize the monitoring or modification of electronic assets, systems, and network traffic at any time.
- G. The IT Representative may be requested to audit electronic assets on a periodic basis to ensure compliance with this policy.
- H. The IT Representative, through approval from the General Manager, may restrict any external and internal access of any employee for the protection of the District.
- I. External access methods are limited to those provided by the District and authorized by the General Manager for the specific application.
- J. With General Manager approval, authorized individuals may access, retrieve, read, and delete any electronic record, data, information, or communication that is created on, received through, or sent by any means using District resources in accordance with the District's records management policy.

V. Security and Proprietary Information

- A. Employees should take all reasonable precautions to prevent unauthorized access to District electronic assets and information.
- B. Authorized users are responsible for the security of their accounts and their means of authentication.
- C. Employees must immediately report any and all suspected security breaches or threats to management or the District's IT representative.

VI. Unacceptable Use

- A. Employees shall not engage in any activity that is illegal under local, state and federal law, or in violation of any District policy, while utilizing District-owned resources.

- B. Employees shall not violate the rights of any person or company protected by copyright, trade secret, patent or other intellectual property, or similar laws or regulations.
- C. Employees shall not travel outside of the U.S. with District information or electronic assets without prior approval of the General Manager.

VII. Prohibited Uses

Employees are prohibited from:

- A. Introducing malicious programs or allowing unauthorized users access to the computing environment;
- B. Circumventing, or attempting to circumvent, the security measures of any District electronic asset;
- C. Transporting or transferring confidential information outside of the District network unless using an authorized system;
- D. Saving confidential District information to a personal computer or device;
- E. Installing or distributing software products on or from District resources for which the District does not have an active license;
- F. Purchasing or installing software during their employment without the approval of the General Manager, or his/her designee;
- G. Installing for personal use any software licensed to the District;
- H. Accessing online entertainment, games, or playing games using District resources;
- I. Attempting to obscure or forge the source of communications originating from the District (spoofing);
- J. Participating in any form of harassment via a District resource, whether through content, frequency, or number of communications;
- K. Effecting security breaches that include, but are not limited to, accessing data which the employee is not an intended recipient or logging into a server or account that the employee is not expressly authorized to access;
- L. Effecting disruption of service or network monitoring; and
- M. Port scanning or security scanning
- N. Employees may be exempted from these restrictions during the course of their required job responsibilities with the express approval of the General Manager.**

VIII. Enforcement

Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

IX. Interpretation

Any questions regarding the intent or application of this policy should be directed to Human Resources or the General Manager.

OAK LODGE
WATER SERVICES
STAFF REPORT

To: Board of Directors
From: Sarah Jo Chaplen, General Manager and Tommy Brooks, District Attorney
Agenda Item: Amendments to OLWSD Purchasing Rules
Item No.: 8
Date: October 9, 2018

Action Requested

Presentation and discussion of revisions to the OLWSD Purchasing Rules.

History

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

Background

District employees have regularly encountered difficulties efficiently implementing the District's current Purchasing Rules (Rules). The Rules were originally adopted in December 2016 following consolidation of the sanitary and water districts. While the Rules are comprehensive, they are not user friendly. Some of the difficulties encountered can be attributed to the actual formatting of the document, but the substantive provisions of the Rules have also created issues. For example, during a review of the Rules this past summer, staff, along with counsel, discovered a major difference from the State's Purchasing Rules that we did not believe was the intent of the Board when the Rules were originally approved. Specifically, it was discovered that the District's ability to use an On-Call Engineering or Architecture Consultant was severely limited. As a result, staff recommended a specific change to the Rules to expand the District's authority in line with what the State's Purchasing Rules allow. The Board approved that change through Resolution 18-07.

As staff continued to use the Rules for other purchases, it became evident that the District would continue to encounter issues that the Rules simply do not appear to address. Some of the state's rules have also changed since the original adoption of the Rules, and the District is obligated to review its Rules on a regular basis to ensure those changes are incorporated. Because the District was unexpectedly having to spend staff

and attorney resources to ensure compliance with the Rules, and because the District needs to update the rule periodically, the General Manager, in consultation with the District's attorney, determined that it would be more efficient to re-do the Rules in their entirety. A primary goal of the re-write is to have rules that are more user friendly, and also to ensure that the District is operating with as much authority and flexibility as the state allows.

The attached draft is a whole-sale re-write of the Rules for the Board's consideration. This version is currently being reviewed by the District's management team, and will also need to be reviewed by the union. We anticipate that a final version will come back to the Board at its November meeting with any appropriate changes necessitated by that feedback.

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

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

Key changes from the District's 2016 Purchasing Rules include:

- 1. Clarifies hierarchy of rules in the event of conflict or ambiguity. The 2016 Rules provided that state law and state rules would apply to the District except where the local District rules provided for an exception. The Proposed Rules specify that the local District rules will prevail in the event of a conflict with state rules and statute. If there is a conflict or ambiguity discovered within the Proposed Rules, the General Manager may provide an interpretation that is consistent with the objectives adopted by the Board of Directors.
- 2. Creates a more cohesive governing document for contracts and purchases. The 2016 Rules more frequently cross-referenced state law rules and statutes such that the reader would need to source the information from both the local District rules and state rules and statutes. The Proposed Rules aim to incorporate the most common state rules and statutes into the document itself to reduce the need for District staff to refer to state rules and statute (generally for less common contracts and purchases).

3. Eliminates specific authority-grants to staff other than the General Manager. The 2016 Rules expressly provide for certain District staff to enter into contracts up to a limited amount. The Proposed Rules provide only for the General Manager to enter into direct contracts or delegate the General Manager's authority to District staff. Under this authority, and through the District's financial policies, contracting authority and spending limits can still be delegated to certain positions, and changes to that delegation will be easier to make as needed.
4. Increases ceiling amount for entering into direct appointments for personal services and professional services. The 2016 Rules allow for the District to directly appoint personal services and professional services contractors up to \$10,000, with a competitive process to be used beyond that amount. While the District updated that amount for professional services (architects and engineers), the new Rules will apply to more services and better mirror the state's rules. Specifically, The Proposed Rules allow for a more flexible direct appointment for personal and professional services contractors up to \$100,000 without competition. (The Board will still need to approve of any direct appointment greater than \$50,000.)
5. Clarifies when resident preference is required and when it is optional. The 2016 Rules state generally that the District will endeavor to apply a resident preference. The Proposed Rules clarify when the District is required to apply resident preference and when it may optionally provide for a preference, and incorporates all applicable definitions.
6. Allows for more flexible public notices. The 2016 Rules allow for electronic advertisement when cost-effective and at the Board Chair's determination. The Proposed Rules allow for publication by any manner the General Manager determines is appropriate for that particular procurement, except where state law requires a specific type of public notice.
7. Removes surplus property provisions. The 2016 Rules include a provision on disposal of surplus property. The District is currently in the process of adopting an independent surplus property rule and procedure that is separate from the Rules and for that reason all provisions related to surplus property disposal have been removed from the Proposed Rules.
8. Fully explains the procedure for each procurement process and the criteria for evaluation. The 2016 Rules generally discussed the processes for each procurement type. The Proposed Rules outline each type of procurement process in more of a step-by-step format and outline the applicable criteria for evaluations. The one exception where the Rules refer to the state law is for construction services relating to public improvements. The state rules for such purchases are more prescribed and have several alternative methods. For that reason, it is the attorney's recommendation to continue relying solely on the state rules.

Work Load Impacts

With clearer Rules for purchasing, the amount of time staff has to spend navigating the rules, and the amount of time they spend consulting with the attorney, should be reduced.

Suggested Board Motion

No motion is needed at this time. Staff is seeking feedback from the Board and others and will bring a final version back to the Board for approval in November.

Attachments

1. Draft Purchasing Rules



Contracting & Purchasing Rules

October 2018

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

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Contracting & Purchasing Rules

I. Introduction.

A. Purpose of Rules. These Contracting and Purchasing Rules (“Rules”) are adopted by the Oak Lodge Water Services District Board of Directors (“the OLWSD Board”), the governing body of the Oak Lodge Water Services District (“the District”), to establish the rules and procedures for contracts entered into and purchases made by the District. The District’s General Manager is responsible for ensuring that these Rules are followed. It is the policy of the District in adopting these Rules to utilize public contracting and purchasing practices and methods that maximize the efficient use of District resources and the purchasing power of District funds by:

1. Promoting impartial and open competition;
2. Using solicitation materials that are complete and contain a clear statement of contract specifications and requirements; and
3. Taking full advantage of evolving procurement methods that suit the purchasing needs of the District as they emerge within various industries.

B. Interpretation of Rules. Except as specifically provided in these Rules, public contracts and purchases shall be awarded, administered, and governed according to ORS Chapters 279A, 279B, and 279C (the “Public Contracting Code”) and the Attorney General’s Model Public Contract Rules (“AG Model Rules”), as may be amended from time to time.

1. It is the District’s intent that these Rules be interpreted to authorize the full use of all contracting and purchasing powers described in ORS Chapters 279A, 279B, and 279C.
2. The AG Model Rules adopted under ORS 279A.065 shall apply to the contracts and purchases of the District to the extent that they do not conflict with these Rules or other rules and regulations adopted by the District.
3. In the event of a conflict between any provisions of these Rules and the AG Model Rules, the provisions of these Rules shall prevail.
4. In the event of a conflict between one or more provisions of these Rules, the General Manager shall have the authority to interpret these rules consistent with the purposes of the objective set forth above in subsection A to resolve the conflict.

C. Specific Provisions’ Precedence over General Provisions. In the event of a conflict between the provisions of these Rules, the more specific provision shall take precedence over the more general provision.

D. Conflict with Federal Statutes and Regulations. Except as otherwise expressly

provided in ORS Chapters 279A, 279B, or 279C, applicable federal statutes and regulations shall govern when federal funds are involved.

II. Definitions. Unless a different definition is specifically provided herein, or the context clearly requires otherwise, the following terms have the meanings set forth herein. Additionally, any term defined in the singular includes the meaning of the plural, and vice versa.

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

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

commodities, or other assets;

- a. The assistance received by the District is from a grantor for the purpose of supporting or stimulating a program or activity of the District; and
- b. No substantial involvement by the grantor is anticipated in the program or activity other than involvement associated with monitoring compliance with grant conditions; or

2. The District provides money, property, or other assistance, including but not limited to, federal assistance that is characterized as a grant by federal law or regulation, loans, loan guarantees, credit enhancements, gifts, bequests, commodities or other assets;

- a. The assistance is given to the recipient for the purpose of supporting or stimulating a program or activity of the recipient; and
- b. No substantial involvement by the District is anticipated in the program or activity other than involvement associated with monitoring compliance with grant conditions, unless otherwise provided for in an agreement related to the grant.

V. Immediate family member. An employee's: spouse, and parents thereof; children, and spouses thereof; parents, and spouses thereof; siblings, and spouses thereof; grandparents and grandchildren, and spouses thereof; and domestic partner, and parents thereof.

W. Minority, Women, Service-Disabled Veteran, and Emerging Small Business Enterprise. An enterprise or business that is certified by the State of Oregon's Certification Office for Business Inclusion and Diversity in the Oregon Business Development Department as a minority-owned business, a woman-owned business, a business that a service-disabled veteran owns, and/or an emerging small business.

X. Nonresident bidder. A bidder that is not a resident bidder.

Y. Offer. A bid, proposal, quote, or other response to a solicitation document.

Z. Offeror. A person who submits an offer.

AA. Opening. The date, time, and place announced in the solicitation document for the public opening of written sealed offers.

BB. Original contract. The initial contract or price agreement solicited and awarded during a cooperative procurement by an administering agency.

CC. Purchasing agency. An agency that procures goods or services, personal services, or public improvements from a contractor based on the original contract established by an administering agency in a cooperative procurement.

DD. Person. An individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, governmental agency, public body, public corporation, or other legal or commercial entity, and any other person or entity with legal capacity to contract.

- EE. Personal services.** Services, other than professional services, that require specialized skill, knowledge, and resources in the application of technical or scientific expertise or in the exercise of professional, artistic, or management discretion or judgment.
1. Qualifications and performance history, expertise and creativity, and the ability to exercise sound professional judgment are typically the primary considerations when selecting a personal services contractor, with price being secondary.
 2. Personal services contracts include, but are not limited to, the following classes of contracts:
 - a. Contracts for services performed in a professional capacity, including but not limited to, services of an accountant, attorney, auditor, court reporter, information technology consultant, physician, or broadcaster;
 - b. Contracts for professional or expert witnesses or consultants to provide services or testimony relating to existing or potential litigation or legal matters in which the District is or may become interested;
 - c. Contracts for services as an artist in the performing or fine arts, including any person identified as a photographer, film maker, actor, director, painter, weaver, or sculptor;
 - d. Contracts for services that are specialized, creative, or research-oriented; and
 - e. Contracts for services as a consultant.
- FF. Price agreement.** A contract for the procurement of goods or services at a set price which has:
1. No guarantee of a minimum or maximum purchase; or
 2. An initial order or minimum purchase combined with a continuing contractor obligation to provide goods or services with no guarantee of any minimum or maximum additional purchase.
- GG. Procurement.** The act of purchasing, leasing, renting, or otherwise acquiring goods or services, personal services, or professional services. It includes each function and procedure undertaken or required to be undertaken to enter into a contract, administer a contract and obtain the performance of a contract for goods or services, personal services, or professional services.
- HH. Professional services.** Architectural, engineering, land surveying, photogrammetric, transportation planning, or related services, or any combination of these services, provided by a consultant.
- II. Proposal.** A response to a request for proposals.
- JJ. Proposer.** A person that submits a proposal in response to a request for proposals.
- KK. Proposer security.** A form of security submitted or posted by a

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

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

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

SS. Request for proposals. A solicitation document used for soliciting proposals.

TT. Request for qualifications. A written document issued by the District describing particular services to which potential contractors respond with a description of their experience and qualifications that results in a list of potential contractors who are qualified to perform those services, but which is not intended to create a contract between a potential contractor on the list and the District.

UU. Resident bidder. A bidder that has paid unemployment taxes or income taxes in Oregon during the 12 calendar months immediately preceding submission of the bid, has a business address in Oregon, and has stated in the bid that the bidder is a resident bidder.

VV. Revenue generating agreements. Contracts or agreements for services that generate revenue and that are typically awarded to the offeror proposing the most advantageous or highest monetary return.

WW. Scope. The range and attributes of the goods or services described in a procurement document.

XX. Signed or signature. Any mark, word, or symbol attached to or logically associated with a document and executed or adopted by a person with the authority and intent to be bound.

YY. Solicitation. As the context requires:

1. A request for the purpose of soliciting offers, including an invitation to bid, a request for proposal, a request for quotation, a request for qualifications, or other similar documents;
2. The process of notifying prospective offerors of a request for offers; and/or
3. The solicitation document.

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

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

III. Authority.

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

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

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

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

purpose of carrying out, promoting, or sustaining activities or programs authorized by law other than for the construction of public works or public improvements;

- c. The investment of funds by the District as authorized by law; or
- d. Banking, money management, or other predominantly financial transactions that, by their character, cannot practically be established under the competitive contractor selection procedures, based upon the findings of the General Manager.

- 7. Contracts for employee benefit plans;
- 8. Contracts with newspapers and other publications for the placement of advertisements or public notices;
- 9. Contracts for items where the price is regulated and available from a single source or limited number of sources;
- 10. Insurance contracts;
- 11. Revenue-generating agreements;
- 12. Federal agreements where applicable federal statutes and regulations govern when federal funds are involved and the federal statutes or regulations conflict with any provision of the Oregon Public Contracting Code or these Rules or require additional conditions in public contracts not authorized by the Oregon Public Contracting Code or these Rules.

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

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

to purchase with limits deemed appropriate by the General Manager.

4. Delegate, in writing, the signature authority described in the above subsection (2) and the purchasing powers described in the above subsection (3). In the absence of a written delegation to the contrary, and in the absence of the General Manager, the signature authority described in the above subsection (2) and the purchasing powers described in the above subsection (3) are delegated to the Acting General Manager.
5. Delegate, in writing, the General Manager's obligations under these rules to make any findings, conduct any proceedings, or retain any records to the appropriate District employee or consultant.
6. Adopt forms, procedures, computer software, and administrative rules for all District purchases regardless of the amount.
 - a. When adopting the forms, procedures, computer software, and/or administrative rules, the General Manager shall establish practices and policies that:
 - i. Do not encourage favoritism or substantially diminish competition; and
 - ii. Allow the District to take advantage of the cost-saving benefits of alternative contracting methods and practices;
 - b. The District shall use these forms, procedures, computer software and administrative rules unless they conflict with these Rules.

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

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

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

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

1. The contract or purchase is expressly authorized and approved by the OLWSD Board; or

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

IV. Preferences.

A. Tie Breaker Preference (mandatory resident preference). If the District receives offers that are identical in price, fitness, availability, and quality, and the District chooses to award a contract, the preferences provided in ORS 279A.120 shall be applied prior to the contract award based on the following order of precedence:

1. The District shall award the contract to the offeror who is offering goods, services, personal services, or any combination thereof, that are manufactured, produced, or to be performed in Oregon.
2. If two or more offers are for goods, services, or personal services that are manufactured, produced, or to be performed in Oregon, the District shall award the contract by drawing lots among the identical resident offers. The District shall provide such identical resident offerors notice of the date, time, and location of the drawing of lots, and an opportunity for those offerors to be present when the lots are drawn.
3. If none of the offers are for goods, services, or personal services that are manufactured, produced, or to be performed in Oregon, the District shall award the contract by drawing lots among the identical non-resident offers. The District shall provide such identical non-resident offerors notice of the date, time, and location of the drawing of lots, and an opportunity for those offerors to be present when the lots are drawn.
4. **Determining if offers are identical in price, fitness, availability, and quality for purposes of applying a Tie Breaker Preference.**
 - Bids are identical if the bids are responsive and offer the goods or services or personal services described in the Invitation to Bid at the same price.
 - Proposals are identical if the proposals are responsive and achieve equal scores when scored according to the evaluation criteria set forth in the Request for Proposals.
 - Offers received in response to a Special Procurement under ORS 279B.085 are identical if, after completing the contracting procedure, the District determines, in writing, that two or more offers are equally advantageous to the District.
 - Offers received in response to an Intermediate Procurement under ORS 279B.070 are identical if the offers equally best serve the interests of the District, taking into account considerations including but not limited to: price, experience, expertise, product

functionality, suitability for a particular purpose, and contractor responsibility under ORS 279B.110.

- B. Reciprocal Preference (mandatory resident preference).** Reciprocal preferences under ORS 279A.120, if applicable, must be given when evaluating bids. The District shall add a percent increase to the bid of a nonresident bidder equal to the percent of the preference given to the bidder in the state in which the bidder resides. In determining whether the nonresident bidder's state gives preference to in-state bidders, and the amount of preference that is given to in-state bidders, if any, the District may rely on the list of reciprocal preferences prepared and maintained by the Oregon Department of Administrative Services.
- C. Discretionary Local Preference (optional local preference).** If the solicitation is in writing and the procurement is not excluded under this Section IV (C)(3), the General Manager may provide a specified percentage preference of not more than ten percent (10%) for goods fabricated or processed entirely in Oregon or services performed entirely in Oregon. In the event the General Manager determines that such a preference will be applied, the application and amount of the preference must be identified in writing in the solicitation document.
1. When a preference is provided and more than one offeror qualifies for the preference, the General Manager may give further preference to a qualifying offeror that resides in or is headquartered in Oregon.
 2. The General Manager may establish a preference percentage of ten percent (10%) or higher if the General Manager makes a written determination that good cause exists to establish the higher percentage, explains the reasons, and provides evidence for finding good cause to establish a higher percentage.
 3. **Discretionary local preference unavailable for certain procurements.** The discretionary preference described in this Section IV (C) may not be applied to a contract for emergency work, minor alterations, ordinary repairs or maintenance of public improvements, or to any other construction contract that is not defined as a public improvement under ORS 279A.010.
- D. Preference for Recycled Materials and Supplies.** Preferences for recycled goods shall be given when comparing goods, if applicable under ORS 279A.125. The General Manager shall make a written determination for whether the goods are manufactured from recycled materials and the criteria used in making such determination. Preference shall be given if:
1. The recycled product is available
 2. The recycled product meets applicable standards
 3. The recycled product can be substituted for a comparable nonrecycled product; and
 4. The costs of the recycled product do not exceed the costs of comparable nonrecycled products by more than five percent, or a higher percentage if the General Manager makes a written determination justifying a

higher percentage.

- E. Opportunities for Minority, Women, Service-Disabled Veteran, and Emerging Small Business Enterprise.** The District aspires to provide opportunities for available contracts to Minority, Women, Service-Disabled Veteran (“MWSDV”), and Emerging Small Business (“ESB”) Enterprises. To this end:
1. The District may consult with the State advocate for MWSDV and ESB Enterprise to determine the best means to make contracting opportunities available.
 2. The District may, in solicitation documents, require that some portion of the work be performed, or some portion of the materials be provided, by a MWSDV or ESB Enterprise. The District may establish other contract requirements as authorized by ORS 279A.107.
 3. The District may use the State of Oregon’s Certification Office for Business Inclusion and Diversity Certification Management System Directory to authenticate certification of a business or enterprise as a MWSDV or ESB Enterprise.

V. General Provisions.

- A. Public Notice.** Unless otherwise specifically provided by these Rules, any notice required to be published by these Rules may be published using any method the General Manager deems appropriate, including but not limited to: mailing notice to persons that have requested notice in writing, placing notice on the District’s website, placing notice through an electronic procurement system, or publishing in statewide trade or local publications.
- B. Procedure for Competitive Verbal Quotes and Proposals.** Where allowed by these Rules, solicitations by competitive quotes and proposals shall be based on a description of the quantity of goods or services to be provided, and may be solicited and received by phone, facsimile, or email, as authorized by the General Manager.
1. A good faith effort shall be made to contact at least three (3) potential providers.
 2. If three (3) potential providers are not reasonably available, fewer shall suffice, but the General Manager shall keep a written record of the efforts made to obtain three potential providers as part of the procurement file.
- C. Procedure for Informal Written Solicitation.** Where allowed by these Rules, informal written solicitations shall be made by a solicitation document sent to not fewer than three (3) prospective providers.
1. The solicitation document shall request competitive price quotes or competitive proposals, and shall include:
 - a. The date, time, and place that price quotes or proposals are due;
 - b. A description or quantity of the good or service required;

- c. A statement of the time period for which price quotes or proposals must remain firm, irrevocable, valid, and binding on the offeror. If no time is stated in the solicitation document, the period shall be thirty (30) days;
 - d. Any required contract terms or conditions; and
 - e. Any required bid form or proposed format.
2. Price quotes or proposals shall be received by the General Manager at the date, time, and place established in the solicitation document.
 - a. The General Manager shall keep a written record of the sources of the quotes or proposals.
 - b. If three (3) quotes or proposals are not reasonably available, fewer shall suffice, but the General Manager shall keep a written record of the efforts made to obtain quotes or proposals as part of the procurement file.

D. Procedure for Competitive Sealed Bidding.

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

determines that bid security is reasonably necessary or prudent to protect the interests of the District.

4. Public notice. A public notice may be provided in any manner deemed reasonably prudent considering the nature of the procurement. Public notice may be published on the District's website, through an electronic procurement system, in a newspaper of general circulation in the area where the contract is to be performed, and/or in any other publications as the General Manager may determine. Notwithstanding the foregoing, for construction contracts over \$125,000, the District shall publish at least once in a newspaper of general circulation in the area where the contract is to be performed, in addition to whatever other publications the General Manager may deem appropriate.
5. Evaluation of bids. The District shall evaluate all bids received before the time and date indicated for bid opening. The District may not consider for award any bids received after the time and date indicated for bid opening. All applicable preferences shall be applied in evaluating the bids. Bids shall be evaluated on the requirements and criteria set forth in the invitation to bid. No criteria may be used in the evaluation that were not set forth in the invitation to bid.
6. Notice of intent to award. At least 7 calendar days before the award, the District shall provide written notice of its intent to award a contract to all bidders. If the General Manager determines that circumstances justify prompt execution of the contract, a shorter notice period may be established, provided that the specific reasons for the shorter notice period are documented in the procurement file.
7. Finality. The District's award shall not be final until the later of either: the expiration of the protest period following the notice of intent to award pursuant to OAR 137-047-0740, or after the District provides written responses to all timely-filed protests denying the protests and affirming the award.

E. Procedure for Competitive Sealed Proposals.

1. The District shall solicit a request for proposals, which must include the following information:
 - a. Time and date by which sealed proposals must be received, and a place where the proposals must be submitted. The District may receive proposals by electronic means or may direct or permit proposers to submit proposals by hard copy.
 - b. Name and title of the person designated to receive proposals and the contact person for the procurement, if different.
 - c. Description of the procurement, which must: identify the scope of work, outline the contractor's anticipated duties, set expectations for the contractor's performance, and include all contractual terms and conditions applicable to the procurement.

- d. Time, date, and place for prequalification applications, if any, to be filed, and the classes of work, if any, for which proposers must be requalified under ORS 279B.120.
 - e. Description of the methods by which the District will make the results of each tier of competitive evaluation available to the proposers who competed in that tier.
 - f. Description of the manner in which the proposers who are eliminated from further competition may protest the District's decision.
 - g. Additional statements as required by ORS 279B.055.
2. The request for proposals may additionally include the following information:
 - a. Contractual terms or conditions that the District reserves for negotiation with proposers.
 - b. Request that proposers propose contractual terms and conditions that relate to the subject matter reasonably identified in the request for proposals.
 - c. The form or content of the written contract that the District will accept.
 - d. The method the District will use to select the contractor, which may include but is not limited to: negotiating with the highest ranked proposer, competitive negotiations, a multiple-tiered competition that is designed to identify a class of proposers that fall within a competitive range or to otherwise eliminate from consideration a class of lower ranked proposers.
 - e. The manner in which the District will evaluate proposals, identifying the relative important of price and other factors the District will use to evaluate and rate the proposals in the first tier of competition. If the District uses more than one tier of competitive evaluation, the request for proposals must describe the process the District will use to evaluate proposals in the subsequent tiers.
 3. Proposer security. The District may require proposer security if the General Manager determines that proposer security is reasonably necessary or prudent to protect the interests of the District. The form of security shall be as determined by the General Manager.
 4. Public notice. A public notice may be provided in any manner deemed reasonably prudent considering the nature of the procurement. Public notice may be published on the District's website, through an electronic procurement system, in a newspaper of general circulation in the area where the contract is to be performed, and/or in any other publications as the General Manager may determine. Notwithstanding the foregoing, for construction contracts over \$125,000, the District shall publish at least once in a newspaper of general circulation in the area where the contract is to be performed, in addition to whatever other publications the General Manager

may deem appropriate.

5. Evaluation of proposals. The District may select the contractor using the method provided for in the request for proposals, including but not limited to: an award based solely on the rankings of proposals; discussions leading to best and final offers; serial negotiations beginning with the highest ranked proposer; competitive simultaneous negotiations; multiple-tiered competitions; multi-step requests for proposals beginning with first unpriced submittals; or a combination of methods or any other authorized method. All applicable preferences shall be applied in evaluating proposals. If the District awards a contract, the District shall award the contract to the responsible proposer whose proposal the District determines in writing is the most advantageous to the District, based on the evaluation process and factors described in the request for proposals, applicable preferences, and the outcome of any negotiations where applicable. Other factors may not be used in the evaluation.
6. Application of public records to proposals. The District may open proposals in a manner to avoid disclosing contents to competing proposers during the process of negotiation, when applicable; however, the District shall record and make available the identity of all proposers as part of the District's public records after the proposals are opened. Proposals are not required to be open for public inspection until after the notice of intent to award is issued, even when opened at a public meeting.
7. Notice of intent to award. At least 7 calendar days before the award, the District shall provide written notice of its intent to award a contract to each proposer who was evaluated in the final competitive tier. If the General Manager determines that circumstances justify prompt execution of the contract, a shorter notice period may be established, provided that the specific reasons for the shorter notice period are documented in the procurement file.
8. Finality. The District's award shall not be final until the later of either: the expiration of the protest period pursuant to OAR 137-047-0740, or as set forth in the notice of intent to award if different, or after the District provides written responses to all timely-filed protests denying the protests and affirming the award.

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

1. An explanation of the reason the work was commenced before the contract was awarded or executed;
2. A description of steps being taken to prevent similar occurrences in the future;
3. Evidence that, but for the failure to award or execute the contract, the

employee complied with all other steps required to properly select a contractor and negotiate the contract; and

4. A proposed form of contract.

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

A. Small Procurements. Contracts or purchases of goods or services with a contract price of \$10,000 or less are small procurements. Small procurements are not subject to competitive bidding requirements and no public notice is required.

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

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

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

- C. Large Procurements.** Contracts for goods or services with a contract price greater than \$150,000 are large procurements.
1. The General Manager may use competitive sealed bidding as set forth in ORS 279B.055 and these Rules, or competitive sealed proposals as set forth in ORS 279B.060 and these Rules.
 2. The District shall apply the applicable procedure set out in the AG Model Rules for processing protests of large procurements.

VII. Personal Services Contracts.

- A. Classification of Services as Personal Services.** In addition to the classes of personal services contracts identified in the definition of personal services contracts, the General Manager may classify additional specific types of services as personal services. In determining whether a service is a personal service, the General Manager shall consider:

1. Whether the work requires specialized skills, knowledge, and resources in the application of technical or scientific expertise, or the exercise of professional, artistic, or management discretion or judgment;
2. Whether the District intends to rely on the contractor's specialized skills, knowledge, and expertise to accomplish the work; and
3. Whether selecting a contractor primarily on the basis of qualifications, rather than price, would most likely meet the District's needs and result in obtaining satisfactory contract performance and optimal value.
4. A service shall not be classified as personal services for the purposes of these Rules if:
 - a. The work has traditionally been performed by contractors selected primarily on the basis of price; or
 - b. The services do not require specialized skills, knowledge, and resources in the application of highly technical or scientific expertise, or the exercise of professional, artistic, or management discretion or judgment.

- B. Requests for Qualifications.** At the General Manager's discretion, a request for qualifications may be used to determine whether competition exists to perform the needed personal services or to establish a non-binding list of qualified contractors for individual negotiation, informal written solicitations, or requests for proposals.

1. A request for qualifications shall describe the particular type of personal services that will be sought, the qualifications the contractor must have to be considered, and the evaluation factors and their relative importance.
2. A request for qualifications may require information including, but not limited to:
 - a. The contractor's particular capability to perform the required personal services;

- b. The number of experienced personnel available to perform the required personal services;
 - c. The specific qualifications and experience of personnel;
 - d. A list of similar personal services the contractor has completed;
 - e. References concerning past performance; and
 - f. Any other information the General Manager deems necessary to evaluate the contractor's qualifications.
3. A voluntary or mandatory qualifications pre-submission meeting may be held for all interested contractors to discuss the proposed personal services. The request for qualifications shall include the date, time, and location of the meeting.
 4. Unless the responses to a request for qualifications establish that competition does not exist, the request for qualifications is canceled, or all responses to the request for qualifications are rejected, then all respondents who meet the qualifications set forth in the request for qualifications shall receive notice of any required personal services and have an opportunity to submit a proposal in response to request for proposals.

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

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

D. Solicitations. Personal Services that do not qualify for direct appointment under subsection (C) may be procured through the same process the District is

authorized to use for the procurement of professional services.

VIII. Professional Services and Related Services

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

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

Rules from the following sources:

- a. A list of consultants the District creates under OAR 137-048-0120 (List of Interested Consultants; Performance Record);
 - b. Another contracting agency's list of consultants that the contracting agency has created under OAR 137-048-0120 (List of Interested Consultants; Performance Record), with written consent of that contracting agency; or
 - c. All consultants offering the required professional services that the District reasonably can identify under the circumstances.
6. The District shall direct negotiations with a consultant selected under this section of the Rules toward obtaining written agreement on:
- a. The consultant's performance obligations and performance schedule;
 - b. Payment methodology and a maximum amount payable to the consultant for the professional services required under the contract that is fair and reasonable to the District as determined solely by the District, taking into account the value, scope, complexity and nature of the professional services; and
 - c. Any other provisions the District believes to be in the District's best interest to negotiate.

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

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

the professional services or related services described in the request for proposals within the applicable time limits, including the current and projected workloads of such staff and the proportion of time such staff would have available for the professional services or related services;

- Proposed management techniques for the professional services or related services described in the request for proposals;
- A consultant's capability, experience and past performance history and record in providing similar professional services or related services, including but not limited to quality of work, ability to meet schedules, cost control methods and contract administration practices;
- A consultant's approach to professional services or related services described in the request for proposals and design philosophy, if applicable;
- A Consultant's geographic proximity to and familiarity with the physical location of the project;
- Volume of work, if any, previously awarded to a consultant, with the objective of effecting equitable distribution of contracts among qualified consultants, provided such distribution does not violate the principle of selecting the most qualified consultant for the type of professional services required;
- A consultant's ownership status and employment practices regarding women, minorities, service-disabled veterans, emerging small businesses, or historically underutilized businesses;
- If the District is selecting a consultant to provide related services, pricing policies and pricing proposals or other pricing information, including the number of hours proposed for the services required, expenses, hourly rates and overhead.

vi. A statement that proposers do so solely at their expense, and District is not responsible for any proposer expenses associated with the request for proposals;

vii. A statement directing proposers to the applicable protest procedures; and

viii. A sample form of the contract.

- b. Provides a request for proposals to a minimum of five (5) prospective consultants. If fewer than five (5) prospective consultants are available, the District shall provide the request for proposals to all available

prospective consultants and shall maintain a written record of the District's efforts to locate available prospective consultants for the request for proposals. The District shall draw prospective consultants from:

- i. The District's list of consultants that is created and maintained under OAR 137-048-0120 (List of Interested Consultants; Performance Record);
 - ii. Another contracting agency's list of consultants that is created and maintained under OAR 137-048-0120 (List of Interested Consultants; Performance Record); or
 - iii. All consultants that the District reasonably can locate that offer the desired professional services or related services, or any combination of the foregoing.
- c. Reviews and ranks all proposals received according to the criteria set forth in the request for proposals, and select the three highest ranked proposers.
2. The District may use the informal selection procedure for related services on the basis of price proposals and other pricing information alone if the District:
- a. Creates a request for proposals that includes at a minimum the following:
 - i. A description of the project for which a consultant's Related services are needed and a description of the related services that will be required under the resulting contract;
 - ii. The anticipated contract performance schedule;
 - iii. Conditions or limitations, if any, that may constrain or prohibit the selected consultant's ability to provide additional services related to the project, including construction services;
 - iv. The date and time proposals are due and other directions for submitting proposals;
 - v. Any minimum or pass-fail qualifications that the proposers must meet, including but not limited to any such qualifications in the subject matter areas described in these Rules applicable to a request for proposals for professional services that are related to the related services described in the request for proposals;
 - vi. Pricing criteria upon which the highest ranked consultant will be selected. pricing criteria may include, but are not limited to, the total price for the related services described in the request for proposals, consultant pricing policies and other pricing information such as the consultant's estimated number of staff hours needed to perform the related services described in the request for proposals, expenses, hourly rates and overhead;
 - vii. A statement directing proposers to the applicable protest procedures; and

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

6. The District shall terminate the informal selection procedure and proceed with the formal selection procedure if the scope of the anticipated contract is revised during negotiations so that the estimated fee will exceed \$250,000.

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

IX. Public Improvements.

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

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

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

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

be filed.

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

1. Basis for Approval. The approval of a special solicitation method or exemption from competition must be based upon a record before the OLWSD Board that contains the following:
 - a. The nature of the contract or class of contracts for which the special solicitation or exemption is requested;
 - b. The estimated contract price or cost of the project, if relevant;
 - c. Findings to support the substantial cost savings, enhancement in quality or performance, or other public benefit anticipated by the proposed selection method or exemption from competitive solicitation;
 - d. Findings to support the reason that approval of the request would be unlikely to encourage favoritism or diminish competition for the public contract or class of public contracts, or would otherwise substantially promote the public interest in a manner that could not practicably be realized by complying with the solicitation requirements that would otherwise be applicable under these regulations;
 - e. A description of the proposed alternative contracting methods to be employed; and
2. In making a determination regarding a special selection method, the OLWSD Board may consider the type, cost, amount of the contract or class of contracts, number of persons available to make offers, and such other factors as it may deem appropriate.
3. Hearing. The District shall approve the special solicitation or exemption after a public hearing before the OLWSD Board.
 - a. At the public hearing, the District shall offer an opportunity for any interested party to appear and present comment.
 - b. The OLWSD Board shall consider the findings and may approve the exemption as proposed or as modified by the OLWSD Board after providing an opportunity for public comment.

C. Contracts. Subject to award at the General Manager's discretion. The following classes of contracts may be awarded in any manner that the General Manager deems appropriate to the District's needs, including by direct appointment or purchase. Except where otherwise provided, the General Manager shall make a record of the method of award.

1. Amendments. Contract amendments shall not be considered to be separate

contracts if made in accordance with these Rules.

2. Copyrighted Materials; Library Materials. Contracts for the acquisition of materials entitled to copyright, including but not limited to, works of art and design, literature and music, or materials even if not entitled to copyright, purchased for use as library lending materials.
3. Equipment Repair. Contracts for equipment repair or overhauling, provided the service or parts required are unknown and the cost cannot be determined without extensive preliminary dismantling or testing.
4. Government-Regulated Items. Contracts for the purchase of items for which prices or selection of suppliers are regulated by a governmental authority.
5. Non-Owned Property. Contracts or arrangements for the sale or other disposal of abandoned property or other personal property not owned by the District.
6. Specialty Goods for Resale. Contracts for the purchase of specialty goods by the District for resale to consumers.
7. Sponsorship Agreements. Sponsorship agreements, under which the District receives a gift or donation in exchange for recognition of the donor.
8. Renewals. Contracts that are being renewed in accordance with their terms are not considered to be newly issued contracts and are not subject to competitive procurement procedures.
9. Temporary Extensions or Renewals. Contracts for a single period of one (1) year or less, for the temporary extension or renewal of an expiring and non-renewable, or recently expired, contract, other than a contract for public improvements.
10. Temporary Use of District-Owned Property. The District may negotiate and enter into a license, permit or other contract for the temporary use of District-owned property without using a competitive selection process if:
 - a. The contract results from an unsolicited proposal to the District based on the unique attributes of the property or the unique needs of the proposer;
 - b. The proposed use of the property is consistent with the District's use of the property and the public interest; and
 - c. The District reserves the right to terminate the contract without penalty, in the event that the District determines that the contract is no longer consistent with the District's present or planned use of the property or the public interest.
11. Used Property. The General Manager may contract for the purchase of used property by negotiation if such property is suitable for the District's needs and can be purchased for a lower cost than substantially similar new property.
 - a. For this purpose, the cost of used property shall be based

upon the life-cycle cost of the property over the period for which the property will be used by the District.

b. The General Manager shall record the findings that support the purchase.

12. Utilities. Contracts for the purchase of steam, power, heat, water, telecommunications services, and other utilities.

13. Conference/Meeting Room Contracts. Contracts entered into for meeting room rental, hotel rooms, food and beverage, and incidental costs related to conferences and District-sponsored workshops and trainings.

D. Emergency Procurements. When the General Manager determines that immediate execution of a contract within the General Manager's authority is necessary to prevent substantial damage or injury to persons or property, the General Manager may execute the contract without competitive selection and award or OLWSD Board approval, but, where time permits, competitive quotes should be sought from at least three (3) providers.

1. When the General Manager enters into an emergency contract, the General Manager shall, as soon as possible in light of the emergency circumstances, document the nature of the emergency, the method used for selection of the particular contractor, and the reason why the selection method was deemed in the best interest of the District and the public.

2. The General Manager shall also notify the OLWSD Board of the facts and circumstances surrounding the emergency execution of the contract.

E. Cooperative Procurement Contracts. Cooperative procurements may be made without competitive solicitation as provided in the Public Contracting Code.

XI. Protest and Appeal Procedures.

A. Protests and Judicial Review of Special Procurements. An affected person may protest the request for approval of a special procurement as provided in this section.

1. Delivery; Late Protests. An affected person shall deliver a written protest to the General Manager within seven (7) days after the first date of public notice of a proposed special procurement, unless a different period is provided in the public notice. The protest period begins on the date the first notice was published in any form.

a. The written protest shall include a fee in an amount established in a schedule adopted by the General Manager to cover the costs of processing the protest.

b. A protest submitted after the timeframe established under this subsection is untimely and shall not be considered.

2. Content of Protest. The written protest shall include:

- a. Identification of the requested special procurement;
 - b. A detailed statement of the legal and factual grounds for the protest;
 - c. Evidence or documentation supporting the grounds on which the protest is based;
 - d. A description of the resulting harm to the affected person; and
 - e. The relief requested.
3. Additional Information. The General Manager may allow any person to respond to the protest in any manner the General Manager deems appropriate, by giving such persons written notice of the time and manner whereby any response shall be delivered.
 4. District Response. The General Manager shall issue a written disposition of the protest in a timely manner.
 - a. If the General Manager upholds the protest, in whole or in part, the General Manager may, in the General Manager's sole discretion, implement the protest in the approval of the special procurement, deny the request for approval of the special procurement, or revoke any approval of the special procurement.
 - b. If the General Manager upholds the protest, in whole or in part, the District shall refund the fee required to be delivered with the protest.
 5. Judicial Review. An affected person may not seek judicial review of a denial of a request for a special procurement.
 - a. Before seeking judicial review of the approval of a special procurement, an affected person shall exhaust all administrative remedies.
 - b. Judicial review shall be in accordance with ORS 279B.400.

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

1. Delivery; Late Protests. An affected person shall deliver a written protest to the General Manager within seven (7) days after the first date of public notice of a proposed sole source procurement is placed on the District's website, unless a different period is provided in the public notice.
 - a. The written protest shall include a fee in an amount established in a schedule adopted by the General Manager to cover the costs of processing the protest.
 - b. A protest submitted after the timeframe established under this subsection is untimely and shall not be considered.
2. Content of Protest. The written protest shall include:
 - a. A detailed statement of the legal and factual grounds for the protest;

- b. Evidence or documentation supporting the grounds on which the protest is based;
 - c. A description of the resulting harm to the affected person; and
 - d. The relief requested.
3. Additional Information. The General Manager may allow any person to respond to the protest in any manner the General Manager deems appropriate by giving such person written notice of the time and manner whereby any response shall be delivered.
 4. General Manager Response. The General Manager shall issue a written disposition of the protest in a timely manner.
 - a. If the General Manager upholds the protest, in whole or in part, the proposed sole-source contract shall not be awarded.
 - b. If the General Manager upholds the protest, in whole or in part, the District shall refund the fee required to be delivered with the protest.
 5. Judicial Review. An affected person may not seek judicial review of an election not to make a sole-source procurement.
 - a. Before seeking judicial review of the approval of a sole-source procurement, an affected person shall exhaust all administrative remedies.
 - b. Judicial review shall be in accordance with ORS 279B.400.

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

1. Delivery. Unless otherwise specified in the solicitation document, the protest shall be in writing and delivered to the General Manager.
 - a. The written protest shall include a fee in an amount established in a schedule adopted by the General Manager to cover the costs of processing the protest.
 - b. Protests of the procurement of a specific contract as a personal services contract shall be made prior to closing.
 - c. Protests to the award or an intent to award a personal services contract shall be made within seven (7) days after issuance of the intent to award, or if no notice of intent to award is given, within forty-eight (48) hours after award.
 - d. Protests submitted after the timeframe established under this subsection are untimely and shall not be considered.
2. Contents of Protest. The written protest shall:
 - a. Specify all legal or factual grounds for the protest as follows:

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

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

OAK LODGE
WATER SERVICES
STAFF REPORT

To: Board of Directors
From: Kelly Stacey, Finance Director
Agenda Item: Resolution No. 18-11 Closure of Oak Lodge Water Flex Spending Account at Clackamas Federal Credit Union
Item No.: 9
Date: October 16, 2018

Background

The former Oak Lodge Water District self-managed their employee flex spending account. When the program was set up in the early 2000s a bank account was also set up at Clackamas Federal Credit Union to deposit the monies.

Beginning July 1, 2018 Oak Lodge Water Services District contracted with an outside company to manage their employee flex spending account. Because of this the account at Clackamas Federal Credit Union is no longer needed.

Overview

Clackamas Federal Credit Union has been contacted and to close the account they need a Resolution of the Board of Directors granting authority to close the account and a signed copy of the Board Minutes.

The attached Resolution authorizes Kelly Stacey, the Finance Director, to close the account. It also requires the money be promptly deposited into the Oak Water Services Wells Fargo Checking account.

Suggested Board Motion

“I move to approve Resolution No. 18-11 authorizing Kelly Stacey, the Finance Director, to close the Clackamas Federal Credit Union and promptly deposit the funds into the OLWS Wells Fargo Checking account.”

Attachments:

1. Resolution No. 18-11

BEFORE THE BOARD OF DIRECTORS
OF
OAK LODGE WATER SERVICES DISTRICT

In the Matter of Closing the Clackamas
Federal Credit Union account
XXXXXX7861

RESOLUTION NO. 18-11

THIS MATTER came before the Board of Directors of Oak Lodge Water Services District, a sanitary and water district organized under Oregon Revised Statutes (ORS) Chapter 450 and Chapter 264, regarding closing the Clackamas Federal Credit Union Account.

WHEREAS, the District has funds in Clackamas Federal Credit Union from the former Oak Lodge Water District.

WHEREAS, the Clackamas Federal Credit Union account was set up for the District to self-manage the employee's flex spending account.

WHEREAS, the District has opted to have an outside company manage the employee's flex spending account beginning July 1, 2018 therefore the Clackamas Federal Credit Union account is no longer needed.

WHEREAS, Clackamas Federal Credit Union requires a resolution by the Board of Directors to close the account.

Be it Resolved, that the Board of Directors of Oak Lodge Water Services District hereby authorize Kelly Stacey, the Finance Director, to close the account at Clackamas Federal Credit Union.

Be it Further Resolved, that the money from Clackamas Federal Credit Union be promptly deposited into the District's Wells Fargo checking account.

ADOPTED this 16th day of October 2018.

OAK LODGE WATER SERVICES
DISTRICT

By:

Nancy Gibson, Board President

By:

Susan Keil, Secretary

OAK LODGE
WATER SERVICES
STAFF REPORT

To: Board of Directors
From: Kelly Stacey, Finance Director
Agenda Item: Finance Department Report
Item No.: 10a
Date: October 16, 2018

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

Yearend

We were able to complete the Springbrook Fixed Asset module implementation for OLWS in time to compute depreciation for the 2018 financial audit. Audit items continued to be the focus for September. We are on track to finish everything before the auditors arrive in a few weeks to complete their fieldwork for this year's audit. We are looking forward to the audit being complete, so we can move on to budget.

Other Items:

We are still finishing up the conversion to Springbrook for the NCCWC and the CRWP, with the payroll go-live coming at the end of October. This has been mostly a do-it-yourself project, but much less time consuming than OLWS. I completed my analysis of the FCS report. Researching this report has been educating in a very positive way. I hope by taking the extra time to put this together, that the Board will be confident that a thorough analysis was accomplished.

Budget is beginning to occupy our thoughts and calendars. The forecast we are putting together will help with the budgeting process. Stay tuned for the budget process to start soon.

At the request of the administration team, we have union approval to extend Matt Parla until the end of December to help with cleanup of the Utility Billing module. The transition has presented a number of unforeseen challenges. As the six-month mark for joint billing approaches, additional staff time are important for timely completion of:

- **Review of delinquent accounts for collections.** Requires review of data from all three software to ensure the data is submitted to collections and removing balances from any accounts sent to collections.

- **Review of payment plan accounts.** This issue prevents some delinquent accounts from receiving shut-off notices. All payment plans need to be reviewed and corrected.
- **Account review and verification.** Continue to correct and update account information, including flagging wastewater services, reviewing winter averages, confirming credits imported correctly to customer accounts.
- **Oregon Unclaimed Property funds.** Part of the data clean up in Incode prior to the software transition. Credits removed from over 600 closed accounts need to be verified and sent to the State of Oregon's unclaimed property division.
- **Support on day-to-day customer service tasks.** Will permit billing to process backlogged tasks including:
 - Reviewing SDCs from the past six months and confirming all new services are correctly billed.
 - Review of sanitary sewer rates on multi-family residences and splitting up rates across multiple accounts as needed.
 - New meter transitioning. Involves massive amounts of data entry within a sensitive time-frame.

Brad Rafish, from PlanB Consultancy, complete his interviews with employees and is work on the Risk Assessment report to come soon. This will be a great help in pointing out gaps in our processes and systems organization wide as we put together procedures to implement the policies which we will be bringing to the Board over the next several months.

Policy work is continuing. We will bring more to you in the coming months. As the policies are approved, I will work to put into place practices and procedures to meet the requirements of the policies.

I will be on vacation from November 1 through November 9. Upon my return we will be diving into the budget season.



STAFF REPORT

To: Board of Directors
From: Todd Knapp, Operations Manager Field
Agenda Item: Field Operations Report
Item No.: 10b
Date: October 16, 2018

Background

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

Operations Administration

This past month in September I attended a Lucity conference, in which I learned a lot of what Lucity is capable of doing. Upon my return, I was able to create the next preventive maintenance work orders for basin "A" and graphically show the lines and their progress.

This month I am including a picture and a table that shows the next basin the crew is currently working on, it is basin "A", it contains 41,705 feet and runs along the Willamette river. As with the other basins that run along the river, it contains a lot of easement work and with the purchase of our new easement machine, it should make the work easier to accomplish.



Basin	Feet
B	96,499.52
2A	95,671.72
C	81,391.69
A	41,705.56
2B	37,225.82
2C	31,439.54
F	24,742.12
D	24,077.82
2E	19,956.61
E	18,536.75
2D	10,760.04
G	8,324.33
2F	8,115.89
Other	24,945
	523,392

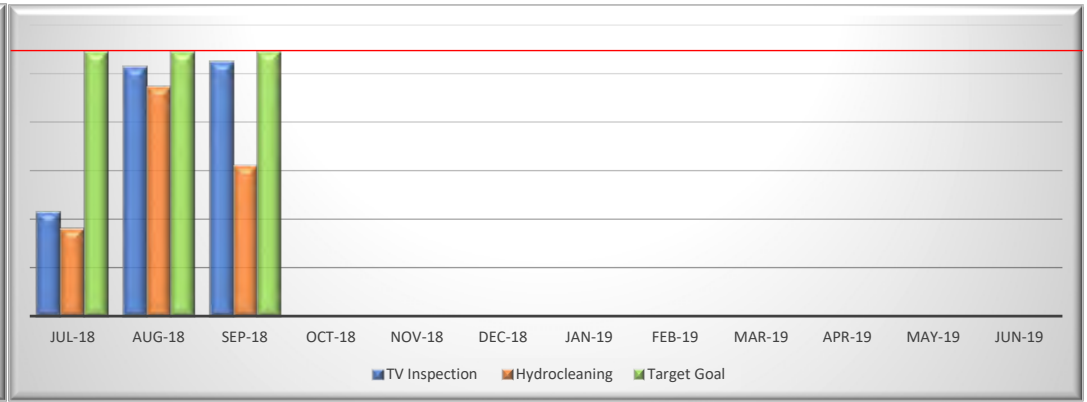
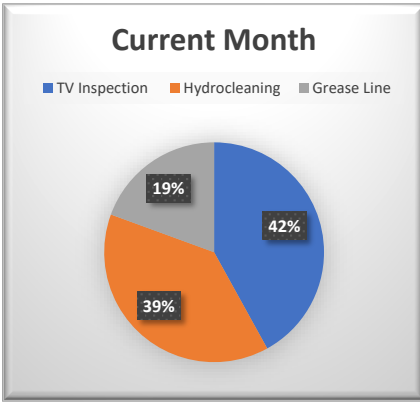
The water side, crews were busy with the normal day to day operations, the View Acres main electrical power supply pole, from PGE has been fully rebuilt and restored.

Field Operations Monthly Report for September 2018

Highlights for the month:

- Meters replaced, new services added, and leaks repaired (See chart)
- Map of the next collections system basin
- Water consumption for **September: 112,001,000 Gallons** (Below the 10-year average of 114,949,700) (See metered monthly consumption chart)

Oak Lodge Water Services Collections Report



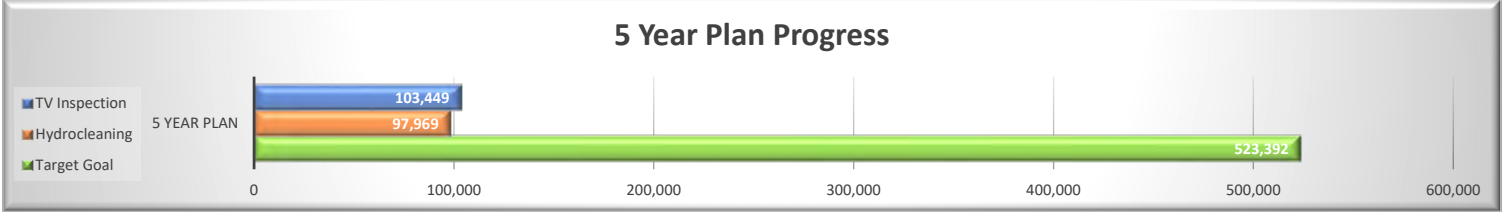
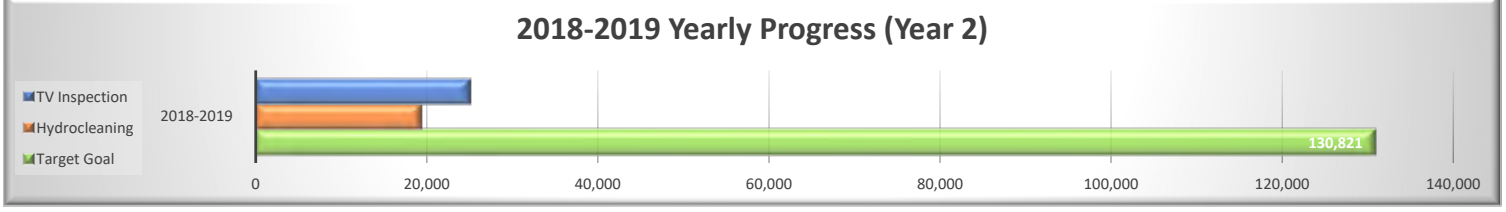
FY 2017-2018

Month	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	To Date Totals	Monthly %	Year 1 %	5 Year %
TV Inspection	2,512	11,906	13,532	8,961	4,566	4,987	5,092	1,548	1,942	9,212	7,875	6,239	78,372	71.52%	74.87%	14.97%
Hydrocleaning	6,967	8,539	13,085	10,206	4,472	2,328	4,723	513	4,906	8,953	8,638	5,367	78,697	61.53%	75.18%	15.04%
Target Goal	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	104,677	100.00%	100.00%	20.00%
Grease Line	3,625	5,105	3,276	3,625	10,227	3,859	3,625	4,757	3,625	3,276	11,061	4,225	60,286			

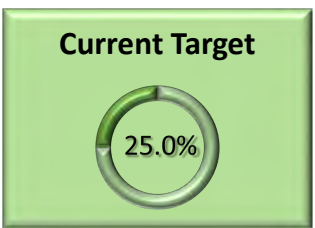
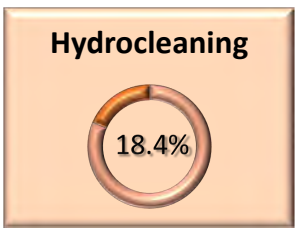
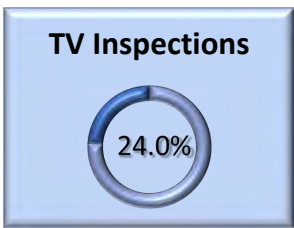
FY 2018-2019

Month	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	To Date Totals	Monthly %	Year 2 %	5 Year %
TV Inspection	4,308	10,281	10,488										25,077	94.31%	23.96%	19.77%
Hydrocleaning	3,619	9,456	6,197										19,272	86.74%	18.41%	18.72%
Target Goal	10,902	10,902	10,902										32,706	100.00%	25.00%	26.25%
Grease Line	3,276	4,757	3,625										11,658			

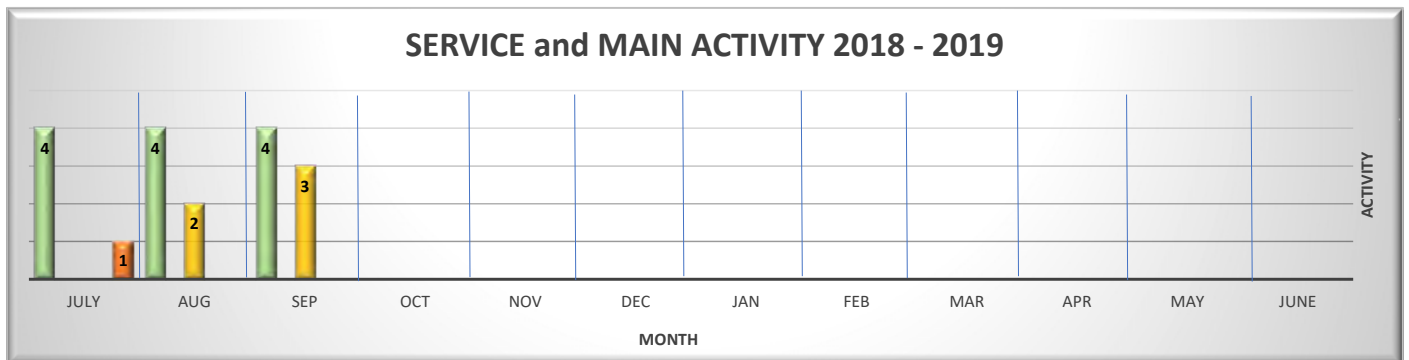
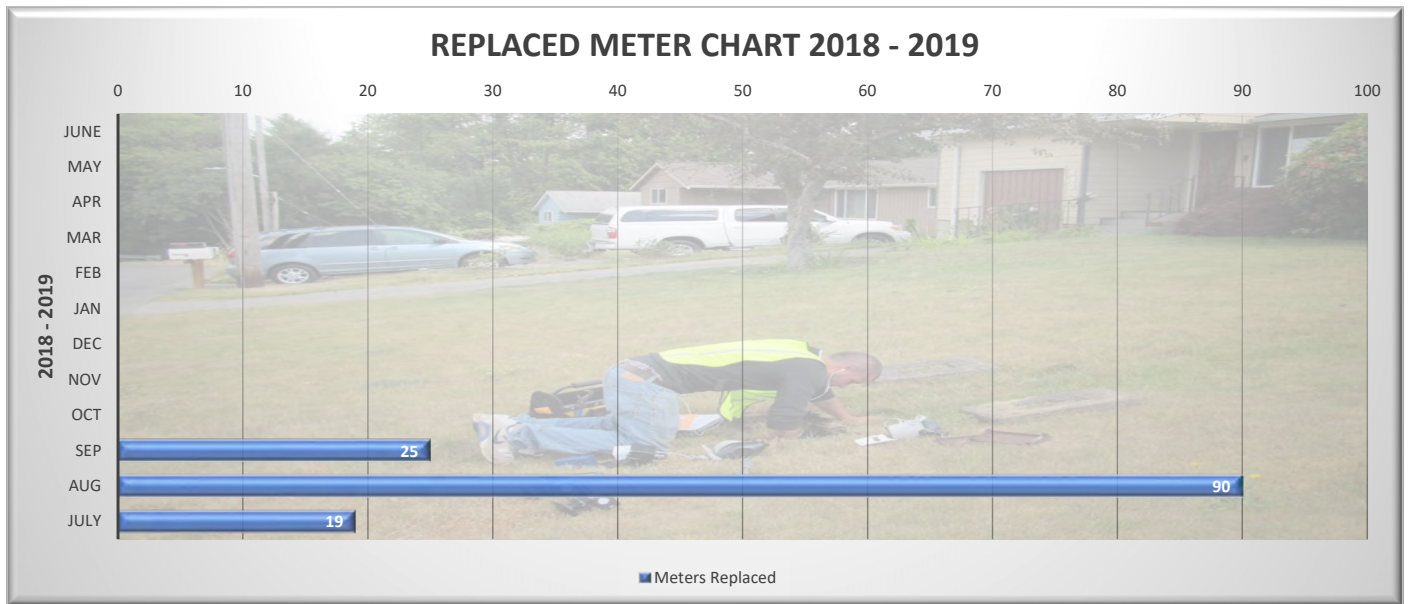
	Year 1	Year 2	Year 3	Year 4	Year 5
Total Feet	523,392	523,392	523,392	523,392	523,392
Target Per Year	104,678	104,678			
Target Per Month	8,723	8,723			
Make up		26,142			



YEARLY PROGRESS



Oak Lodge Water Services Water Report

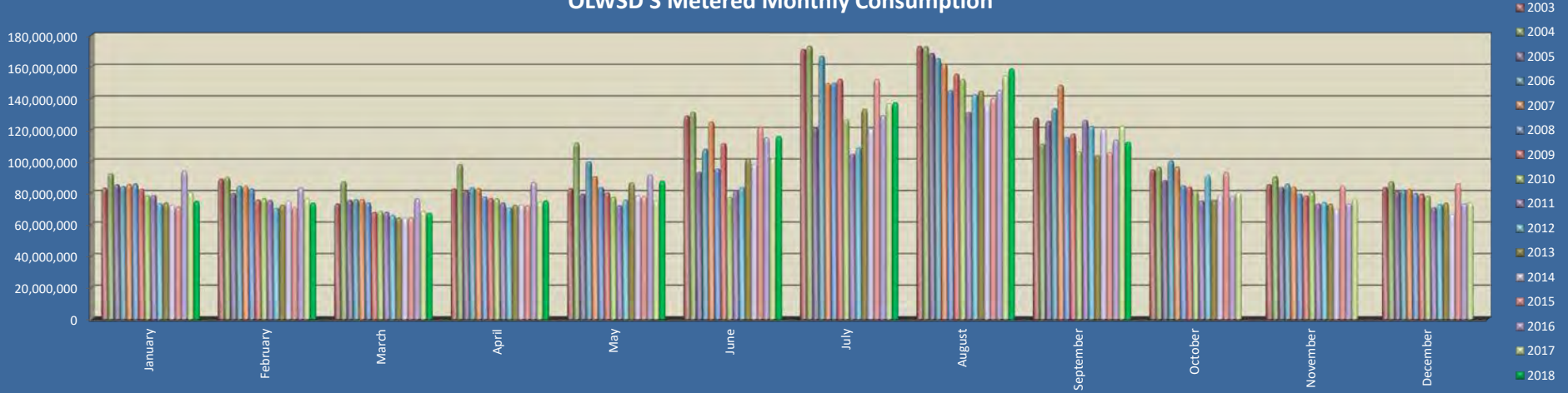


Fiscal Year	Month	Meters Replaced	New Services	Iron Services Renewed	Plastic Services Renewed	Service Leaks Repaired	Main Leaks Repaired
2019	June						
2019	May						
2019	Apr						
2019	Mar						
2019	Feb						
2019	Jan						
2018	Dec						
2018	Nov						
2018	Oct						
2018	Sep	25	4		3		
2018	Aug	90	4		2		
2018	July	19	4				1
Yearly Total		134	12	0	5	0	1

Consumption By Year

Year	Month												Total Yearly Con	Average Daily Demand	10 Year % Ave
	January	February	March	April	May	June	July	August	September	October	November	December			
2003	82,674,600	88,370,400	72,820,000	82,357,000	82,416,000	128,520,000	170,652,000	172,726,000	127,198,000	94,416,000	85,037,000	83,285,000	1,270,472,000	3.48	
2004	91,933,000	89,441,000	86,755,000	97,665,000	111,392,000	130,863,000	172,883,000	172,499,000	110,696,000	95,973,000	90,079,000	86,823,000	1,337,002,000	3.66	
2005	84,976,000	79,415,000	74,996,000	80,616,000	79,088,000	92,885,000	120,871,000	168,248,000	125,172,000	87,512,000	83,230,500	80,773,500	1,157,783,000	3.17	
2006	83,697,000	84,098,667	75,580,333	83,028,000	99,436,000	107,501,000	166,449,000	164,957,000	132,989,000	100,180,000	85,350,000	81,587,000	1,264,853,000	3.47	
2007	85,179,000	83,766,000	75,622,455	82,508,545	90,129,000	124,696,000	149,207,000	161,512,000	147,980,000	96,159,000	83,445,000	81,921,000	1,262,125,000	3.46	
2008	85,466,000	82,200,000	73,405,000	77,221,722	83,162,278	94,885,000	149,422,000	144,592,000	114,830,000	84,307,000	79,094,000	79,319,000	1,147,904,000	3.14	104.63%
2009	82,042,000	75,196,000	67,364,000	76,238,000	79,968,000	111,127,286	151,804,000	155,069,000	117,099,000	83,457,000	77,782,000	79,107,000	1,156,253,286	3.17	105.39%
2010	77,735,000	75,975,000	67,986,000	75,943,000	76,903,000	76,720,000	125,996,000	151,590,000	105,880,000	81,052,000	80,389,000	77,515,000	1,073,684,000	2.94	97.87%
2011	78,266,000	74,983,000	67,462,000	73,285,000	71,613,000	81,189,000	104,328,000	130,684,000	125,733,000	74,646,000	72,657,000	70,555,000	1,025,401,000	2.81	93.47%
2012	73,041,000	70,104,000	65,501,000	70,380,000	75,148,000	83,256,000	108,236,000	142,023,000	121,981,000	90,545,000	73,672,000	72,454,000	1,046,341,000	2.87	95.38%
2013	73,277,000	72,051,000	63,866,000	71,906,000	86,085,000	101,278,000	132,837,000	144,354,000	103,403,000	75,217,000	72,624,000	73,180,000	1,070,078,000	2.93	97.54%
2014	72,052,000	74,566,000	63,886,000	72,171,000	77,889,000	97,978,000	120,411,000	135,271,000	120,008,000	78,257,000	69,534,000	66,200,143	1,048,223,143	2.87	95.55%
2015	70,840,857	70,318,000	63,972,000	71,515,000	77,173,000	121,185,000	151,728,000	139,696,000	105,238,000	92,781,000	83,966,000	85,368,000	1,133,780,857	3.11	103.35%
2016	93,522,000	82,637,000	76,044,000	86,443,000	90,989,000	114,745,667	128,722,333	144,599,000	113,212,000	77,196,000	72,766,000	72,839,000	1,153,715,000	3.16	105.16%
2017	80,205,000	75,867,000	68,040,000	73,822,000	74,515,000	101,310,000	136,262,000	154,085,000	122,113,000	79,860,000	75,718,000	73,584,000	1,115,381,000	3.06	101.67%
2018	74,389,000	73,219,000	66,754,000	74,713,000	87,263,000	115,543,000	136,887,000	158,433,000	112,001,000						
2019															
2020															
10 Year Average	78,644,686	74,491,600	67,087,500	74,641,600	79,754,600	100,433,195	129,721,133	145,580,400	114,949,700	81,731,800	75,820,200	75,012,114	10 Year ADD	3.01	Winter Ave 76,049,467 Summer Ave 130,083,744

OLWSD'S Metered Monthly Consumption





Staff Report

To: Board of Directors
From: David Mendenhall, Plant Superintendent
Agenda Item: Plant Operations
Item No.: 10c
Date: October 16, 2018

Background:

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

Water Reclamation Facility Operations

September was really "dial it in" month. Only small adjustments were needed to maintain a very steady operation of the treatment plant. The average sludge age for the month was 9.5 days and by all indications that is the range we want to stay in. Effluent turbidity and test results were very consistently good all month. I mentioned last month that we wanted to have some blankets in the clarifiers, so we lowered the return rate. That was successful, and we got some good dense blankets. We are now gradually increasing the return rate to thin the solids out a bit in the blanket. As the season changes and temperatures go down the activated sludge nitrification will slow down and too much time for solids in the clarifier would not be good.

Operations continued to work on calculations and in particular David Hawkins was working on a process balance to be able to numerically prove out our plant performance. We receive very consistently about 4200 lbs of Biochemical Oxygen Demand (BOD) every day. Right now, we are wasting 1750 lbs of solids per day and that looks to be perfect. We have very minimal solids leaving the plant (about 160 lbs/day) so we have about 2350 lbs that can't be calculated. In the activated sludge process there is consumption and changing of BOD into water and other constituents that don't get wasted. But that can't be taking care of all those pounds. We have a piece of equipment called the drum screen and it removes debris and other solids from the aeration basins via the screen mixed liquor pumps. Based on the Cannibal experience that screen removed quite a bit of the BOD attributed to the Cannibal process. By solving the Mean Cell Residence Time (MCRT) equation for that missing BOD the MCRT number comes out very close to the sludge age number. We know then that the drum screen really acts like a primary clarifier in our plant. What this all means is that our calculations jive with what we are seeing in the plant. The amount of food and microorganisms are in a good balance and we can finally say without a doubt what targets work best with the way we are running the plant and we will monitor and adjust to maintain those targets.

We did have an exceedance of our e-Coli bacteria permit limit on the 24th. The grab sample that was taken returned a very high number that did not correlate at all with our effluent conditions. Built into the permit requirements are provisions to do extra testing to show that your high result was an anomaly. Chuck Adams knew exactly what to do when the high number was apparent and set the extra sampling into motion. This consists of samples taken and set up every four hours, five times in a row. Our new operator Matt Westergaard volunteered to take care of that extra sampling. He also located the exact procedure on line and created the spreadsheet we will attach to the Discharge Monitoring Report (DMR). The 5 additional results came out great and offset the high day meaning no permit violation. The best explanation we could come up with was that maybe somebody walking on the grating loosened some debris or goose droppings and they dropped into the channel.

The other impact all of this refinement of operations has is on solids handling. The steady wasting and process has been producing better solids removal on the belt press and less of it. For September only 104 cubic yards were hauled to Madison Farms compared with 244 in August.

On the maintenance side, we had some big projects going on. We had APSCO come out and determined what we needed to do to the two influent pumps. Saving time and freight costs, Randy Leniger hauled the pumps up to the Seattle area to the APSCO shop to have the rebuild done. When they are finished we'll go get them and bring them back. Interesting note: it is nearly as far to haul biosolids to Madison Farms as it is to Kirkland WA but there is a lot less traffic!

The liner on the conveyor from the solids handling building was replaced and everything put back in service the same day. Randy and Jayson Kahler did a great job getting it prepped and getting the new parts installed mostly painlessly.

A more troublesome project has been working on the UV influent valves. The long-awaited parts came in for the #2 valve. Before we started work on that one we wanted to complete the shaft replacement on the #1 valve. That went well until during an operation of the valve itself, the gear that we were concerned about on the #2 side broke on the #1 side and it stopped working altogether in the open position. After some planning, the action was to take the 90-degree gear off the new part and then we wanted to remove the broken gear box from #1 and replace it with the new part. However, to access the submerged non-functioning valve, we had to "zero flow" the plant. This means Operations diverting all the flow from the aeration basins into an empty clarifier and then no flow goes into the effluent lines. The water in those pipes needs to be pumped out though and the whole crew assisted by the Vactor truck crew did that. Jayson descended into the vault and removed the old gears which turned out to be trashed. He then installed the new part and reattached the shaft. Then he manually closed the valve so that we could put the plant back online and program the limits on the actuator from above. Later it was discovered that the valve would not open with the electric actuator. The actuator had bad gears as well and broke during operation. We had to do another zero flow the next week to remove the actuator and manually open the valve. A wheel was attached to the shaft above, so we can manually

operate while we pursue rebuilding the actuator or getting a new one. He also manually closed the valve. The project has issues, but it would not have been possible to do this work a year ago. The lower solids inventory and resulting redundancy allowed for the zero-flow operation.

I attended the Lucity Users conference in Palm Springs CA in September. Lucity is an asset management/work order software system that the District owns and uses for keeping track of plant and sewer system infrastructure and equipment. We are interested in expanding its use to Water Operations and revitalizing its current applications. It was valuable to me to learn more of the operation of the program but also to see the variety of functions it can perform.

Attachments:

- 10C (i) – Operations Staff Report Rainfall vs Flow data correlation March 2018 - September 2018
- 10C (ii) – Plant Performance BOD-SS graph March 2018-September 2018



Photo 1 The new liner installed



Photo 2 Randy working on liner installation



Photo 3 Worn gears



Photo 4 Pumping out the valve box



Photo 5 Actuator pieces

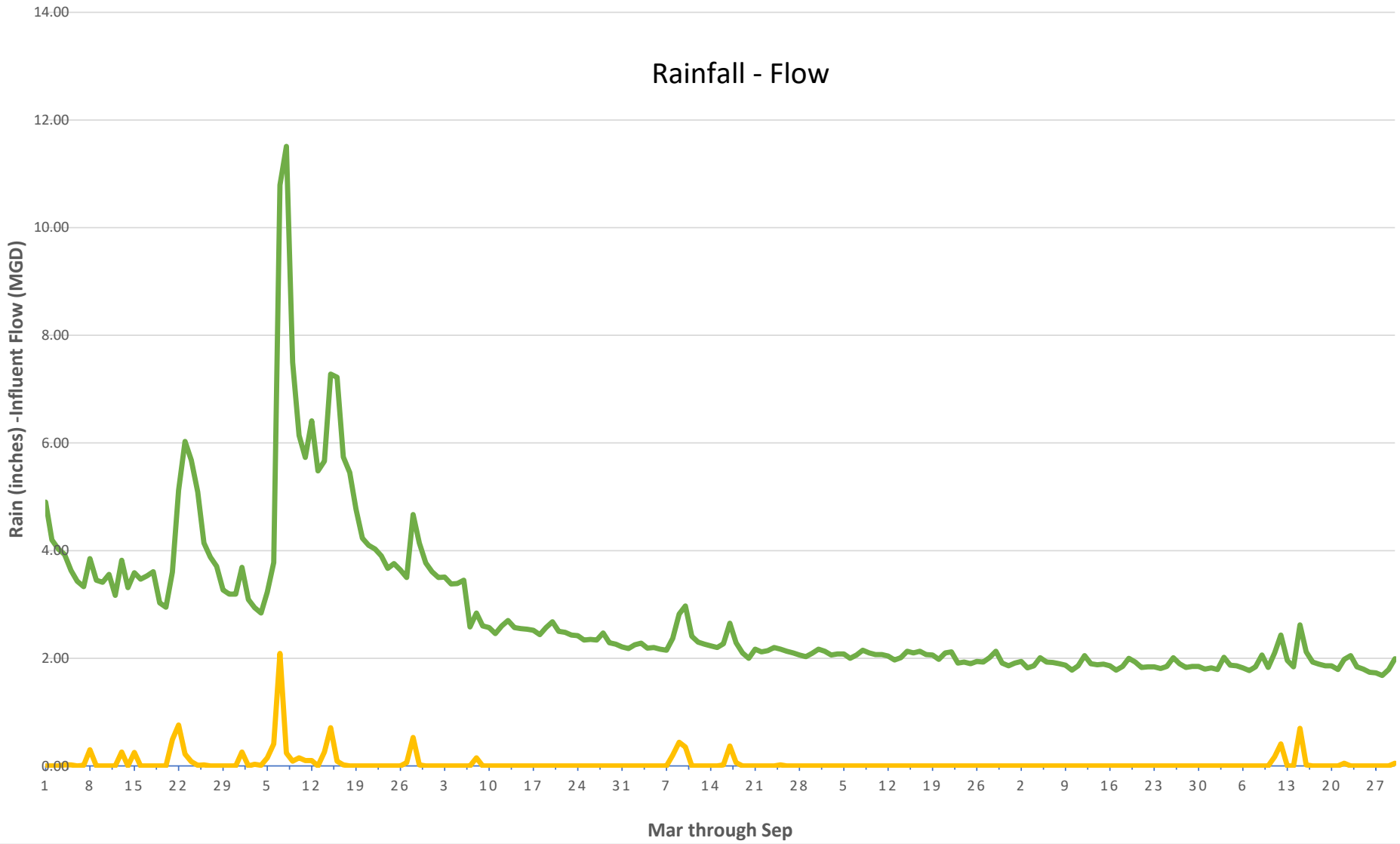


Photo 6 Jayson and the valve

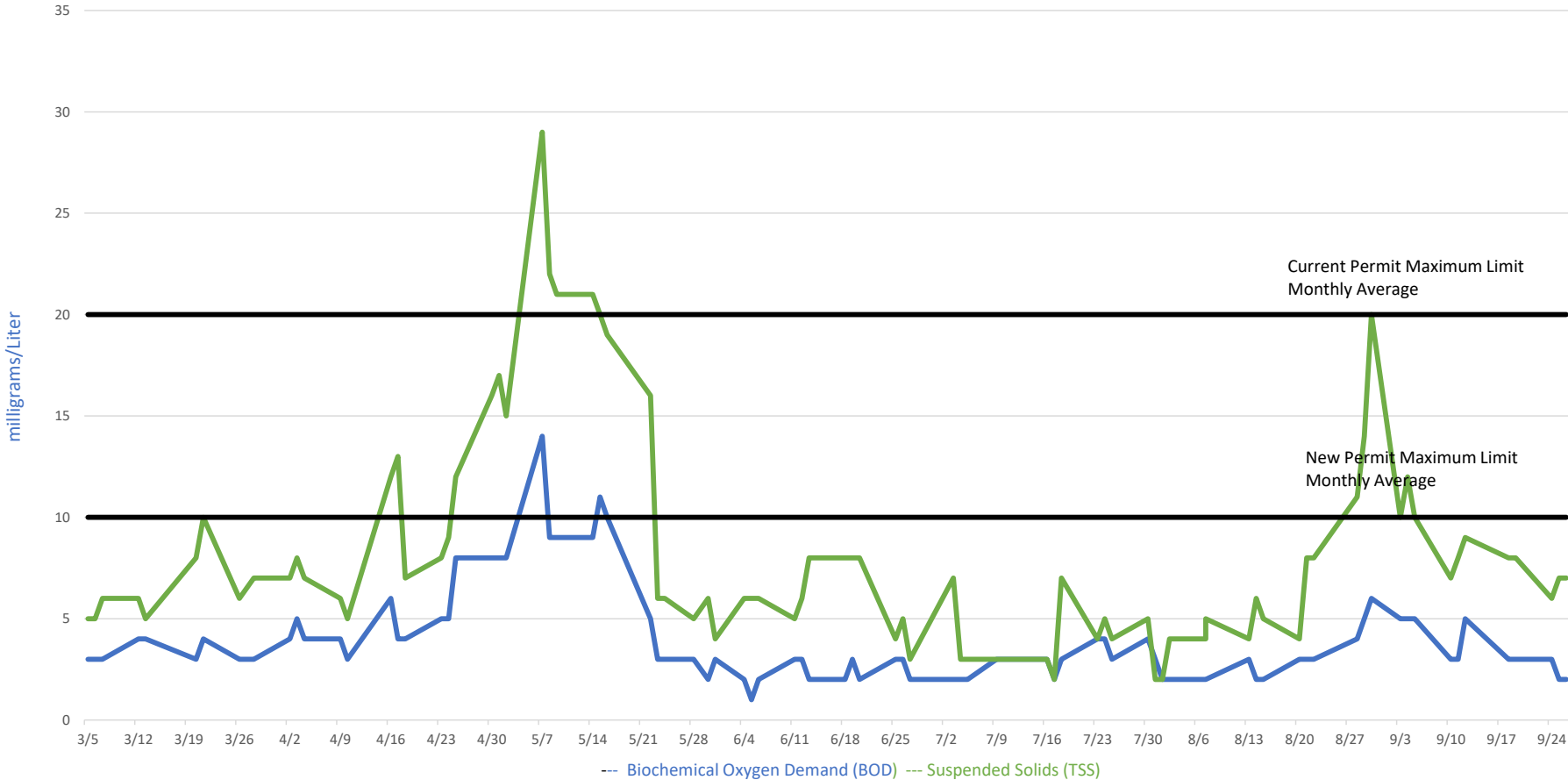


Photo 7 Planning

Rainfall - Flow



Effluent Water Quality





STAFF REPORT

To: Board of Directors
From: Technical Services Team
Agenda Item: Technical Services Monthly Report
Item No.: 10d
Date: October 16, 2018

Below is an update of various Technical Services Program efforts:

Outreach and Education

September kicks off the school year for outreach and education programming. Through different partnerships OLWS is lined up to work with students from Rex Putnam High School, New Urban High School, View Acres Elementary School, Oak Grove Elementary School, Riverside Elementary School, and Candy Lane Elementary School. One of the District outreach and education goals is to interface with students in our District at least once during elementary and once during high school.

OLWS outreach staff will spend several dates in the field in October with school partners. Through small investments in partnership programs, we are able to get our whole water message with a focus on water quality in front of students. As part of these investments, we also host tours of the Water Reclamation Facility and help facilitate tours of the Drinking Water Treatment Facility.

Outreach extends to the general public through several other regional partnerships. These include OLWS participation in the Clackamas County Water Education Team (CCWET) and the Regional Coalition for Rivers and Streams (RCCRS). Partners on these teams represent some of OLWS' MS4 Permit co-permittees including City of Milwaukie, City of West Linn, City of Lake Oswego, and Clackamas County. By working together, regional partnerships allow OLWS to strategically build and purchase outreach messaging in the public eye, including television spots and social media posts like event posting on Next Door.

While Boardman Wetlands is getting underway, partners are looking forward to the time when they will be able to work with students in the field. Although the project timeline is at least a year out, the completion of this project is heavily anticipated by many partners.

Permitting

September 2018 Development Activity

	<i>This Month</i>	<i>Last Month</i>	<i>Fiscal Year-to-Date</i>	<i>This Month Last Year</i>	<i>Last Year- to- Date</i>
Pre-applications Conferences	4	3	11	-	-
Hours Spent on Development Review*	85	80	255	-	-
Hours spent on Utility Permits*	35	40	135	-	-
Development Permits Issued	3	2	9	-	-
Utility Permits Issued	9	6	23	-	-
New Sewer Connections***	5	6	17	-	-
New Water Services	5	1	-	-	-
Active Erosion Control Permits	43	49	137	-	-
Total Erosion Control Permits Inspected	43	49	137	-	-
Active Construction Permits	29	27	81	-	-
Sanitary SDC Fees Received	\$ 98,135.00	\$ 25,825.00	\$ 134,290.00	-	-
Water SDC Fees Received**	\$ 55,195.00	\$ 4,120.00	\$ 75,835.00	-	-
Plan Review Fees Received*	\$ 4,544.43	\$ 34,147.20	\$ 45,114.50	-	-
Inspection Fees Received*	\$ 4,711.37	\$ 33,985.40	\$ 45,399.20	-	-

** includes "service charges" which are installation costs

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

Attachments

1. Capital Project Tracker
2. Development Review Status Tracker

Capital Project Tracker

Project Name	Fund	Project Manager	Total Budget	Design Contract	Construction Contract	Total Spent	% Spent of Budget	Status	Next Task	Expected Completion Date
Solids Handling Bldg. Refurbishment and Process Improvements	SS	Rice	\$ 300,000.00	\$ -	\$ -	\$ -	0%	Planning	Review Consultant Proposed Scope	6/30/2019
Anaerobic Digester Conversion	SS	Rice	\$ 200,000.00	\$ -	\$ -	\$ -	0%	Planning	Monitoring current process w/o Cannibal	6/30/2019
Secondary Clarifier Refurbishment	SS	Ogbeide	\$ 500,000.00	\$ -	\$ -	\$ -	0%	Planning	Contract with Design Engineer	6/30/2019
Aeration Control Strategy Evaluation	SS	Ogbeide	\$ 50,000.00	\$ -	\$ -	\$ -	0%	Planning	Contract with Design Engineer	6/30/2019
Mainline Repair Program	SS	Rice	\$ 200,000.00	\$ -	\$ -	\$ -	0%	Planning	Contract with Design Engineer	6/30/2019
Stormwater Master Plan	SW	Rice	\$ 125,000.00	\$ -	\$ -	\$ -	0%	Planning	Planning Public Outreach	12/31/2019
Water Master Plan	W	Rice	\$ 185,720.00	\$ 185,720.00	\$ -	\$ 94,418.00	51%	Active	Review Draft Chapters	3/31/2019
Water Meter Replacement Program	W	Ogbeide	\$ 1,350,000.00	\$ -	\$ -	\$ -	0%	Bidding	Bidding Project 10/15/18	6/30/2019
WRF Decant Expansion	SS,SW,W	Ogbeide	\$ 510,000.00	\$ -	\$ -	\$ -	0%	Planning	Locate Existing Utilities, Space Plan	6/30/2019
Boardman Wetland Complex	SS,SW	Rice	\$ 3,167,665.75	\$ -	\$ 3,167,666.00	\$ 360,857.50	11%	Under Construction	Pipe Bursting and site grading	3/1/2019

Last Updated 10/10/2018

Project Status	Address	Type of Development	Notes	Last Updated
Under Construction	3127 SE Concord Rd. (Concord Oaks, formerly Concord Vineyards II)	6-acre development (32 residential lots.)	Development Inspections complete. Warranty inspections scheduled. Warranty period expires July 2018 (punchlist items incomplete - minor -	10/9/18
Under Construction	13012 SE Oatfield	Proposed subdivision; 9 potential lots. Z0407-16	OLWSD approved plans. Sanitary inspections pending. Expires Sept. 2018. Warranty period expires Sept. 2019	10/9/18
Under Construction	4281 SE Manewell Lane	A four-lot SFR minor subdivision.	Z0640-16 erosion control ongoing. Utility inspections complete. Warranty period ends June 2019.	10/9/18
Under Construction	18121 SE River Rd. (Jennings Lodge Estates)	72-lot Subdivision	OLWSD approval. County Approval. Warranty period ends Sept. 2019	10/9/18
Under Construction	3816 SE Hill Rd	Z0428-16 8-lot subdivision	Water and Sewer Inspections ongoing. 1200C permit for erosion control. County timeline.	10/9/18
Under Construction	13715 SE River Road	Z0399-17 Rose Villa - 28 Homes. Garden Grove and North Pocket Development	Also Z0066-17. OLWSD approval for engineering plans. Sanitary, water and stormwater inspections ongoing. Expires Dec. 2018.	10/9/18
Plan Review	17908 and 17900 SE Addie Street.	Z0200-17-D_BOARDMAN_WETLAND	Land use comments sent. Awaiting engineering plans. County timeline for expiration.	10/9/18
Under Construction	6460 Glen Echo Avenue	Z0461-16_Gladstone_Glen_Echo. (OLSD Service area / out of OLSD Boundary).	10-lot subdivision. Gladstone Plan Review. Gladstone Inspection . OLWSD receives approved plans and asbuilts and inspection reports. Gladstone expiration timeline.	10/9/18
Under Construction	14501 SE Laurie Ave	Z0050-17 2-lot partition	Sanitary and EC Inspections ongoing. Expire April 2019	10/9/18
Under Construction	Willamette View	Riverview Dining Facility Replacement / Expansion; Z0239-17	Plans approved. Expires Oct 2018	10/9/18
Under Construction	SE Manewal at SE Towery LN. 4-lot subdivision	Z0157-17_Manewal_South	OLWSD Inspection approval. Z0156-17 (for original tax lot 2300) is now void. Plans approved. In warranty period. Expires June 2019	10/9/18
Under Construction	SE Courtney at SE Rupert	Z0061-17-D 10-unit apartment	OLWSD inspections ongoing.	10/9/18
Plan Review	15510 SE Wallace Street	Z0593-16 13 lot subdivision	First Engineering review. OLWSD Water-only. Drains to WES for SS and SWM.	10/9/18
Under Construction	3260 SE Oak Grove Blvd	130000+ mini storage facility	Inspections ongoing: sanitary and water. 1200C for erosion control. OLWSD permits expire May 2019	10/9/18
Plan Review	18107 SE Blanton	3-lot partition	3-lot minor subdivision. County Land Use Timeline.	10/9/18
Plan Review	19421 SE KAY ST	4-10 lots: Subdivision	Revised stormwater approach. Under review. County expiration timeline.	10/9/18
Under Construction	15314 SE RUPERT DR	7-lot subdivision Z0426-17-SS	Seven-lot minor subdivision for one existing and six new home sites. OLWSD permits expire March 2019	10/9/18

Project Status	Address	Type of Development	Notes	Last Updated
Under Construction	13809 SE Linden Ln.	Replace existing home with duplex.	Erosion control ongoing. Sanitary and water inspections ongoing. OLWSD permits expire May 2019	10/9/18
Under Construction	Taxlots 2000 & 2100 located behind 15026 & 15018 SE Linden Ln. (Tilia Ln) Originally "Wanderlust Lane"	3-parcel partition	Z0305-15-M Pubic Main Line Extensio. Development approval. Sanitary warranty period ends March 2019. Erosion inspections ongoing. Expires Oct 2018	10/9/18
Under Construction	Z0620-17-D 16885 SE McLoughlin	Design Review - Les Schwab	County expiration timeline.	10/9/18
Under Construction	13755_SE_Schroeder	Rose Villa Units	"The Oaks" PHASE 2B' NET ZERO ENERGY POCKET NEIGHBORHOOD Z0489-17. OLWSD approval for engineering plans. Sanitary, water and stormwater inspections ongoing. Expires Dec. 2018. Z0489-17	10/9/18
Plan Review	18800 SE MCLOUGHLIN BLVD	Nonconforming Use - Alteration/Verification:	Land use comments sent. Awaiting engineering plans. County expiration timeline.	10/9/18
Plan Review	3016 SE COURTNEY AVE	Z0523-17 Parking lot	Land use comments submitted. Awaiting engineering plans. County expiration timeline.	10/9/18
Plan Review	17624 SE RIVER RD	Z0471-17 : three (3) 2-family_ dwelling units and two (2) three family dwelling units	Land use comments submitted. Awaiting engineering plans. County expiration timeline.	10/9/18
Under Construction	16250 SE MCLOUGHLIN BLVD	Commercial with interior storage	Plans approved by OLWSD. OLWSD permits expire June 2018	10/9/18
Plan Review	22E07CA03003 (SE Allan Rd @ SE Worthington)	Partition: 2-lots	Engineering approval. Awaiting administrative items for Site Development Permit issuance.	10/9/18
Plan Review	4322 SE Pinehurst Ave	Subdivision	Z0594-17 Water utility only. Awaiting Engineering Plans and building permit. County expiration timeline.	10/9/18
Plan Review	13630 SE Laurie Avenue	Design Review - Rose Villa	Engineering approval. Awaiting administrative items for Site Development Permit issuance.	10/9/18
Plan Review	14107 SE Lee Ave	Partition: 2 lots Z0648-17	Land Use Comments sent. County Expiration Timeline.	10/9/18
Under Construction	Willamette View	Multi-family; Z0656-17	Land Use Comments sent. Engineering Review. North Pointe	10/9/18
Plan Review	14928 SE OATFIELD RD	ZPAC0015-18	Pre-application comments sent. Awaiting land use / subdivision application. Expires Dec. 2018	10/9/18
Pre-Application	16920 SE Berghammer	Partition 3 lots	Partition. Pre-app attended/comments submitted. Clack. Co. expiration timeline.	10/9/18
Plan Review	SE Torbank	(RIVER RD – TROLLEY TR) SIDEWALKS PUBLIC IMPROVEMENTS	Clackamas County Project Number: 22243. County expiration timeline.	10/9/18

Project Status	Address	Type of Development	Notes	Last Updated
Pre-Application	16908 SE Oatfield	3-lot partition	Pre-app. Attended. County expiration timeline.	10/9/18
Pre-Application	2614 SE Tarbell Ave	3-lot partition	Pre-app. Attended. County expiration timeline.	10/9/18
Pre-Application	15601 SE Meadowlark Ln	2-parcel partition	ZPAC0054-18 15601 SE Meadowlark Ln. Pre-app. Attended. County expiration timeline.	10/9/18
Pre-Application	14010 SE Douglas Fir Ct	Partition: duplex and SFD	ZPAC0069-18 Water utility only. Submitted Pre-app comments. County expiration timeline.	10/9/18
Pre-Application	2614 se tarbell Ave	3-lot partition	ZPAC0049-18 Submitted Pre-app Notes. County expiration timeline.	10/9/18
Pre-Application	15303 SE Lee Ave	2-lot partition	OLWSD attended pre-app and provided notes. Expires Jan 2019	10/9/18
Pre-Application	None; south side of SE Maple St. midway between River Rd. and Laurie Ave., Oak Grove area.	Subdivision. A 6-7 lot minor subdivision for six home sites and one cell tower site (possible future home site).	OLWSD attended pre-app. Previous Planning File No. Z0298-06-SS, (expired) Expires Jan 2019	10/9/18
Pre-Application	14824 SE Kellogg Ave	Minor Subdivision: two-parcel partition for two home sites / zone change	OLWSD attended pre-app and provided notes. Expires Jan 2019.	10/9/18
Pre-Application	16100 SE Harold	Minor Subdivision: our-lot minor subdivision for new home sites.	OLWSD attended pre-app and provided notes. Expires Jan 2019.	10/9/18
Pre-Application	14919 SE Woodland Way	Partition / Zone Change. Two-lot partition for one existing and one new home.	OLWSD attended pre-app and provided notes. Expires Jan 2019	10/9/18
Pre-Application	16800 SE McLoughlin	Design Review / Commercial	ZPAC0016-18-DR. Auto dealership design review / façade improvements. Pre-app comments submitted. Clack. Co. expiration timeline.	10/9/18
Plan Review	3622 SE Pinehurst	4-lot subdivision	Water utility only. County expiration timeline.	10/9/18
Plan Review	14601 SE Rupert	Variance application and a two-family dwelling (duplex).	Not a developmnet per OLWSD definition. This is construction on a single lot of record. Variance n/a for OLWSD. County expiration timeline.	10/9/18
Pre-Application	14063 SE Oatfield Rd	Design PreApp - Shipping Container Condo	Design PreApp - Shipping Container Condos - ZPAC0119-18	10/9/18
Pre-Application	17997 SE Arista Dr	Two parcel partition for one existing home and one new home site.	Pre-app comments sent. County expiration timeline.	10/9/18
Pre-Application	16103 SE Southview	Three-parcel partition for one existing and two new home sites.	Pre-app comments sent. County expiration timeline.	10/9/18

<i>Project Status</i>	<i>Address</i>	<i>Type of Development</i>	<i>Notes</i>	<i>Last Updated</i>
Plan Review	14905 SE River forest Dr	New SFR - Willamette River Greenway	Land Use Comments sent. County expiration timeline.	10/9/18
Plan Review	14497 SE River Rd	3-lot partition	Land Use Comments sent. County expiration timeline.	10/9/18
Plan Review	14868 SE LEE AVE	Temp. Permit: Hardship Care with RV Dwelling Unit	Land Use Comments sent. County expiration timeline.	10/9/18
Plan Review	14905 SE RIVER FOREST DR	SFR Addition: Willamette River Greenway	Land Use Comments sent. County expiration timeline.	10/9/18
Plan Review	4410 SE pinehurst	Residential Subdivision	In OLWSD water service area; Development spans OLWSD boundary; water utility only. County expiration timeline.	10/9/18
Plan Review	2615 SE VINEYARD WAY	two-parcel partition	Attended pre-app. Awaiting Land Use application. County expiration timeline. County expiration timeline.	10/9/18



AGENDA ITEM

Agenda Item: Call for Public Comment
Item No.: 11
Presenters: N/A

Background:

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



AGENDA ITEM

Agenda Item: Business from the Board
Item No.: 12
Presenters: N/A

Background:

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

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

Sunrise Water Authority
September 26, 2018 Board Meeting
Paul Gornick's Notes

- Wayne Barstow, who was selected for appointment to Position #3 at last meeting, was sworn in as new commissioner.
- Board unanimously passed the second reading of Ordinance 2018-01 to reconstitute the NCCWC under the new IGA. General Manager Wade Hathhorn will file with the Secretary of State's office.
- The Special Districts Association of Oregon offers a 2% discount on property insurance for Buildings and Facilities for districts that meet the following SDAO requirement: *"Your district must have or adopt a preventative maintenance policy that also includes our property maintenance checklist to receive credit."* District has policy now, but staff will complete checklist to enable eligibility for the discount.
- Board approved financial statements for the prior period.
- There was discussion of a draft district policy for past over/underbilling of customer accounts. The policy includes a 24 month lookback for overbilling, and a 12 month lookback for underbilling. Board wanted correction of some language to allow greater lookback period in cases of intentional tampering or diversion. Changes will be made to draft policy for consideration at next meeting.
- There was discussion of a Customer Satisfaction survey and possible incentives to encourage response without running afoul of legal requirements.
- General Manager discussed difficulties in getting proper form for Performance Guarantee required by Happy Valley for Reservoir #11 project. District has deposited cash sum with Happy Valley in lieu of a bond.
- Despite the warmer than normal summer, District did not reach prior peak demand of 12.5 MGD, coming in at 12.1 MGD. Staff thinks that smaller lot sizes have reduced irrigation demands.
- A vacancy notice for commissioner in Zone #4 is out, with applications for the remaining term due back on October 15th.

October 8 ,2018

To: Board of Directors, Oak Lodge Water Services District

K.W -

From: Kevin Williams, Director

Re: Jennings Lodge CPO meeting report

1. The first item was the presentation of the new Neighborhood Preservation and Renovation award given to the Brush and Palette Art Association for the exterior work done on their building. They used materials that were historically correct for the time period of the building when they re-sided at a much higher expense than modern siding.
2. There was a land use application reviewed for 4184 SE Hillside Drive. The owner is proposing to use their newly remodeled basement as a Bed and Breakfast. The only concern raised was in regards to guests not using off street parking. We were told there are five spots on property.
3. There was discussion to confirm the CPOs priorities for the Map-It-Team to use as a guideline. These were the groupings:
 - A. Modify Z.D.O.s
 - B. Develop a community design plan for McLoughlin Blvd.
 - C. Acquire treed parks and open spaces.
 - D. Protect and enhance natural habitat.
 - E. Mixed use activity clusters ie Mixed residential and Retail
 - F. Incentivize businesses that provide family wage jobs.
4. There was a group discussion to confirm what the table groups meant when they reported out at the August meeting.
5. There was a discussion regarding how to acquire parks in the Jennings Lodge Neighborhood. There is talk that Oregon City schools may be open for shared use of the large recreation area behind Jennings Lodge Elementary. The neighborhood is viewing the Boardman Wetlands as a park and there is some discussion about the playgrounds at the New Urban High School.



Tuesday, September 25, 2018

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

[6:30-6:55 p.m. - Award winning bird photographer Steve Berliner will give a pre-meeting community presentation on birds we commonly see in Jennings Lodge, with photos; and how to identify the big ones & their nests.]

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

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

7:10 p.m.* **Presentation of Preservation Award to Brush & Palette Art Association**
Recognition of their historic building preservation and renovation in Jennings Lodge.

7:15 p.m.* **Discussing Opportunities for Acquiring Local Parks:** Kathryn Krygier, North Clackamas Parks District, will facilitate discussion of next steps regarding local community interest and opportunities in acquiring local parks.

8:00 p.m.* **New Jennings Lodge Land Use Applications**
Z0377-18 Application for B&B at 4184 SE Hillside Dr.

8:10 p.m.* **Jennings Lodge Current McLoughlin Area Plan Priorities:** Confirmation of our current McLoughlin Area Plan priorities, as the McLoughlin Area Plan Implementation Team (MAP-IT) prepares for a priorities discussion with the three MAP-IT partner organizations.

8:25 p.m.* **Shared Community Concerns:** Follow-up questions on the shared community concerns collected at the August Jennings Lodge CPO meeting.

8:35 p.m.* **Planning for Next Round of JLCPO Board Members/Elections**

8:40 p.m.* **Announcements**

*Times Tentative

The next regular business meeting of the Jennings Lodge CPO will be held October 23.

For more information, email jenningslodgpecpo@gmail.com

Jennings Lodge Community Planning Organization Meeting Minutes

MODERATOR: Karen Bjorklund

DATE: August 28, 2018

RECORDER: Jane Morrison

LOCATION: Church of the Nazarene

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

Number of Attendees - 28. Voting Members Present - 21: Lisa Bentley, Steve Berliner, Karen Bjorklund, Grover Bornefeld, Jan Carothers, Brian Dirks, Carley Dirks, Donald Evans, Virginia Foster, Amanda Gosen, Terry Gibson, Tea Godfrey, Ed Gronke, Carol Mastronarde, Marna Moore, Jane Morrison, Linda Neumann, Rita Tolonen, Norm Tolonen, Kevin Williams, Allen Zaugg.

The meeting was called to order by Jennings Lodge CPO Chair Karen Bjorklund at 7:01 pm.

Introductions: All introduced themselves.

- Jane Morrison invited all to play the JL/OG Tree Game and enter to win a \$100 Fred Meyer gift card.
- Carley Dirks invited people to send photos to be posted on the JL Facebook page.
- Neil Schulman, now Executive Director of the North Clackamas Urban Watersheds Council, wants to see how we can work together. NCUWC Board includes CPO and agency representatives. It was created mid-1990s to assure healthy watersheds: Pinearson, River Forest, Kellogg, and Boardman creeks. Projects include removing invasives and the Kellogg Creek dam project.

JLPO Business: Treasurer's Report; June draft meeting minutes approved with addition of voting members.

Acknowledging the Past and Looking to the Future (group brainstorm sessions)

Karen Bjorklund introduced the topic and first asked the whole group: In providing a voice for community concerns, *what have we (the JLPO) learned in the last 10 year?* Responses covered subjects such as needs related to working with elected officials; shared values; being proactive; setting goals and taking action; developing common interpretation of administrative documents; and broader community education.

The discussion was interrupted to surprise Karen with the Community Leadership Award for her untiring efforts on behalf of the JLPO since 2014-2018 (Pc: the Evangelical Retreat Center) by Grover Bornefeld, Lisa Bentley and the JLPO and Oak Lodge History Detectives.

Karen then asked a small group brainstorm question: considering that the Jennings Lodge CPO's purpose is to bring together those who share a common concern for the Jennings Lodge Community, *what shared community concerns should the JLPO focus on now?* Small group responses about concerns included:

- Laws not serving us and don't reflect the Comprehensive Plan or urban neighborhoods
- Concern over lack of treed parks and open space, and need for tree preservation
- Concerns with storm water
- Concerns with NCFPD representation
- Losing local relationship with local schools
- Homelessness and food insecurity
- Need to preserve historical sites and waterways

In addition, the small groups had ideas about strategies, such as educating ourselves on a variety of subjects, and revisiting becoming a city.

Jennings Lodge CPO 8.28.18 Draft Regular Meeting Minutes

The small groups were also asked: **What other topics would you want at future CPO meetings?** Ideas included:

1. Educate citizens on insecticides and pesticides
2. Heritage tree program
3. CPO Education on ZDOs, non-compliance (if conditions are not met – who do you go to?)
4. How to increase CPO meeting attendance (How do you get 100 people to a meeting? How do you involve more people?)
5. Emergency preparedness
6. Discuss incorporation or other methods of local control, such as hamlets or villages.

ACTION ITEM: Grover Bornefeld, Ed Gronke, Virginia Foster, Allen Zaugg and Tea Godfrey volunteered to get more information about forming hamlets and villages (talk to hamlets board members, etc.) and report back to CPO. Also, education on these types of organizations could include a debate.]

UPDATES

Local Task Force for Tree Preservation & Acquiring Parks – Karen gave report on first meeting.

Update on North Clackamas Parks and Happy Valley/ Update on Oak Lodge Public Library issues

Re: Parks-Happy Valley – Grover Bornefeld said issue very likely to go to the vote for all NCParks district voters.

Re: Oak Lodge Public Library - Grover said settlement will be circulated to all 12 libraries for approval and did reaffirm that Clackamas County (not Gladstone) to use the funds to build libraries in Gladstone and our area. A related 15-person task force is being created.

Code Enforcement Issues

Karen reported on a discussion with Code Enforcement staff at a recent CPO Summit meeting. One thing we learned: it takes two complaints if confidential. But only one complaint if not confidential. Improvements: File online complaints, get automatic response. Inspections are being done by two person rather than one person - nearly tripled output. Re: who to go to for JCPO code enforcement issues - parked cars blocking a lane – mostly police unless covered in a development application. Bike lane parking is Sheriffs. Perpetual garage sales regulated by Code Enforcement if more than six per year or more than 24 days in a year. Vegetation in ROW – road maintenance is dying to know. Noise on river or street – Sheriff.

Park Ave Project

Terry Gibson said the RFP was sent out for Phase 1, and there are five qualified candidates.

New Jennings Lodge Land Use Applications

None.

COMMUNITY ANNOUNCEMENTS

- Virginia Foster led as we all wished Lisa Bentley a very happy birthday.
- Terry Gibson announced a North Clackamas Urban Watersheds Clean Up – Springfield Park – 9 am, September 22.

Adjourned 8:38 pm.



MIKE McCALLISTER
PLANNING AND ZONING DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

NOTICE OF LAND USE APPLICATION IN YOUR AREA

Date: 09/19/2018
Permit Number: Z0377-18
Application: Home Occupation
From: Clackamas County Planning and Zoning
Notice Mailed To: Property owners within 300 feet
Community Planning Organizations (CPO)
Interested Citizens and Agencies

Application Proposal:
HOME OCCUPATION FOR BED AND BREAKFAST

Property Owner: CASTREJON CARMEN
4184 SE HILLSIDE DR
MILWAUKIE, OR 97267

Applicant: CASTREJON CARMEN
4184 SE HILLSIDE DR
MILWAUKIE, OR 97267

Address: 4184 SE HILLSIDE DR
MILWAUKIE, OR 97267

Legal Description: 21E13DA01500 **Acres:** .22

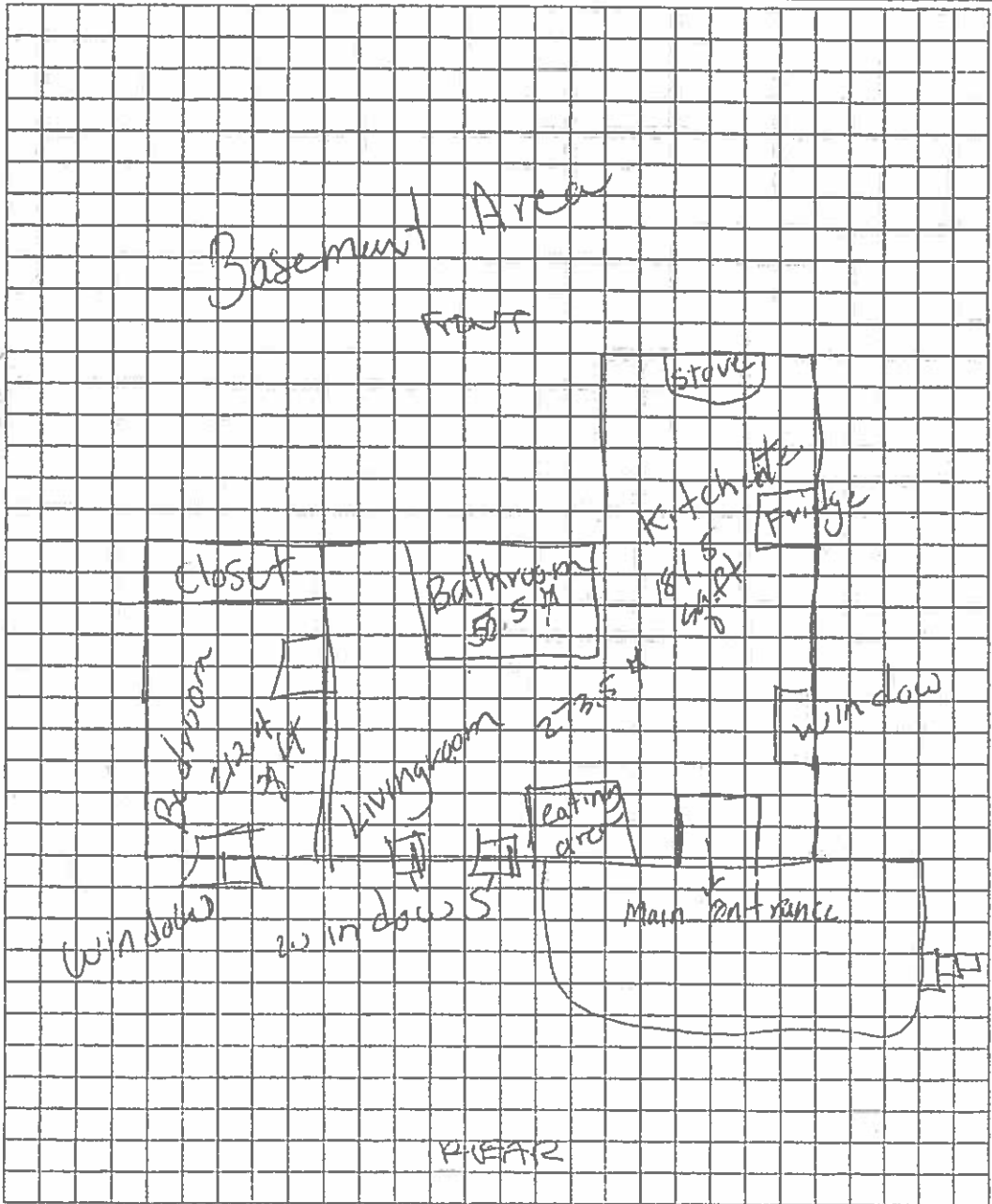
Zone: R10

Staff: Lorraine Gonzales 503-742-4541 **E-mail:** lorrainego@co.clackamas.or.us

How to Comment on this Application:

1. To be sure your comments will be considered prior to the decision, we need to have them within 20 days of the date of this notice.

Township _____ Range _____ Section _____ Tax Lot _____
 Address _____



Building Permit or Building Permit Application Number. _____

submittal of a Home Occupation application to determine if changes or upgrades to the building(s) will be required, what type (i.e., building, plumbing, electrical, etc) of permits will be required for the project and the estimated cost of these permits. Some permits may require plans prepared by a professional architect or structural engineer. The last page of this application includes additional information regarding the submittal requirements for building permits.

COMPLETE APPLICATIONS FOR HOME OCCUPATION PERMITS AND RENEWALS REQUIRE THE FOLLOWING:

1. Land Use Application – Information on applicant and land involved in application.
2. Supplemental Application – Information requested on this form. Please be as complete and thorough as possible. Use additional sheets as necessary.
3. Application Fee: _____ (Fee is nonrefundable upon decision or staff report; partial refund if withdrawn after notice; full refund if withdrawn prior to notice.)
4. Schematic Floor Plan showing building(s) housing the home occupation, identifying rooms, doors, and windows, and indicating building construction (wood, metal, masonry, etc.)
5. Plot Plan of the property showing at a minimum: property lines, all structures (Identify area to be used for the home occupation), parking areas, distances, etc. See attached Sample Plot Plan.
6. Preliminary Statement of Feasibility from water provider, sanitary sewer provider and surface water management authority. Required only if filing for an exception.
7. Additional Information: A noise study by a qualified professional may be required for those home occupations that have the potential to create noise beyond the specified limitations as found in Section 822 of the ordinance.
8. Justification: Please provide information on each of the following. Be as thorough as possible.

A. Describe in detail the proposed home occupation, including all activities involved and the method of operation. Use additional sheets if necessary.

bed & breakfast in basement. "Attached sheet"

B. Employees: How many people are employed full or part-time (include the owner/operator) 3. Identify the operator and all employees who are members of the family residing on the property.

Karmen Castrejon owner lives in property
Carlos G. De la Cruz son/employed lives in property
Luis Enrique De la Cruz son/employed lives in property

C. Accessory Building: What is the total gross square footage of any attached or detached accessory building(s) used to conduct this home occupation? 1980 sq. ft.

Identify the actual square feet to be used in the home occupation. Include all work areas and storage areas 720 sq. ft.

717.9 sq. FT.

1980 sq ft - 25% = 495 sq ft

D. Work Hours: What are the days and hours that this home occupation will operate?

3-4 days a week / 2 approx
4pm to 11am. 18 hrs per day continuous.

E. Equipment: Identify all machinery, equipment, and vehicles used in this home occupation, and the amount of noise, vibration, glare, fumes, odors, or electrical interference caused by each. Some home occupations may require a noise study conducted by a qualified professional.

Equipment: Vacuum, blender, washer, dryer (house electric)
Vehicle: 3 our personal vehicle and 1 if the guest (domestic)
drives is going to be an extra 1 vehicle (personal)

F. Storage or Display: Describe how, where, and in what amounts tools, machinery, material, and merchandise will be stored or displayed.

Storage of: sheets, towels, toilet paper, shampoo, conditioner, soap, kitchen ware, electric domestic blender, pots & pans, silver ware, dishes, glasses

G. Signs: Describe the type, size, illumination, and location of any signs advertising the home occupation.

No signs on property we are going to advertise on website such as Airbnb.

H. Vehicles: how many vehicle trips per day will this occupation generate? (A trip is to or from the property.) Include all vehicles used in your occupation: employee's vehicles, customer vehicles, and delivery vehicles.

(1) 2-4 trips going to work and may be run an errand
Trips per day: - (2) 2-4 trips going to work and may be run an errand
- (3) stay in garage (trip or limited) (4) if the guest d
If delivery trucks or vehicles exceeding 11,000 pounds gross vehicle weight are associated with this home occupation, please describe. We are not expecting or using any vehicle that size or weight or any delivery. we use 3-4 tri per day

I. Parking: How many vehicles associated with the occupation will be stored, parked, or repaired on the property at any one time? (Include only vehicles used in the operation of the home occupation including: employee vehicles, customer vehicles, and delivery trucks.)

Number of vehicles: 4

Where will the vehicles be located? Driveway or side street side

J. Construction/Alterations: Describe any building construction or alterations to the home, accessory building(s), or property needed to conduct this business. (Please check with the Building Department for codes and what the proposed structural changes may cost in permit fees.) NONE

No construction or alteration on this property everything in already build inside/basement.

K. Describe the type and amount of any hazardous materials stored or used on the property in conjunction with the occupation.

- ~~None~~ Some cleaning supplies
- 409
 - Toilet cleaner
 - Window cleaner
 - Laundry detergent

L. Describe how the character and residential/farm function of the building and property will be maintained by the appropriate use of colors, materials, design, construction, lighting, and landscaping.

No new construction the rental space is inside of the house on basement area and is done already build

M. Explain how the use will or will not interfere with existing uses or nearby land or with other uses permitted in the area.

I don't putting rules in the house to not make noise after 10 pm. not to be loud and will not interfere because the property is fenced and it has the own parking space, and is private it has their own entrance. not to close to any neighbors.

N. Does the property take access via a private road or easement that also serves other properties? no If so, please submit a petition showing that all property owners sharing the access agree to the home occupation. The petition shall describe the home occupation and state any conditions stipulated in the agreement.

Questions? Contact Lorraine Gonzales, Senior Planner at 503-742-4541 or LorraineGo@clackamas.us

We intend to use the basement for the bed and breakfast rental, with the intention that the people who come have a place to feel at home. With the intention of seeing the city or visiting family or working in town, we will provide breakfast such as coffee, oatmeal, fruits, and waffles. We will also be providing the essentials for your stay, such as sheets, towels, kitchen utensils for preparation of food. The basic toiletries will also be available, such as shampoo, body wash and soaps.

Most people during the day want to go out to know the city or work (depending on the intention of the trip) and during the night they come back to rest. Our method will be to keep the place clean and safe with enough light, appropriate for the visitors. Upon final departure, we will give a maintenance / cleaning that will consist of changing the sheets, towels, including kitchen and bathroom cleanings.

Keep in mind that visitors arrive at 4pm and check out at 11am, with an average of 4-5 hrs to clean the establishment and keep it ready for the next guests (without knowing the frequency of how busy we will be).

Description of establishment: A basement apartment with own entrance, bathroom, kitchen and washer and dryer. The measurements are as follows: One bedroom (212.4 sq. ft.), one bathroom (50.5 sq. ft.), kitchen and dining area (181.5 sq. ft.), and living room (273.5 sq. ft.).



**MEETING AGENDA
REGIONAL WATER PROVIDERS CONSORTIUM BOARD
Wednesday, October 3, 2018
6:30 p.m. to 8:30 p.m.
Metro Council Chambers
600 N.E. Grand Avenue Portland, Oregon**

- ✓ 1. Introductions (3 minutes)
- ✓ 2. Approval of Consortium Board Minutes for June 6, 2018 (2 minutes)
- ✓ 3. Public Comment* (5 minutes)
- ✓ 4. Consortium Strategic Plan – Rebecca Geisen, Consortium Project Manager (15 minutes)
Desired Outcome: To adopt the Consortium Five-Year Strategic Plan.
- ✓ 5. 2018 Public Outreach Overview – Bonny Cushman (30 minutes)
Desired Outcome: To provide an overview of the 2018 public outreach efforts and accomplishments.
- ✓ 6. FY 2019/20 Budget and Work Plan Concepts Discussion – Rebecca Geisen, Project Manager (30 minutes)
Desired Outcome: Review FY 2018/19 budget and work plan concept recommendations from the EC and provide Consortium staff with further budget direction.
- ✓ 7. Project Manager Reports – Rebecca Geisen, Project Manager (10 minutes)
Desired Outcome: Update on Consortium programs and projects.
- ✓ 8. Summer Supply Wrap Up – Consortium members (20 minutes)
Desired Outcome: Informational.

Next Meeting Dates/Location:
February 6, 2019/TBD

* Agenda Item #3 is a public comment period for items not on the agenda. Additional public comments will be invited on agenda items as they are discussed.



Memorandum

Date: September 24, 2018
To: Consortium Board
From: Rebecca Geisen – Consortium Managing Director
Subject: Budget Concepts for FY 2019/20

At the upcoming October Board meeting you will be discussing program priorities for the FY19/20 budget and work plan. This year's budget is quite different from last year when we had a large carryover (\$188,000) that allowed us to fund our current level of service, fund one-time projects, and keep dues flat. This year's carryover is only \$41,700. As mentioned during last year's budget discussions, to maintain the current level of service or grow the program, a dues increase will be needed.

On the following page there are three options that reflect different levels of dues increases, the program changes and what strategic initiatives they support. These options can be modified and were put together to give the Board some scenarios to discuss. At the meeting, I will walk you through the options. Ultimately, staff is looking for direction from the Board on program priorities and budget parameters to build a budget for adoption in February.

Both the Consortium Technical Committee and the Executive Committee reviewed and discussed these budget options and directed staff to highlight for the Board how the different options support the newly adopted Consortium Strategic Plan. Neither committee had a specific option to recommend to the Board, but both favor a budget that supports the new strategic plan while being mindful of the costs.

Notes:

Staffing costs: Staffing costs are provided by the City of Portland in December. I assumed an increase in staffing costs of 5% when providing budget scenarios but if staffing costs are higher (or lower) adjustments will need to be made.

Budget Carryover from FY 2017/18:

The carryover amount from FY 2017/18 is projected to be \$41,700. About \$22,000 of the carryover is in personnel services and overhead and approximately \$14,700 was under-expended in materials and services. None of the \$5,000 contingency was spent.

Blue: Additional costs beyond Current Service Level (CSL)
 Orange: Cuts to existing CSL

Budget Options FY 2019/20 (Materials and Services)

One-Time Projects	Programmatic Changes	Strategic Plan Initiatives			
		Option A	Option B	Option C	
		5% dues increase (10.6%) budget decrease from FY18/19	10% dues increase (6.3%) budget decrease from FY18/19	13% dues increase (4%) budget decrease from FY18/19	
	Reduced Program		Current Service Level (CSL)	Enhanced Service Level	
Evaluate Outreach Program: \$25,000	Evaluation to be completed late Fall 2018 and changes to outreach efforts are anticipated	—	—	—	<ul style="list-style-type: none"> Anticipate and respond to changes in demand, population, and customer/public expectations
Update PSU long-range forecast: \$12,300	Ongoing annual updates of \$8,500	CSL	CSL	CSL	<ul style="list-style-type: none"> Provide public education and outreach materials that promote conservation, source water protection and value of water Provide programs and resources that help water providers meet water conservation requirements
Additional graphic designer services \$10,000 (total budgeted \$20,000)	(total budgeted \$10,000)	CSL	CSL	CSL	<ul style="list-style-type: none"> Provide public education and outreach materials that promote conservation, source water protection and value of water
Increase contingency by \$10,000 (total budgeted: \$15,000)	(\$10,000)	Bring back down to \$5,000	Bring back down to \$5,000	Bring back down to \$5,000	<ul style="list-style-type: none"> Provide public education and outreach materials that promote conservation, source water protection and value of water
	Materials and services increases for postage, web contractor	CSL + \$6000	CSL + \$6000	CSL + \$6000	<ul style="list-style-type: none"> Educate public about emergency preparedness and the importance of water
Develop and print new emergency preparedness print pieces and provide members with a start-up supply: \$10,000	Continue with developing and printing new and current emergency preparedness materials for members	—	—	\$3000	<ul style="list-style-type: none"> Provide public education and outreach materials that promote conservation, source water protection and value of water Provide programs and resources that help water providers meet water conservation requirements
Update and print conservation print pieces and provide members with a start-up supply: \$10,000	Continue to update and print key conservation materials for members and purchase of additional devices for kits	CSL	CSL	CSL + \$4400	<ul style="list-style-type: none"> Anticipate and respond to changes in demand, population, and customer/public expectations
Replenish stock of conservation devices: \$2,500		Summer campaigns cut from 12 to eight weeks	Reallocates \$10,000 from summer campaign (television & radio) to digital outreach based on outcome of program evaluation	CSL + \$10,000 to outreach campaign based on outcome of program evaluation	<ul style="list-style-type: none"> Increase accessibility of messaging and outreach materials to diverse audiences and stakeholders
Develop 2-3 summer conservation radio ads: \$7,500	Continue summer marketing campaign anticipating that there may be changes to the Consortium's outreach methods resulting from the FY18/19 program evaluation	Television cut \$16 Radio cut \$10K			<ul style="list-style-type: none"> Increase accessibility of messaging and outreach materials to diverse audiences and stakeholders
Expand Spanish Language Outreach* \$15,000 (includes materials/messaging development and summer radio ad development and buy)	Continue Spanish Radio for conservation messaging	—	—	\$5000	<ul style="list-style-type: none"> Increase accessibility of messaging and outreach materials to diverse audiences and stakeholders
	Continue Spanish Outreach for conservation and emergency preparedness (message development, translations, and other community involvement)	—	\$5000	\$5000	<ul style="list-style-type: none"> Increase accessibility of messaging and outreach materials to diverse audiences and stakeholders Educate public about emergency preparedness and the importance of water
	Eliminate NEW how-to videos for conservation and emergency preparedness	(\$4500)	CSL	CSL	
	Eliminate Interconnections Sinking Fund (assumes updates will be member staff driven and completed internally)	(\$3000)	(\$3000)	(\$3000)	
	Reduce emergency preparedness TRIMET campaign from 12 to 4 weeks	(\$13,000)	CSL	CSL	<ul style="list-style-type: none"> Educate public about emergency preparedness and the importance of water

*In FY 18/19 Staff proposed that Spanish Outreach could be an on-going element depending on budget and success of the program. FY 19/20 options B & C include staff/CCC/EPC recommendation to continue Spanish Outreach efforts

REGIONAL WATER PROVIDERS CONSORTIUM

Expense Report for Fiscal Year 2017-18

Account	2017						2018						Budgeted Amount	Total YTD	Expended Budget Percentage	
	July-August	September-October	November-December	January-February	March-April	May-June	July-August	September-October	November-December	January-February	March-April	May-June				
CONSORTIUM BASE BUDGET	17%	34%	50%	67%	84%	100%										
Personnel Services - Including labor and	67,252.24	77,841.92	75,198.44	77,624.93	75,686.20	86,154.28								459,758.01	96.44%	
	\$67,252.24	\$77,841.92	\$75,198.44	\$77,624.93	\$75,686.20	\$86,154.28								\$476,741	\$459,758.01	
Professional Services	486.58	3,293.75	4,765.00	6,280.00	9,703.75	32,575.00								56,130.92		
(521000 to 521100)																
Other Services - advertising, ext. print & reprod., repair/maint. services	1,796.93	35,787.04	1,474.26	1,543.16	13,217.24	114,954.22								168,772.85		
(52400/529000)																
Internal Printing P&D/Mail Processing	47.99	76.86	858.02	269.46	0.00	609.10								1,861.43		
(651209/651201)																
Refreshments (539000 to 539100)	0.00	480.23	1,342.84	485.00	327.49	105.00								2,740.56		
Space Rental (544000)	0.00	0.00	0.00	1,100.00	224.00	0.00								1,324.00		
Operating Supplies	11,325.11	2,178.17	1,985.33	294.70	84.45	7,031.68								22,899.44		
(532000 to 532200)																
Miscellaneous Materials & Services	100.00	0.00	0.00	50.00	0.00	1,799.25								1,949.25		
(549000)																
Fleet Services (651101 and 589960)	0.00	0.00	0.00	0.00	0.00	3,000.00								3,000.00		
Postage (651210)	974.39	392.66	1,068.18	186.77	1,444.60	142.53								4,209.13		
Travel/Training/Sponsorship/Dues	816.46	1,039.48	3,888.65	1,574.64	1,451.36	613.96								9,384.55		
(541100 to 542400)																
Sinking Fund (Interconnections Study - Yr 1)						3,000.00								3,000.00		
Materials & Services Subtotal	\$14,574.80	\$48,248.19	\$15,382.28	\$11,783.73	\$26,452.89	\$163,830.74								\$289,970	\$275,272.13	94.93%
Contingency	0.00	0.00	0.00	0.00	0.00	0.00								\$5,000	0.00	
SUBTOTAL	\$81,826.54	\$121,090.11	\$90,380.72	\$89,408.66	\$102,139.09	249,985.02								\$771,711	\$735,030.14	
Administrative Overhead (29.5%)**	19,839.41	22,963.37	22,183.54	22,899.35	22,327.43	25,415.51								\$140,639	135,628.61	
Consortium Budget Total*	\$101,665.95	\$144,053.48	\$112,764.26	\$112,308.01	\$124,466.52	275,400.53								\$912,350	\$870,658.75	95.43%

*Includes budget carryover of \$58,500 from FY 2015-16. Includes carryover funds (added to material & services subtotal of \$22,500 for emergency equipment (\$19,000) and website services (\$3,500). Total dues collected for FY 2017-18 was \$831,349.

**Administrative Overhead is applied to personnel service costs only.

REGIONAL WATER PROVIDERS CONSORTIUM
Personnel Services for Fiscal Year 2017-18

ACTIVITIES	2017						2018			Total YTD	%
	July-August	September-October	November-December	January-February	March-April	May-June	Hrs.	%	Hrs.		
	67,252.24	77,841.92	75,198.44	77,624.93	75,686.20	86,154.28	459,758.01				
Conservation Program Implementation	304.0	305.0	285.0	316.0	393.0	221.0	1,824.0	32.2%			
Consortium Business Administration	326.0	326.5	340.8	297.0	265.0	411.0	1,966.3	34.7%			
Emergency Planning Implementation	166.0	258.0	183.0	201.0	199.0	239.0	1,246.0	22.0%			
Regional Coordination Implementation	57.0	63.0	78.0	139.0	147.5	143.0	627.5	11.1%			
TOTAL	853.0	952.5	886.8	953.0	1,004.5	1,014.0	5664	100%			

Major Focus Areas and Strategic Initiatives Workplan DRAFT

Major Focus Areas

- Meeting Water Needs
- Emergency Preparedness and Resiliency
- Strengthening Regional Partnerships

9/20/2018

Strengthening Regional Partnerships



MAJOR FOCUS AREA #1 - Meeting Water Needs

Strategic Initiative #1: Make best use of available water resources and partnerships to meet regional water needs as outlined in the Regional Water Supply Plan.

- a. Utilize Consortium resources and public outreach efforts to highlight regional water supplies, importance of multiple sources and individual supplies to the public
- b. Facilitate information and resource sharing among members through meetings, presentations, website, social media, etc.
- c. Conduct annual "state of supply" review to ensure Consortium is following goals outlined in the Regional Water Supply Plan
- d. Provide more time at meetings to share information and expertise amongst members - identify critical topics annually
- e. Share successes for efficient water use including water reuse, purple pipe, or other projects
- f. Review water demands among members every 3-5 years to reflect on regional water use

Strategic Initiative #2: Provide programs and resources that help water providers meet water conservation requirements.

- a. Continue to implement regional water conservation program that includes public outreach as its primary goal
- b. Develop resources for Consortium members to utilize in their own outreach efforts by developing communication tool kits
- c. Support provider conservation programs by providing co-branding opportunities for collateral materials
- d. Provide members with information they can use to summarize how the Consortium's conservation program helps them achieve Water Management and Conservation Plan goals

Strategic Initiative #3: Provide public education and outreach materials that promote conservation, source water protection, and value of water.

- a. Identify 2-3 key messages to prioritize and include in annual outreach efforts (e.g. fire protection, public health and safety, value of water, resiliency)
- b. Implement regional water conservation program focusing on public education and outreach that maximizes available resources

- c. Support youth education with stage shows, resources, and participation and partnership in the Children's Clean Water Festival
- d. Update existing messaging and materials or create new messages to meet changing needs
- e. Stay current with emerging communication methods, social media platforms, and website design and keep content fresh and relevant.

Strategic Initiative #4: Anticipate and respond to changes in demand, population, and customer/public expectations.

- a. Implement Curtailment, Coordination and Communication Plan - conduct exercise
- b. Provide information and a forum for water providers to communicate about climate change impacts, and adaptation and mitigation strategies
- c. Support studies and data collection that will assist water providers in understanding potential impacts of climate change on supply and incorporate uncertainties associated with climate change impacts
- d. Develop high-level information on water related topics e.g. grey water, emerging contaminants of concern, and other issues or topics of importance to the public
- e. Utilize data from program evaluation to recalibrate outreach program to meet customer expectations, utilizing effective communication methods
- f. Continue work with Portland State University's Population Research Center to prepare population, housing unit, and household estimates and forecasts for providers
- g. Anticipate growth areas and plan water service strategically in coordination with other water providers and Metro (how to build-out strategically)

Strategic Initiative #5: Increase accessibility of messaging and outreach materials to diverse audiences and stakeholders.

- a. Focus on the diverse audiences we serve in our region. Identify most prevalent non-English languages in region and translate materials for those communities.
- b. Increase overall accessibility of Consortium outreach materials and messaging to diverse audiences (e.g. close caption new and existing videos, increase readability of existing materials, incorporate infographics, and increase web ADA compliance)
- c. Strengthen relationship with landscape community by participating in industry groups, conferences, workshops and meetings
- d. Develop targeted messaging for landscape and irrigation professionals, and multi-family and commercial customers
- e. Develop partnerships with organizations that represent the diversity of our region

Major Focus Areas and Strategic Initiatives Workplan DRAFT

Major Focus Areas

- Meeting Water Needs
- Emergency Preparedness and Resiliency
- Strengthening Regional Partnerships



MAJOR FOCUS AREA #2 - Emergency Preparedness and Resiliency

Strategic Initiative #1:	Educate public about emergency preparedness and the importance of water.
a.	Focus on and engage diverse audiences and provide materials in other languages
b.	Build on regional outreach campaign and partnerships to promote preparedness and leverage national resources such as American Water Works Association materials
c.	Utilize local networks of citizen emergency response teams and other community resources and partnerships to promote and share Consortium messaging and importance of emergency water supplies
d.	Facilitate information and resource sharing among members through meetings, presentations, website, social media, etc.
e.	Participate in large regional community events to promote our preparedness message - provide resources to members for local events
f.	Promote the resiliency work of members on website and social media
g.	Stay current with emerging communication methods, social media platforms, and website design and keep content fresh and relevant.
Strategic Initiative #2:	Obtain and develop resources that will help members and the region support preparedness goals and requirements.
a.	Identify available grants and develop grant strategy including assessing member and regional needs, identifying grant writers, and provide grant support to members
b.	Develop and/or share resources for water provider employee preparedness
c.	Update grant funded equipment list, emergency contact list, and emergency water treatment and distribution plan
d.	Identify new partnerships with external stakeholders such as businesses, utilities, fire districts, and community and neighborhood groups to support regional preparedness
Strategic Initiative #3:	Facilitate planning, projects, and training opportunities that strengthen members' ability to plan for, respond to, and recover from extreme events.

	a.	Conduct table top exercise at least every other year and large scale exercise or drill every 3-5 years
	b.	Update, maintain, and exercise regional interconnections study and engage Consortium member staff in the update and maintenance of the geodatabase
	c.	Facilitate information sharing regarding continuity of operations planning
	d.	Sponsor water-sector specific training
	e.	Engage in local and state training and exercise opportunities - raise profile of water utilities
	f.	Promote and support sub-regional planning and coordination
Strategic Initiative		Collaborate with state and regional stakeholders to improve regional communication, emergency preparedness, response and recovery.
#4:		recovery.
	a.	Continue collaboration with state and regional stakeholders such as Regional Disaster Preparedness Organization, Oregon Emergency Management, Oregon Water/Wastewater Agency Response Network, and county emergency management
	b.	Participate in development of regional fuel plans
	c.	Collaborate with regional stakeholders to identify staging areas for regional water treatment and distribution equipment
Strategic Initiative		Support each other through data and resource sharing and mutual aid.
#5:		Develop resources (e.g. guidebooks, best management practices, brown bags) that support members in their resiliency efforts (e.g. sharing scopes of work, seismic vulnerability assessments, mapping)
	b.	Share and coordinate training and grant opportunities
	c.	Finalize and implement stranded worker agreement
	d.	Improve interoperable communications and evaluate emerging technologies (e.g. drones)

Major Focus Areas and Strategic Initiatives Workplan DRAFT

Major Focus Areas

- Meeting Water Needs
- Emergency Preparedness and Resiliency
- Strengthening Regional Partnerships

9/20/2018

Strengthening Regional Partnerships



MAJOR FOCUS AREA #3 - Strengthening Regional Partnerships

Strategic Initiative #1: Expand awareness of the Consortium's value, mission, programs, and the benefits of membership to water providers.

- a. Develop presentation and talking points about Consortium and its value for Consortium staff, member staff, or Board members to present to their respective Boards and Councils
- b. Share Consortium annual report with full member Boards, Commissions, and City Councils
- c. Encourage members to highlight Consortium resources on websites, annual reports, cable access, newsletters, Consumer Confidence Reports, social media, etc.
- d. Develop innovative strategies for more comprehensive, relevant, effective communications and sharing of information between Consortium members, Consortium staff and member communities, such as presentations, talking points, brown bags, engagement with relevant organizations.

Strategic Initiative #2: Build strong community relationships and be the trusted source for drinking water related information.

- a. Increase awareness of drinking water advisory tool to members, partners, and the public
- b. Provide employees, including work crews, basic information about Consortium and resources
- c. Develop strategic partnerships outside of the drinking water community (e.g. wastewater and stormwater, agriculture, industry) to support our work, share information and resources and help educate about water resource issues
- d. Audit member webpages for opportunities to share Consortium information
- e. Encourage members to "like" and share Consortium social media to help broaden messaging
- f. Create new language annually about Consortium for inclusion in member consumer confidence reports
- g. Post member consumer confidence reports/links on Consortium webpage

Strategic Initiative #3:	Maintain Board and staff continuity and effectiveness through succession planning, effective on-boarding and member engagement.
a.	Conduct onboarding orientation with incoming Consortium members and new meeting attendees
b.	Plan Consortium member events to promote member engagement and networking
c.	Post all Consortium committee meeting minutes on member page
d.	Develop member to member/ peer to peer "welcome" program for new Consortium members and staff
e.	Hold annual joint Consortium Technical Committee and Board meeting
f.	Support the development of new water service professionals entering the field
g.	Conduct internal survey to solicit feedback from members to ensure Consortium continues to provide valuable service
Strategic Initiative #4:	Address issues of importance through legislative advocacy.
a.	Identify annual list of priority issues to engage on for Board approval and action
b.	Rely on Consortium staff and member staff to bring forward legislative issues of mutual interest for discussion and action
c.	Tap into member resources and organizations to help with legislative outreach and education and provide presentations and information to Board
d.	Engage in regional issues affecting water providers like Willamette reauthorization
e.	Actively support state and federal grants for emergency preparedness, mitigation, and resiliency
f.	Invite local legislators to Board meeting to help educate and discuss issues of importance to water providers
Strategic Initiative #5:	Facilitate a network of peers that members can rely on for information, expertise, resources, and sub-regional partnerships.
a.	Sponsor training on topics of mutual interest or emerging issues, regulations, etc.
b.	Develop a "train the trainer" training program for water-related issues of interest
c.	Conduct brown bags, speaker series, panels on topics of interest or to share information

Five-Year Strategic Plan

[DRAFT]

October 2018



REGIONAL WATER PROVIDERS CONSORTIUM



OUR MISSION:

To provide leadership in the planning, management, stewardship, and resiliency of drinking water in the Portland metropolitan region.

www.regionalh2o.org

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Introduction

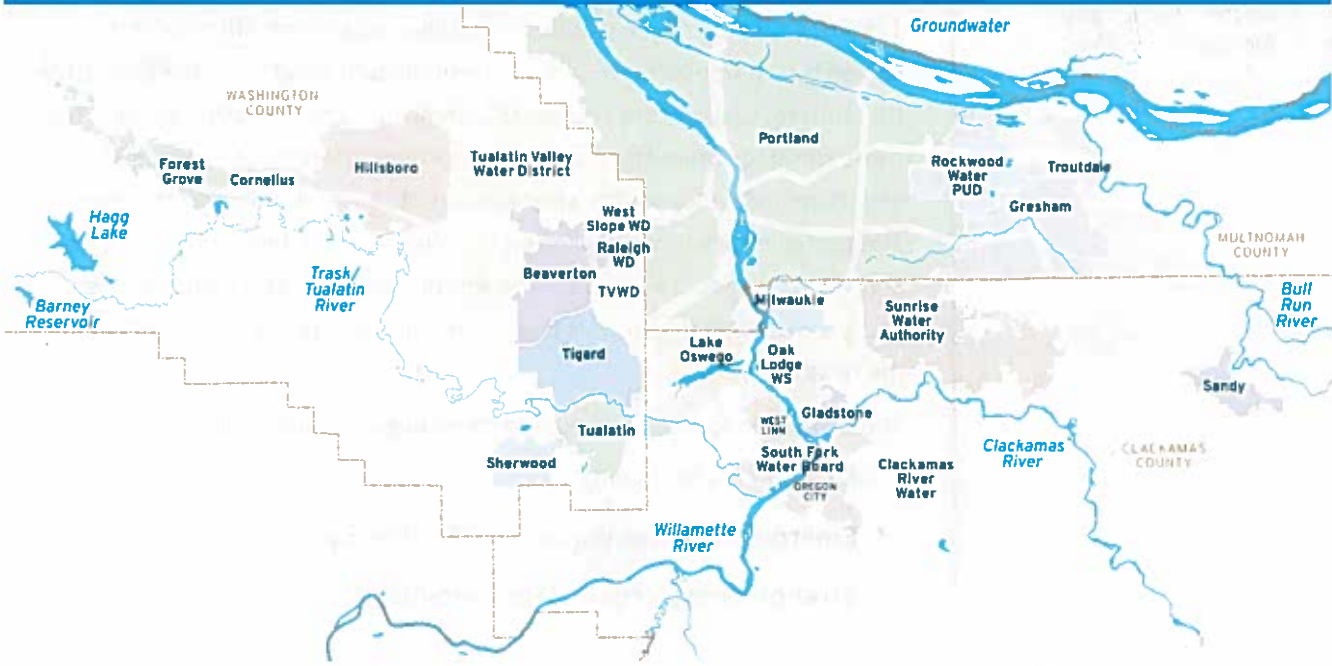
The Regional Water Providers Consortium (Consortium) is a collaborative and coordinating organization that works to improve the planning and management of municipal water supplies in the greater Portland, Oregon metropolitan region. Established in 1997, the Consortium works with its members in emergency preparedness, water conservation, and regional coordination.

The Consortium Board, comprised of elected officials from each member agency, adopted an updated Strategic Plan in October 2018 to lay the groundwork for the next 20 years. The first Five-Year Strategic Plan was presented to the Consortium Board in 2001 and has been updated multiple times. The Consortium completed a tremendous amount of work over the past two decades including implementation of robust regional water conservation and emergency preparedness outreach campaigns, development of water supply planning and resiliency tools, receiving \$2 million in grants for emergency water response equipment and studies, updates to the Regional Water Supply Plan, and strengthening of regional partnerships. We understand that working together collectively on issues of mutual importance benefits our drinking water sources and systems, water providers, the region, and our customers.

CONSORTIUM MEMBERS

- Beaverton, City of
- Clackamas River Water
- Cornelius, City of
- Forest Grove, City of
- Gladstone, City of
- Gresham, City of
- Hillsboro, City of
- Lake Oswego, City of
- Milwaukie, City of
- Oak Lodge Water Services
- Portland, City of
- Raleigh Water District
- Rockwood Water PUD
- Sandy, City of
- Sherwood, City of
- South Fork Water Board
- Sunrise Water Authority
- Tigard, City of
- Troutdale, City of
- Tualatin, City of
- Tualatin Valley Water District
- West Slope Water District

Consortium members and regional water sources





The Lake Oswego Tigard Water Partnership's river intake pump station on the Clackamas River

PHOTO COURTESY OF CITY OF LAKE OSWEGO

2018 – 2023 Strategic Plan

The 2018 Strategic Plan was developed during a 12-month planning period by the Consortium Board with significant input from the Executive Committee, Consortium Technical Committee, and Consortium staff. The three working committees of the Consortium offered their technical expertise in developing the strategic initiatives and reviewing the plan. The participatory process allowed us to take a fresh look at our mission and values, conduct an updated Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis (see Appendix), and refine our priorities for the next five years.

The 2018 Plan focuses our work in three major strategic areas:

- **Meeting Water Needs**
- **Emergency Preparedness and Resiliency**
- **Strengthening Regional Partnerships**

The 2018 Strategic Plan update reflects a leaner, more concise plan with broad strategic initiatives that will help guide the Consortium’s annual work plan and budget for the next five years. The plan highlights the Consortium’s commitment to improving outreach and access to resources for our diverse communities and to support our member’s equity efforts through culturally competent translation of resources, videos, and investment in Spanish language media. The plan continues to emphasize communicating to the public about the importance of municipal water systems and their role in protecting public health, emergency preparedness, fire protection, and economic development.

The Strategic Plan builds on the Consortium’s strengths of leveraging our collective knowledge and resources to communicate the value of water, be prepared for emergencies, and to be good stewards of our water resources. The Consortium speaks with one voice on issues affecting drinking water supplies, uses economies of scale to cost-effectively complete projects that benefit our members and the community, and fosters strong regional partnerships.

“The fact that we can join together as water providers and have the expertise of our staff combined can produce a much better program than if one provider just tried to do it all for themselves. That’s been a real strength of the Consortium.”

**– JIM DUGGAN, COMMISSIONER,
TUALATIN VALLEY WATER
DISTRICT**

Barney Reservoir

PHOTO COURTESY OF CITY OF HILLSBORO



Consortium Mission and Values

“Being at the table gives me and my community a voice and that’s very important to my community. They want a voice at the table, and this is one way I can do it.”

- COMMISSIONER NANCY GIBSON, OAK LODGE WATER SERVICES

Our Mission

To provide leadership in the planning, management, stewardship, and resiliency of drinking water in the Portland metropolitan region.

We do this by:

- **Providing a member-based network of peers to share knowledge, technical expertise, and resources.**
- **Promoting stewardship and coordinating regional water conservation programs.**
- **Strengthening regional emergency preparedness among water providers to safeguard the region and our communities/customers.**
- **Leveraging member resources to achieve economies of scale.**

Our Values

These principles guide how we work together and with our partners:

Consensus

We strive for one voice on matters that impact water providers and our customers.

Collaboration

We explore regional options, partnerships, and mutually beneficial solutions while retaining individual decision-making and accountability to our customers.

Respect

We acknowledge our differences and engage in open, honest, and constructive dialogue.

Stewardship

We advocate for wise management of existing and potential sources of drinking water.

Transparency

We share information openly and are available to our members and the communities we serve.

Resiliency

We support each other and collectively prepare to mitigate for, respond to, and recover from emergencies.

Serving Our Members and Our Community

Water is abundant in the Pacific Northwest and flows freely from our faucets – so it is easy to take it for granted. Water providers work diligently to ensure that their customers have access to safe, reliable water. In order to do this, water providers must build and maintain a complex system of pipes, hydrants, treatment systems, and reservoirs while also planning for aging infrastructure, population growth, new regulations, seismic hazards, and climate change. The Consortium's work supports its members to ensure that the region has a long-term, reliable, efficient, and safe water supply.

K

ey activities that support our region and our members:

- Conservation program implementation meets public education requirements of OAR Division 86 – Water Management and Conservation Plans. Educational programs, activities, and conservation materials are presented through schools, workshops, and community events and are also part of multi-language, multi-media campaigns.
- Partnership with the Regional Disaster Preparedness Organization assists water providers in acquiring grants for regional water treatment and distribution equipment and interconnection studies, and highlights the importance of water in emergency preparedness.
- Large-scale drills and tabletop exercises ensure that water provider staff have the critical skills and hands-on experience that is needed to address realistic scenarios affecting the region’s water supplies.
- Consortium members save ratepayer money by pooling resources to complete projects that benefit the entire region. Ready-to-use water conservation and emergency preparedness modules include news articles, social media posts, graphics, and presentations for members to use in their own outreach materials and websites.
- Consortium staff participate in working committees and track water-related legislation, information, opportunities, and resources with a variety of local, regional, state, and national groups.
- By participating in the Consortium, water provider staff, managers, and their elected officials have access to subject matter experts, sub-regional partnership opportunities, and the ability to develop and share resources with one another.

“Having the ability to bring all the experience and knowledge into one place at one time, contributes to a better solution. The Consortium provides just that opportunity.”

- GENERAL MANAGER BRIAN STAHL, ROCKWOOD WATER PEOPLE’S UTILITY DISTRICT

2018 Major Focus Areas

The planning process reaffirmed three major focus areas for the Consortium. Within each focus area we examined and developed the most critical strategic initiatives to be accomplished over the next five years. The strategic initiatives will help address major challenges facing our region and help us leverage emerging opportunities.

- Meeting Water Needs
- Emergency Preparedness and Resiliency
- Strengthening Regional Partnerships

MAJOR FOCUS AREA #1

Meeting Water Needs

This first major focus area grounds the work of the Consortium to the Regional Water Supply Plan (RWSP) most specifically as it relates to the efficient use of our limited water supplies. The RWSP is the foundation for the creation and work of the Consortium. Since the RWSP adoption in 1996, the Consortium has evolved to meet the changing needs of its members.

The Consortium continues its role in implementing regional programs that support members, but does not direct the provision of specific water supplies in the region. The Consortium plays a significant role in regional water conservation efforts, and provides public education on other water-related issues of regional importance. Over the next five years the Consortium is focused on broadening its messaging to reach a more diverse audience so all members of the community can benefit from Consortium resources, learn about the value of water, and how to use water more efficiently. The Consortium will also focus on addressing emerging issues related to communication, changes in water demand, climate change, and water quality.

Strategic Initiatives

- **Make best use of available water resources and partnerships to meet regional water needs as outlined in the Regional Water Supply Plan.**
- **Provide programs and resources that help water providers meet water conservation requirements.**
- **Provide public education and outreach materials that promote conservation, source water protection, and value of water.**
- **Anticipate and respond to changes in demand, population, and customer/public expectations.**
- **Increase accessibility of messaging and outreach materials to diverse audiences and stakeholders.**



Rockwood Water PUD Groundwater System

PHOTO COURTESY OF ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT



Emergency Water Distribution Trailer
PHOTO COURTESY OF CLACKAMAS RIVER WATER

MAJOR FOCUS AREA #2

Emergency Preparedness and Resiliency

Since 2012, the Consortium has expanded its emphasis on emergency preparedness to include public outreach focused on the important role citizens play in regional preparedness and what water providers are doing to increase their resiliency. Consortium members work collaboratively to incorporate resiliency into their planning to minimize disruption to water service following an emergency or catastrophic event.

The Oregon Resilience Plan (ORP) presented to the 77th Oregon Legislative Assembly in 2013 provides a 50-year road map to ensure that Oregon can quickly recover from a Cascadia subduction zone earthquake. The Consortium's preparedness efforts support the ORP and other regional, state and federal initiatives and include resources for its members to identify interconnections, train together, and educate the public about the importance of having an emergency water supply following a disaster. Consortium members share their experiences, knowledge, and technical information with each other to collectively make the region stronger and more resilient.

Strategic Initiatives

- Educate public about emergency preparedness and the importance of water.
- Obtain and develop resources that will help members and the region support preparedness goals and requirements.
- Facilitate planning, projects, and training opportunities that strengthen members' ability to plan for, respond to, and recover from extreme events.
- Collaborate with state and regional stakeholders to improve regional communication, emergency preparedness, response and recovery.
- Support each other through data and resource sharing and mutual aid.

MAJOR FOCUS AREA #3

Strengthening Regional Partnerships

The Consortium is built on partnerships and working together. Its strength is in speaking with one voice on issues of mutual interest, being a forum to discuss and address issues, and achieve economies of scale. That said, there is work to be done to ensure Consortium members and their elected officials understand the value the organization brings to their respective agencies so that they continue to participate in, benefit from, and support this important work. The Consortium brings together decades of collective knowledge and experience to the region. This collective experience is a valued resource to the greater community in conservation, emergency preparedness, and regional water supply planning.

Strategic Initiatives

- Expand awareness of the Consortium’s value, mission, programs, and the benefits of membership to water providers.
- Build strong community relationships and be the trusted source for regional drinking water related information.
- Maintain Board and staff continuity and effectiveness through succession planning, effective onboarding, and member engagement.
- Address issues of importance through legislative advocacy.
- Facilitate a network of peers that members can rely on for information, expertise, resources, and sub-regional partnerships.



PHOTO COURTESY OF REGIONAL WATER PROVIDERS CONSORTIUM

Implementation Strategies

The 2018 Strategic Plan is a living document that will be revisited by the Consortium Board annually as it develops budgets and work plans. As part of the plan development, the Consortium identified a list of work tasks to implement the strategic initiatives over the planning horizon. Work tasks include roles and responsibilities for implementation and metrics where applicable.

Each October, the Consortium Board begins the preparation of the coming year's work plan and budget. At that time the Board will review and evaluate the Consortium's progress on its strategic initiatives to ensure tasks are on track, still relevant, and important to the success of the overall plan. Changes and modifications can be made, if needed.

General Implementation Strategies

1 Managing Director/Board and Consortium Technical Committee Chair Check-ins

A strong relationship between the Managing Director, CTC Chair, and Board Chair can provide an effective forum for considering emerging issues and strategies.

By holding regular check-in meetings, the Managing Director, CTC Chair, and Board Chair can assess progress on strategic initiatives.

- These may be held quarterly or as needed.
- The goal is to provide sounding board and support for the Managing Director to address issues related to the strategic plan implementation.
- Meetings should end with clear action items to be addressed.

2 Strategic Initiative Milestone Reviews

While the Consortium staff, CTC, and Board will annually review progress on the entire strategic plan, it may be helpful to identify small teams of staff and possibly Board members to do a quick assessment on progress of a single strategic initiative.

- Milestone reviews should be held periodically for each of the three major focus areas and provide a forum where a quick assessment of progress can be made. The strategic initiatives are reviewed quickly for key milestones met, or milestones in danger of not being met.
- The focus will be on a quick assessment of items in danger of not being met. The problem will not typically be solved in the course of the meeting, but a sub-committee or subset of staff should be identified to examine it more carefully.



PHOTO COURTESY OF CITY OF SHERWOOD

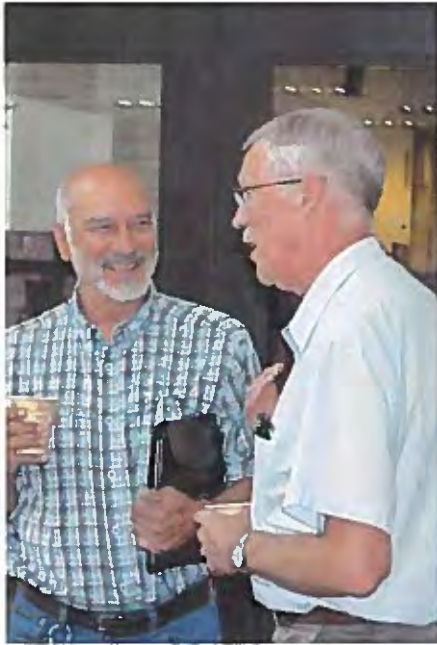


PHOTO COURTESY OF REGIONAL WATER PROVIDERS CONSORTIUM

- The strengths, weaknesses and threats analysis included in this plan will be annually reviewed to determine if there are any new threats or opportunities that need to be addressed.
- Action steps include assignments to determine strategies to address roadblocks encountered and to develop a plan.

Consortium Board Member Implementation Strategies

The Consortium staff and CTC members are primarily responsible for developing annual work plans and strategic plan implementation. However, as an intergovernmental organization, the Board also takes seriously its role in ensuring that the Consortium meets its mission. As such, Board members have identified a number of important steps that they can take to contribute to the overall success of the plan.

Board members will be willing and available to:

- Advocate at the legislative level on issues related to water resources, conservation, and emergency preparedness.
- Provide opportunities for the sharing of technical information between staff and Board.
- Share resources with respective boards, councils, local partners, and customers.
- Reach out to newly elected or appointed representatives as they join or attend Consortium meetings and events to assist with onboarding and ensuring effective service.
- Serve as ambassadors for the Consortium for other water providers, staff and elected officials.
- Support career development in the water industry to attract new people into the field.

The implementation strategies above will be supported by regular check-ins at Board meetings to provide Board members the opportunity to report on activities and identify upcoming opportunities. RWPC staff will also help identify opportunities for Board engagement.

Facing page: Bull Run Lake

PHOTO COURTESY OF PORTLAND WATER BUREAU



Appendix

Updated SWOT Analysis

The Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis offered an opportunity to update the areas of greatest concern for the Consortium, and leverage some of the key strengths and opportunities. These brainstorming sessions with the Board and the CTC were used to provide context for the strategic initiatives developed for each of the main focus areas.

Strengths and weaknesses are typically internally focused and highlight the factors that influence the organization from within.

STRENGTHS

Staff

Regional messaging with broad support vs. messaging from single entity

More effective and able to achieve economies of scale by leveraging funds

Willingness to share information

Benefits to mutual partners

Regional mindset

Network of peers

Consortium brand created

Understanding if one of us fails, we all fail

Combination of staff and political leadership

Suite of outreach materials for providers to use

Collective knowledge and expertise

Trust built over time

Longevity (20+ years of working together and evolving to meet needs)

Networking opportunity for elected officials, managers, and provider staff

Multiple water sources

WEAKNESSES

Varying priorities by members

Challenge of implementing inter-governmental recommendations

Challenge of articulating what we do

Old messaging/strategy on conservation

Homogeneous nature of membership (missing agriculture, storm/wastewater, Metro – land use)

Member participation and getting a quorum has at times been a challenge during the Consortium's history

Unsure what members value in organization

Redundancy of messaging materials between Consortium and individual members

Poor marketing to our members

Need for more meaningful and consistent messaging to member Councils and Boards or other specific audiences

Articulating monetary value back to Boards/City councils

Lack of knowledge transfer as we prepare for new members and retirements

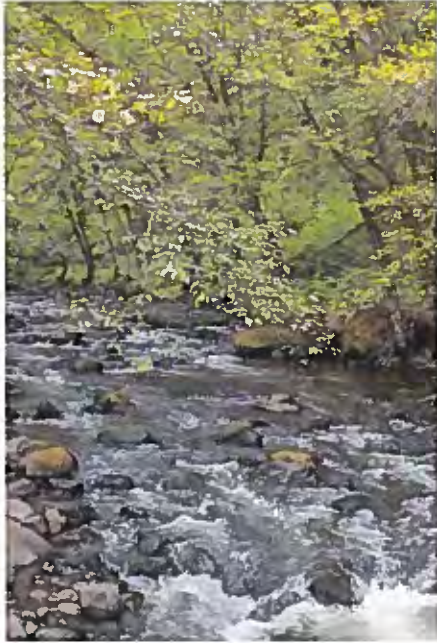
Variability in funding levels affects ability to implement programs

Lack of public outreach directed towards diverse audiences



Children's Clean Water Festival

PHOTO COURTESY OF REGIONAL WATER PROVIDERS CONSORTIUM



Tualatin River

PHOTO COURTESY OF CITY OF HILLSBORO

Following an analysis of internal strengths and weaknesses, the group shifted its focus to external opportunities and threats. These are external factors that may either offer new possibilities, or present threats to the success of the Consortium.

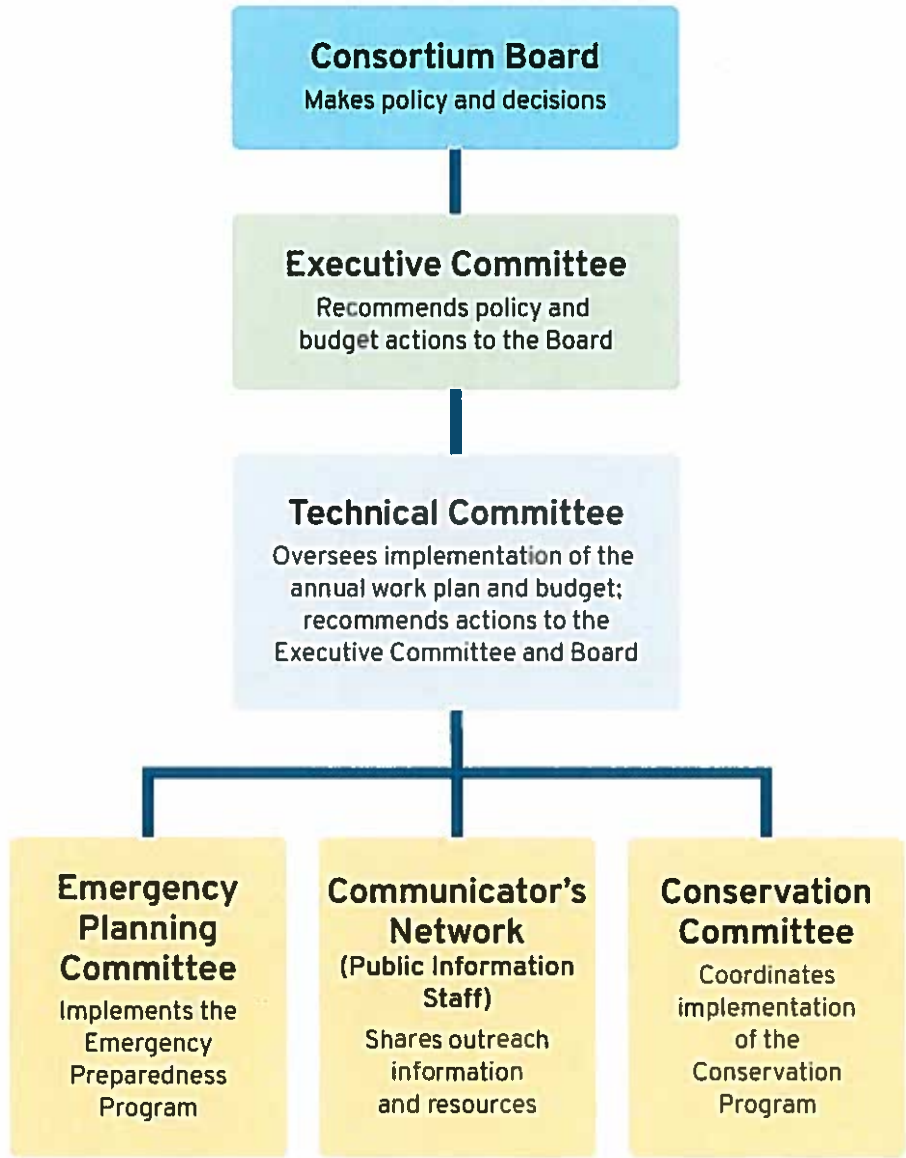
OPPORTUNITIES

- Conveying collaborative coordinated message
- Consortium has good story to tell
- Increased focus on emergency preparedness and regional equipment
- Multiple venues to communicate in timely fashion
- Potential to acquire grants as regional organization
- Ability to strengthen public connection to local water provider
- Availability of multiple water sources
- Creative regional leadership
- Increase education and awareness to public on water resource issues
- Customers care about clean water and environment

THREATS

- Lack of active engagement from Metro
- Urban Growth Boundary and Comprehensive Plan changes and need for education of planning entities
- Water rights and regulatory pressure
- Not staying relevant to decision-makers
- Water related issues that affect perceptions of drinking water providers (e.g. lead)
- Individual entities losing regional perspective and importance of working together
- Limited water supply
- Natural disaster preparedness and resiliency
- Competing regulations
- Funding challenges
- Low public awareness of water issues and infrastructure needs
- Climate change
- Emerging contaminants of concern and additional regulations

Consortium Committees



CONSORTIUM STAFF

- Managing Director**
Rebecca Geisen
- Management Assistant**
Patty Burk
- Program Coordinator**
Bonny Cushman
- Program Assistant**
Katy Asher

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Regional Water Providers Consortium Tri-Annual Activity Report Fiscal Year: 2018-19

<input type="checkbox"/> June - September	October - January	February - May
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Introduction

The Regional Water Providers Consortium serves as a collaborative and coordinating organization to improve the planning and management of municipal water supplies in the greater Portland, Oregon metropolitan region. The Consortium serves Clackamas, Multnomah, and Washington counties, and is made up of 22 water providers (representing 14 cities and eight special districts). Together, these entities provide more than 80 percent of the region's drinking water.

Formed in 1997 through an Intergovernmental Agreement, the Consortium is operated by its Board and other committees, which meet throughout the year. The three main program areas are conservation, emergency preparedness, and regional coordination.

The Consortium Board meets three times per year. Since the last activity report to the Board on June 6, 2018, Consortium staff and members have engaged in the following activities:

Conservation Program

Summer Outreach Campaign

See pages 5-9 for campaign summary.

Events

Hardy Plant Society of Oregon (HPSO) Garden Tour: The Consortium tabled at the 2018 HPSO garden tour on July 14th in NE Portland. More than 300 participated in the tour where the Consortium distributed printed materials and watering gauges.

How-to Video

The Consortium completed its 13th conservation-focused how-to video that shows the viewer how to replace a faucet aerator. Thank you to Shelley Searle (Beaverton) and Jennifer Joe (Tigard) for serving as spokespeople.

Outreach Materials & Promotions

Watering Gauge Kit Promotion: The Consortium conducted its annual watering gauge kit promotion again in July in coordination with National Irrigation Month. A total of 174 kits (up from 141 given out last summer) were distributed.



The promotion was advertised on the Consortium's website, the July issue of Regionalh2o News, and highlighted with paid advertising on Facebook.

The Consortium also developed content for members to use on their own websites, social media channels, and newsletters. Seven Consortium members shared, liked, or advertised the promotion to their customers. Gresham, Portland, Sandy, and Tualatin Valley Water District saw a marked increase in interest in the kits due to sharing information about the promotion with their customers.

Kits were distributed as follows:

Beaverton	4	Milwaukie	0	Sunrise	7
Clackamas River Water	7	Oak Lodge	1	Tigard	5
Cornelius	0	Portland	55	Troutdale	2
Forest Grove	1	Raleigh	1	Tualatin	2
Gladstone	0	Rockwood	3	TVWD	20
Gresham	14	Sandy	29	West Slope	6
Hillsboro	9	Sherwood	3		
Lake Oswego	1	South Fork	3		

School Assembly Programs

The Consortium concluded its contract with Mad Science for its "Where's the Water, Watson?" show to kindergarten - 2nd graders. Since the 2012-13 program year, the Consortium has provided more than 11,200 students from throughout the metro region with the show and copies of the "Water and You" activity booklet.

The Consortium will go out to bid for a new school assembly show geared toward kindergarten - 2nd graders this fall. The Consortium is partnering with Mad Science to provide it's "What Do You Know About H2O?" show to students grades 3rd-5th this year (one show @ one school per water provider member's service area).

Conservation Committee (CCC)

The CCC met twice since the last activity report. In July, the committee met at Clackamas Community College and learned about the college's landscape professional program and toured the John Inskeep Environmental Learning Garden. In September, the committee discussed

the FY 18-19 work plan and provided feedback on the FY 19-20 budget concepts.

Emergency Preparedness Program

September Preparedness Outreach Campaign

See pages 5-9 for campaign summary.

Events

Prepare Out Loud

The Consortium tabled at the Red Cross and KGW's three large-scale Prepare Out Loud Events in Gresham, Portland, and Sherwood, on September 25, 26, and 27 respectively. The Consortium promoted adding water to emergency preparedness kits. Find out more here:

prepareoutloud.org

How-to Video

The Consortium completed a 3rd personal preparedness-focused how-to video that shows the viewer which items they will need to include in their emergency kit to treat water in an emergency. Thanks to Priya Dhanapal (Beaverton), Jamaal Folsom (Portland Water Bureau), and Suzanne DeLorenzo (Clackamas River Water) for serving as spokespeople.

Water Preparedness Kit Promotion

The Consortium conducted its second annual emergency water supply kits promotion in September to coincide with National Preparedness month. Each kit contained a one-gallon water container, instructions for accessing water from your water heater (that you can actually hang on your water heater), and a postcard describing how and where to store your emergency water supplies. A total of 693 kits (up from 202 given out last fall) were distributed.

The promotion was advertised on the Consortium's website, the September issue of Regionalh2o News, and highlighted with paid advertising on Facebook. The Consortium also developed content for members to use on their own websites, social media channels, and newsletters.

Beaverton	12	Milwaukie	8	Sunrise	5
Clackamas River		Oak Lodge	3	Tigard	2
Water	19	Portland	125	Troutdale	0
Cornelius	2	Raleigh	2	Tualatin	14
Forest Grove	22	Rockwood	7	TVWD	29
Gladstone	2	Sandy	7	West Slope	1
Gresham	8	Sherwood	2		
Hillsboro	21	South Fork	2		
Lake Oswego	399				

Emergency Preparedness Committee (EPC)

The EPC met twice during this reporting period. In September, the committee invited Dwayne Barnes the Utility Operations Manager from

the City of Salem to talk about Salem's 2018 summer water quality event, use of the mobile emergency water distribution systems, and lessons learned. In addition, the committee discussed the FY18-19 work plan and provided feedback on the FY 19-20 budget concepts.

Table Top Exercise Planning

The EPC has assembled a planning team to put together a table top exercise in the spring. The first planning meeting was September 24.

Regional Disaster Preparedness Organization (RDPO)

Project proposals for the 2019 Urban Area Security Initiative Grant cycle are being accepted through December 10. Staff participated in a RDPO funded project to develop a regional recovery framework to continue to emphasize the role water providers play in recovery.

Regional Coordination Program

Legislative Update

While there are no specific legislative updates, preparations are being made for the upcoming session. Some items on the horizon are Oregon Health Authority funding and water right transfers. Currently out for review are the permanent rules for cyanotoxins testing and water management and conservation plans for small systems. There is also interest in developing a 100-year investment program for a secure and resilient water future. More information to come as it becomes available.

New Member Outreach

Consortium staff met with the new staff member representatives from the City of Troutdale and Cornelius to share program information, answer questions, and welcome them to the organization.

Five-Year Strategic Plan Update

Following the June Board meeting, final edits were made to the Strategic Plan. Staff identified draft measurable outcomes for the strategic initiative work tasks and shared them with the CTC and Executive Committee.

Water Communicators Network

The Consortium's Communicators Network met in June and August 2018. The June meeting featured Jonathan Modie, Lead Communications Officer with the Oregon Health Authority. He talked about lessons learned from the Salem water advisory from a public information officer perspective. The August meeting featured a tour of the Portland Water Bureau's Washington Park Reservoir.

Regional Curtailment Coordination and Communications Plan (C3)

This was the first summer to implement the C3 Plan, which provides best management practices for regional communication and coordination

during a water shortage. One of the BMPs is to have a "State of Summer" meeting. The CTC met in July and August to share information about their respective water sources and summer supply status. These meetings were very well attended and provided an opportunity to keep each other up to date on any emerging issues and messaging.

Conferences

Rebecca Geisen presented at the 2018 ORWARN Conference on September 18. The presentation was on the Consortium's emergency preparedness outreach program and the importance of communicating to your customers about having an emergency supply of water.

Drinking Water Advisory (DWA) Tool

The annual boundary update for the DWA Tool has been complete. Each year the Consortium requests water service boundary updates from members to ensure the DWA tool is up to date and providing the most accurate information.

Public Outreach and Education Campaigns

Media Campaign Summary (television, radio, bus ads)

Media Partner	Total RWPC Cost	In-Kind Amount Received	Total Campaign Value	On-air interviews/Articles	Ads	Reach	Campaign Focus
Channel 2 (KATU)	\$56,000	\$114,950	\$170,800	7	537 (268 paid, 269 bonus)	23,377,000 household impressions with a 97.2% reach and 17.5 frequency	●
KUNP (Univision Spanish Language)	\$18,500	\$11,725	\$30,225	3	TBD	TBD	● ■
Garden Time	\$2,800	\$12,000	\$14,800	6	8	20k viewership	● ■
Alpha Media Radio (KBFF, KINK, KUFO, KUPL, KXL, KXTG and KWEE)	\$34,000	\$67,710	\$101,710	2	2404	9,688,800 impressions reaching 79.4% of the total population 18+	●

TriMet Bus Ads	\$22,000	TBD	TBD	-	24	TBD	■
Channel 8 (KGW)	\$12,500	TBD	TBD	4	TBD	TBD	■
Totals To Date (9/19/18)	\$145,800	\$206,385	\$317,685	22	2973		

Key ● Summer Outdoor Conservation ■ Emergency Preparedness

All of the ads and interviews are posted on the www.regionalh2o.org website's newsroom page (<https://www.conserveh2o.org/consortium-newsroom-print-radio-television-ads>).

Online Outreach Campaign Summary

Initiative	Results	
Website Traffic	Conserveh2o.org 57,600 pageviews from 30,800 visitors	Regionalh2o.org 18,100 pageviews from 5,200 visitors
Regionalh2o Newsletter	July Issue - Focus: Summer Irrigation Recipients: 908 Open rate: 34% (304) Click thrus: 13% (39)	September Issue - Focus: Preparedness Recipients: 954 Open rate: 33% (303) Click thrus: 25% (77)
Weekly Watering Number	More than 1200 people received the Weekly Watering Number each week during the 2018 watering season.	
Consortium Social Media	Facebook Added 39 new followers (Facebook's metric for people who "Like" and/or "Follow" our page) Post s: 177 Engagement s: 1,039 Impressio ns: 52,162 Reach : 36,207	Twitter 11 new followers, 477 profile visits Tweets: 158 Engagements : 143 Impressio ns: 28,226
KGW Digital	Facebook #14Gallons Challenge Post on 9/18: 5,183 views as of 9/20	Facebook live interview on 9/18: 4,465 views as of 9/20
	Facebook four-second #14Gallons video on 9/12: 1,172 views as of 9/20	
KUNP station newsletter	July Issue - Focus: Conservation Recipients: 25,000 Open rate: 16.38% (4,094) Click thrus: 2.2% (549)	September Issue - Focus: Preparedness Recipients: 25,000 Open rate: 17.72% (4,431) Click thrus: 2.54% (636)

**#14Gallons
Challenge
Social Media
Campaign**

The Consortium ran the #14Gallons Challenge for a third year in September as a part of its National Preparedness month efforts. Participants were asked to take a photo of their emergency water supply and then post it onto the Consortium's website (<http://www.regionalh2o.org/14Gallons>) or just post it to their social media accounts with #14Gallons and challenge three friends or family members to do the same. (Results will be better demonstrated in the annual report as this report was written midway through the month and the challenge was in full swing).

Notes:

Facebook: Engagements are likes, comments, and shares. Impressions are the number of times the Consortium's post entered a person's screen. Reach is the number of people who had a Consortium post enter their screen.

Twitter: Engagements are mentions, retweets, and likes.

Campaign details and highlights:

- **Conservation campaign:**

Developed four new ads (two each :15 and :30 second) featuring KATU's weather talent Dave Salesky. The ads included some outdoor water efficiency and value of water messaging.

Conducted 16 on-air interviews. Seven ran on KATU (AM Northwest (2), Afternoon Live (2), Evening News (2), and weekend morning news (1)), two ran on KUNP's evening news, six ran on Garden Time television's weekly show, and two were conducted on KINK and KXL radio. The interviews focused on three main themes (see below) and were delivered by different spokespeople at a variety of locations. By doing this, the Consortium delivered and reinforced a consistent message across the media landscape.



Kevin McCaleb walks KATU's AM Northwest host Tammy through how to get your watering system ready for its summer workout.

Consortium

1. "Is your watering system ready for its summer work out?" Irrigation specialist Kevin McCaleb (Lake Oswego) and Jesus Gonzalez (Hillsboro) walked viewers through the steps of making sure that their watering system (hose & in-ground sprinkler

system) is in tip-top shape for efficient summer watering. KUNP (7/9), KATU AM Northwest (6/14).

2. "Anyone can have a blue thumb - 5 tips for using water efficiently this summer." You don't have to be a garden guru to do these easy water wise tips, anyone can have a blue thumb! Amy Meaut (Hillsboro), Penny Milton (Portland), Steve Carper (Tualatin Valley Water District), Sarah Smith (Sherwood), and Bonny Cushman (Consortium staff) all served as spokespeople for these interviews which focused on giving the viewer five easy things that they can do to use water wisely this summer. Garden Time 6/2, KATU evening news 6/28 & 8/24, KATU AM Northwest 7/5, KXL Radio 7/11, KINK Radio, KATU Afternoon Live 7/16, KATU weekend morning news 9/1.

3. "5 Easy Keepers - what to look for when purchasing water wise plants." Chris Hollenbeck (Clackamas River Water Providers) used examples of water wise plants that can be found at most garden centers to showcase the wide variety of plants that are available to grow here and what to look for on the plant tag when selecting a water wise plant. Garden Time 6/23, Afternoon Live 8/6.

- Spanish language television campaign (KUNP):** This year, the Consortium expanded its partnership with KUNP by splitting its three-month Spanish language television campaign so that it had a conservation focus (July-August) and an emergency preparedness focus in September. The campaign also included two articles in the station's online newsletter which has 25,000 recipients (see above chart for results from both issues which are pictured below). The emergency preparedness portion of the campaign included a new :15 second ad that included the "1 gallon per person per day for 14 days" message and one on-air interview that focused on how and where to store water in an apartment.

3 Maneras fáciles de ahorrar agua este verano

1. **Usa el tiempo correcto.** Regar plantas y céspedes temprano (antes de las 10 a.m.) o en la tarde (después de las 6 p.m.) cuando las temperaturas bajan es la mejor opción para reducir el desperdicio de agua.

2. **Regar solo cuando sea necesario.** El mejor momento de regar ocurre cuando se necesita agua para mantener las plantas saludables. Una buena regla es regar cuando el suelo está seco a una profundidad de 1 a 2 pulgadas.

3. **Usa plantas que ahorren agua.** Las plantas que requieren poca agua, como las plantas nativas de Oregon, las plantas de desierto y las plantas que crecen en zonas de alta sequía, pueden ayudarte a ahorrar agua. También puedes usar plantas que crecen en zonas de alta sequía y que requieren poca agua.

Para más información sobre cómo ahorrar agua en tu hogar, visita www.conserve7a.org

Con la preparación viene la tranquilidad: comience con el agua

Un terremoto puede afectar cualquier parte del país, pero esto solo sucede si se usa agua. Por lo tanto, asegúrate de que tu familia tenga suficiente agua almacenada para sobrevivir en caso de una emergencia.

Esto se debe a que las emergencias pueden ocurrir en cualquier momento, incluso cuando estás en casa. Por lo tanto, es importante tener suficiente agua almacenada en casa para que tu familia pueda sobrevivir en caso de una emergencia.

Existen tres cosas que puedes hacer:

- Conservar y almacenar agua en casa para emergencias en tu hogar.** El agua es vital para la vida y es importante tener suficiente agua almacenada en casa para que tu familia pueda sobrevivir en caso de una emergencia.
- Usa el agua correctamente.** El agua es un recurso valioso y es importante usarla de manera responsable.
- Usa plantas que ahorren agua.** Las plantas que requieren poca agua, como las plantas nativas de Oregon, las plantas de desierto y las plantas que crecen en zonas de alta sequía, pueden ayudarte a ahorrar agua.

Para más información sobre cómo almacenar agua en tu hogar, visita www.prepare7a.org

- **Emergency preparedness campaign:**
The 2018 campaign included partnerships with TriMet, KGW television, and KUNP television. The Consortium ran ads for the third year in a row on 24 buses that traversed the tri-county region from August-October 2018.

Developed two :15 second ads that feature talent (KUNP & KGW). Conducted six on air interviews. Four ran on KGW ((2) evening news 9/7 & 9/14, (1) Greater Portland Today 9/13, and (1) FacebookLive) 9/18 and an additional two ran on Garden Time 9/1 and KUNP 9/18. The on-air interview spokespeople were Priya Dhanapal (Beaverton), Bonny Cushman (Consortium staff), Jamaal Folsom (Portland Water Bureau), Shelley Searle (Beaverton), and Luis Martinez (Portland Water Bureau). The interviews focused on the importance of starting your preparedness efforts with water, the goal of storing 1 gallon per person for 14 days, where to store your emergency water (especially in small spaces), and the #14Gallons Challenge.



One of three ads that ran throughout the Portland metro region August - October 2018.

Three of the on-air interviews mentioned above were provided by Garden Time and KGW in addition to the campaigns that were negotiated by Consortium staff. KGW also provided a pro bono digital ad and Facebook post on the station's page that promoted the #14Gallons Challenge.

Spanish Outreach Plan

Staff developed an outreach plan for the FY 2018/19 program year which includes creating a Spanish language landing page on the www.regionalh2o.org website, translating several supporting documents, providing Spanish versions of three existing print materials for the 2019 annual print order, and creating a Spanish version of the "How to store water in your own containers" how-to video. Staff created the website landing page and had the print materials and other messages translated this summer and they can be viewed on the website here: <https://www.regionalh2o.org/Espanol>.

Administrative Updates

Staff provided the following support to Consortium programs and administrative activities: assisted with conservation and emergency preparedness program projects; monitored the budget; developed and managed contracts; processed invoices and completed other accounting

tasks; prepared a Consortium expense report; and provided committee meeting logistics.

Meetings

- The Executive Committee (EC) met on September 12, 2018. The EC heard updates on Consortium program activities, finalized the October Board meeting agenda, and provided final edits and recommended adoption of the Consortium Five-Year Strategic Plan. EC members discussed budget and work plan concepts for FY 2019/20.
- The Consortium Technical Committee (CTC) met on July 18, August 8 and September 5, 2018. The CTC met in July and August to discuss summer water supply scenarios and potential regional supply messaging. The CTC reviewed and recommended adoption of the Consortium Five-Year Strategic Plan and discussed budget and work plan concepts for FY 2019/20. The CTC drafted the agenda for the October 2018 Board meeting.

Contracts

- Catalysis LCC wrapped up its contract to assist with the update the Consortium's Five-Year Strategic Plan. The contract ended on June 30.
- Wilborn Design started updating the Consortium's look and feel by developing an internal style guide and road testing it with Consortium's updated Strategic Plan. The update includes a touch up on the Consortium logo, selecting official fonts, and reworking the color palette. FY18-19 will involve updating existing and developing new print pieces.
- Resource Data Inc. completed several security updates and other backend programming projects.
- DHM Research began drafting an online survey which will be used this fall to evaluate the Consortium's public outreach initiatives. Results of the online research are expected late fall 2018.
- The three-year intergovernmental agreement with Portland State University Population Research Center to provide population and household estimates has been approved by Portland City Council and is complete.



REGIONAL WATER PROVIDERS CONSORTIUM BOARD MEETING Minutes of June 6, 2018

Consortium Board Chair Russ Axelrod called the Regional Water Providers Consortium Board Meeting to order at 6:32 p.m. The meeting was held in the Metro Council Chambers.

Elected representatives from sixteen Consortium member agencies were present at the meeting (which is a quorum), including City of Beaverton, Clackamas River Water, City of Forest Grove, City of Gresham, City of Hillsboro, City of Lake Oswego, City of Milwaukie, Oak Lodge Water Services, Rockwood Water PUD, City of Sherwood, South Fork Water Board, Sunrise Water Authority, City of Tigard, City of Tualatin, Tualatin Valley Water District and West Slope Water District.

Consortium member agencies not represented by elected officials at this meeting included City of Gladstone, City of Portland, Raleigh Water District, and City of Sandy.

Introductions: Introductions were made. Those in attendance included Councilor Mark Fagin and David Winship from the City of Beaverton; Commissioner Naomi Angier and Todd Heidgerken from Clackamas River Water; Councilor Peter Truax and Rob Foster from the City of Forest Grove; Councilor Kirk French from the City of Gresham; Commissioner Debbie Raber and Kevin Hanway from the City of Hillsboro; Councilor Jackie Manz and Kari Duncan from the City of Lake Oswego; Councilor Lisa Batey from the City of Milwaukie; Tim O'Brien from Metro; Commissioner Nancy Gibson and Sarah Jo Chaplen from Oak Lodge Water Services; Edward Campbell and Mike Stuhr from the City of Portland; Director Tom Lewis and Brian Stahl from Rockwood Water PUD; Councilor Sean Garland and Rich Sattler from the City of Sherwood; Mayor Russ Axelrod from South Fork Water Board; Commissioner Ernie Platt from Sunrise Water Authority; Councilor Tom Anderson and John Goodrich from the City of Tigard; Councilor Frank Bubenik and Jeff Fuchs from the City of Tualatin; Commissioner Jim Duggan and Mark Knudson from Tualatin Valley Water District; Commissioner Noel Reiersen and Mike Grimm from West Slope Water District; Chris Wallace Caldwell from Catalysis LLC; Andy Bryant from NOAA/National Weather Service; and Rebecca Geisen, Bonny Cushman, and Patty Burk, Consortium Staff.

Approval of Consortium Board Minutes for February 7, 2018: Commissioner Ernie Platt made a motion to approve the February 7, 2018 Consortium Board meeting minutes as presented. Commissioner Nancy Gibson seconded the motion. The Consortium Board unanimously approved the February 7, 2018 Consortium Board minutes as presented. (16:0:0)

Public Comment: None.

Election of Officers: Rebecca Geisen, Consortium Project Manager informed Consortium Board members that elections for the Board Chair and Vice-Chair were needed. Article 4 of the Consortium By-Laws contains the procedural requirements for officers. It states that the Board shall have at least a Chair and a Vice-Chair and that they must come from two different counties. The term of both offices is a one-year term with the possibility of a consecutive second year upon re-election. Elections must be done when a quorum is present and a majority of the quorum must approve each position. Ms. Geisen advised that both Chair Russ Axelrod and Vice-Chair Mark Fagin have completed their first year of service and are eligible to serve a second term if nominated.

Chair Axelrod opened the meeting for nominations.

Commissioner Kirk French nominated Russ Axelrod and Mark Fagin for Board Chair and Vice-Chair respectively. Commissioner Nancy Gibson seconded the motion. There were no other nominations. The Consortium Board unanimously approved the nomination of Russ Axelrod and Mark Fagin for Board Chair and Vice-Chair respectively. (16:0:0)

Ms. Geisen reported that in addition to the Chair and Vice-Chair elections, the Board needs to elect new county-representative Executive Committee (EC) members. She explained that the counties will caucus and select their representative. Membership is entity specific; allowing the entity's Board alternate to attend and vote at EC meetings. The terms of office will be for two years with the Board allowed to appoint consecutive terms for county-representative members at its pleasure. Ms. Geisen advised that the EC meets three to four times a year in advance of the Consortium Board meetings. The EC identifies major policy issues and makes recommendations to the Board. The EC reviews the annual work plan and budget and provides input and recommendations to the Board. Ms. Geisen pointed out that included in the meeting materials packet was a one-page handout outlining the Board and Executive Committee responsibilities and terms.

Board members caucused by county. Board members representing Clackamas County appointed Commissioner Nancy Gibson from Oak Lodge Water Services. Board members representing Multnomah County appointed Councilor Kirk French from the City of Gresham. Board members representing Washington County appointed Commissioner Jim Duggan from Tualatin Valley Water District.

Project Manager and Committee Reports: Rebecca Geisen, Consortium Project Manager pointed out that a detailed tri-annual activity report was included in the meeting materials packet and encouraged Board members to look over the report for information on activities conducted since the last Board meeting in February.

Conservation Program: Bonny Cushman, Consortium Project Coordinator reminded Consortium Board members that this year the Consortium partnered with a new television station, KATU (channel 2) on a six-week indoor campaign that began in late February and ran through March. The indoor campaign featured four on-air news segments and 150 ads; as well as an indoor water saving kit giveaway promotion. Approximately 330 kits were distributed. Ms. Cushman showed the two indoor water conservation public service advertisements (PSAs).

Ms. Cushman advised that this week begins the summer media campaign. Ms. Cushman said in total 21 television shoots will be completed over the summer on KATU, Garden Time, and KUNP, Univision (Spanish television). Ms. Cushman noted that new this year KUNP proposed a thirteen-week campaign that focuses on conservation in July-August and emergency preparedness in September. The total campaign features 474 ads, and three news segments. She noted that the campaign would also include four posts to the station's Facebook page and two articles in the station's newsletter – the content for the posts and articles will be generated by the Consortium and translated by the station. Ms. Cushman shared the two KATU summer water conservation PSAs.

In addition, the Consortium is again partnering with Alpha media on a summer water conservation radio campaign. The campaign is 12-weeks and will be featured on seven radio stations (KBFF, KINK, KUFO, KUPL, KXL, KXTG and KWEE) and two on-air interviews (KINK and KXL).

Ms. Cushman thanked Consortium Board members for allowing their staff to participate in news stories and outreach efforts. The effort and breadth of the Consortium's outreach campaign could not be done without member staff participation and expertise.

Ms. Cushman mentioned that the Consortium created a 13th conservation-focused how-to video this spring. The new video features Shelley Searle (Beaverton) and Jennifer Joe (Tigard) and walks the viewer through the process of switching out a bathroom aerator with a high efficiency WaterSense model aerator. Work is underway on a new emergency preparedness how-to video focused on four different ways to treat water during an emergency.

Ms. Cushman reported that Consortium staff coordinated its annual print order in April and May. Seven Consortium members participated in this year's order, as well as Clackamas County Disaster Management and Washington County Emergency Management, who ordered emergency preparedness materials. This year, the Consortium offered to co-brand 13 publications, and nearly all providers and counties utilized that option. Ms. Cushman said print orders will be delivered later this month.

Ms. Cushman concluded that the Consortium again partnered with Mad Science to deliver one Consortium-sponsored show to a school in each member agency's service area. This year's show, "Where's the Water, Watson?" was geared toward kindergarten – 2nd graders. Approximately 3,800 students attended the assembly programs.

Regional Water Providers Consortium Board Meeting Minutes
June 6, 2018

Chair Axelrod mentioned that many individual member Board meetings are shown on local community TV. Chair Axelrod asked if the KATU PSAs could be shown on these community channels during Board and Commission meetings.

Ms. Cushman noted that she would have to inquire with KATU about the PSAs but advised that any of the Consortium how-to videos could certainly be incorporated.

New Member Update: Ms. Geisen announced that the City of Troutdale City Council voted on May 8 to join the Consortium. Their membership will be effective on July 1. The City of Cornelius City Council approved their budget at a Council meeting last night that included Consortium membership dues. Ms. Geisen noted that Consortium staff will work to bring the two new members up to speed and get them incorporated in the Consortium fold.

Chair Axelrod thanked Executive Committee members who were instrumental in reaching out to the City of Troutdale Council to talk about the benefits of the Consortium and provide insights on Consortium membership.

Urban Area Security (UASI) Grants: Ms. Geisen reported that Portland Metropolitan region received 2.5 million dollars in UASI grant money. Two public works projects were funded. The City of Oregon City received funding for a grapple truck and Columbia County received funding for a mobile water treatment system.

Training Exercise: Ms. Geisen mentioned that the Clackamas River Water Providers conducted a tabletop training exercise last week that utilized the regional interconnections geodatabase. The training identified four interconnection locations from the geodatabase and meeting participants went out into the field to verify the interconnections and their condition.

Regional Curtailment Coordination and Communications (C3) Plan: Ms. Geisen reported that the Regional Curtailment Coordination and Communication (3C) plan was developed in July 2017 to improve regional communication and coordination during a water shortage. She noted that as part of the plan implementation, a tool kit is nearing completion that includes talking points, frequently asked questions (FAQs), social media posts, website content, graphics and updated descriptions of the region's water systems and how they respond to drought. Ms. Geisen said the C3 plan tool kit will be available to providers in early July.

Water Quality Advisory – Salem OR: Ms. Geisen reminded Consortium Board members that last week the City of Salem issued a drinking water advisory for children under age 6 and people with compromised health and immune systems due to low levels of toxins caused by algae blooms in Detroit Lake. Ms. Geisen advised that Emergency Water Distribution Systems from the City of Gresham, Clackamas River Water, Portland Water Bureau, and Tualatin Valley Water District were deployed to Salem to assist with water distribution to Salem residents. Ms. Geisen said as a result, the Oregon Health Authority is drafting temporary rules for testing and notification of such toxins in municipal drinking water. The Oregon Water Utility Council (OWUC), the League of Oregon Cities (LOC), the Special Districts Association of Oregon (SDAO), and many cities and water providers are in discussions about and plan to review and comment on any developed rules.

Ms. Geisen noted that Consortium staff is collating messaging from Consortium members that was shared with customers about the drinking water advisory in Salem/Marion County and subsequent concerns on the Willamette over cyanotoxins. Consortium staff will be sharing this information with the Consortium Technical and Emergency Preparedness Committees, and the Consortium Communicators Network.

Consortium Strategic Plan: Ms. Geisen reminded Consortium Board members that at their meeting in February, they broke into groups to discuss strategic initiatives and work tasks, and how the Board can support the Consortium Strategic Plan. Ms. Geisen pointed out that included in the meeting materials packet was the final draft of the Plan. She advised that an introduction, historical context, and a preamble to each of the three major focus areas has been added. Implementation strategies have been drafted as well as the Board's role in supporting the Strategic Plan.

Chris Wallace Caldwell from Catalysis LLC joined the meeting to solicit feedback/comments from Board members in three basic areas: general feedback, implementation strategies – how to keep true to the Plan, and how to measure success.

The general feedback from the Board was that the Plan was well laid out, clear and concise, a comfortable read, and well organized. Several Board members gave the draft Plan to colleagues or family members to read and they reported that the Plan was easy to understand. It was asked if the SWOT (strengths, weaknesses, opportunities and threats) analysis should be included in the Plan. The consensus was the SWOT analysis provided a realistic tone of self-examination and should remain in the appendices of the Plan. It was thought that the SWOT analysis could be built into the milestones and reviewed as needed throughout the five-year period of the Plan.

Other comments included the need to identify locations and credits for photos, ensure the final report is produced on 100% post-consumer paper, and update the map to include various members. Other minor revisions were noted and will be incorporated by Consortium staff in the final report.

Board members were asked if anything was missing in the implementation strategies. It was noted that the Board initiatives identified in the Plan seemed reasonable, on point, and helps to explain their role on the Consortium Board – “why I am here”. Board members recognized their role as being available, willing, and assignable. It was mentioned that the initiatives tie into and provides context to the SWOT analysis.

Ms. Geisen advised that the Strategic Plan will direct the annual work plan. A matrix will be developed to measure success and ensure the initiatives and work tasks are addressed. It was suggested the Board could develop annual goals as well; what the Board commits to do during that year to address the initiatives and work tasks in the Plan.

Ms. Geisen concluded that next steps include incorporating the minor revisions discussed this evening and continued work on the final report design. The final Strategic Plan will be sent to

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Board members in advance of their next meeting for final review and Board members will vote to approve the Plan at their October meeting.

2018 Weather Outlook: Andy Bryant from the National Weather Service joined the Board meeting to give a presentation on the latest summer weather outlook and the potential impacts to water supply.

Mr. Bryant provided a review of the winter/spring 2017/18 conditions including precipitation totals and temperature departures. Mr. Bryant noted that the Pacific Northwest has seen an expansion of periods of heavy rain; earlier in the fall, i.e., October, followed by an uneventful winter period in January and February, returning to heavier rains in spring, i.e., April. Overall for the water year thus far in Northwest Oregon, rainfall levels are just a little bit below to near average.

Information was provided on seasonal snowpack and drought monitoring. Mr. Bryant discussed the seasonal (April – September) water supply forecasts for a few of the areas rivers including the Willamette river at Salem, the Clackamas river at Estacada, the Sandy river near Bull Run, and the Tualatin river at Farmington. Mr. Bryant advised that these forecasts shows fairly close to average for streamflow for these rivers; 77% of average for the Willamette, 91% of average for the Clackamas, 82% of average for the Sandy and 111% of average for the Tualatin.

Mr. Bryant presented historic and long-term temperature trends for June through August, and the summer weather outlook for the same period. In general, the three-month precipitation and temperature outlook is anticipated to be drier and warmer; above average temperatures throughout the western United States.

Consortium Board members thanked Mr. Bryant for coming to speak with them this evening. The PowerPoint presentation can be found on the Resource page of the Consortium website. ([link to presentation](#))

The Regional Water Providers Consortium Board meeting was adjourned at 8:28 p.m. The next meeting of the Regional Water Providers Consortium Board is October 3, 2018 at 6:30 p.m. in the Metro Council Chambers.

Submitted by Patty Burk, Consortium Staff



September 24, 2018

Members of the Regional Water Providers Consortium Board:

I hope you all had great summer. Included in this packet you will find the meeting materials for the October 3 Consortium Board Meeting. The primary agenda items are:

- **Adoption of Consortium Strategic Plan (quorum required)**
- **2019/20 Budget and Work Plan Concepts Discussion**

Please find enclosed the following meeting materials:

- Agenda
- June 2018 Board Meeting Summary
- Final Draft of Strategic Plan
- Strategic Plan Work Tasks
- 2019/20 Budget Memo and Options
- Activity Report
- Final FY17/18 Expense Report

At the meeting, you will be asked to approve the Strategic Plan. You will also discuss next year's budget and provide direction to staff on program priorities and budget parameters so staff can begin to build a budget for adoption in February. The meeting will conclude a recap of the summer and our respective water supplies.

If you have any questions, please do not hesitate to contact me at 503.823.7493 or rebecca.geisen@portlandoregon.gov. I look forward to seeing you at the meeting.

Rebecca Geisen, Project Manager

Thursday, October 04, 2018

6:45 PM – 8:30 PM

Development Services Building
Main Floor Auditorium, Room 115
150 Beaver Creek Road, Oregon City, OR 97045

AGENDA

6:45 p.m. Pledge of Allegiance

Welcome & Introductions

Chair Jim Bernard & Mayor Brian Hodson, Co-Chairs

Housekeeping

- Approval of September 06, 2018 C4 Minutes

Page 03

6:50 p.m. Maria Pope, President and CEO – PGE

- Staff memo and materials

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8:00 p.m. Equity and Diversity for Public Agencies

Presenting: Emmett Wheatfall, Asst. County Administrator

- Staff memo

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8:15 p.m. Updates/Other Business

- JPACT/MPAC Updates
- Other Business

8:30 p.m. Adjourn

General Information



Current Voting Membership

		C4 Exec	C4 Metro	C4 Rural	JPACT	MPAC	R1ACT
Clackamas County	Chair Jim Bernard	●	●	●			
Clackamas County	Commissioner Paul Savas		●	●	●		●
Canby	Mayor Brian Hodson	●		●			●
CPOs	Laurie Freeman Swanson (Molalla CPO)	●	●	●			
Estacada	Mayor Sean Drinkwine			●			
Fire Districts	Matthew Silva (Estacada Fire District)	●					
Gladstone	Mayor Tammy Stempel		●				
Hamlets	Kenny Sernach (Beavercreek Hamlet)			●			
Happy Valley	Councilor Markley Drake		●				
Johnson City	Vacant						
Lake Oswego	Councilor Jeff Gudman	●	●		●	●	●
Milwaukie	Mayor Mark Gamba		●			●	
Molalla	Mayor Jimmy Thompson			●			
Oregon City	Mayor Dan Holladay		●				
Portland	Vacant						
Rivergrove	Mayor Heather Kibbey		●				
Sandy	Councilor Carl Exner			●			
Sanitary Districts	Nancy Gibson (Oak Lodge Water Services)	●					
Tualatin	Councilor Nancy Grimes		●				
Water Districts	Hugh Kalani (Clackamas River Water)						
West Linn	Council President Brenda Perry		●				
Wilsonville	Mayor Tim Knapp		●		●		

Current Ex-Officio Membership

MPAC Citizen Rep	Vacant
Metro Council	Councilor Betty Dominguez
Port of Portland	Emerald Bogue
Rural Transit	Julie Wehling
Urban Transit	Eve Nilenders

Frequently Referenced Committees:

CTAC:	Clackamas Transportation Advisory Committee (C4 Transportation TAC)
JPACT:	Joint Policy Advisory Committee on Transportation (Metro)
MPAC:	Metro Policy Advisory Committee (Metro)
MTAC:	Metro Technical Advisory Committee (MPAC TAC)
R1ACT:	Region 1 Advisory Committee on Transportation (ODOT)
TPAC:	Transportation Policy Advisory Committee (JPACT TAC)

**Thursday, September 06, 2018
6:45 PM – 8:30 PM**

**Development Services Building
Main Floor Auditorium, Room 115
150 Beaver Creek Road, Oregon City, OR 97045**

Attendance:

Members: **Canby:** Traci Hensley (Alt.); **Clackamas County:** Jim Bernard (Co-Chair); Paul Savas; **CPOs:** Laurie Swanson (Molalla); Martin Meyers (Alt.); **Estacada:** Sean Drinkwine; **Gladstone:** Tammy Stempel; **Hamlets:** Rick Cook (Stafford); **Happy Valley:** Markley Drake; **Lake Oswego:** Jeff Gudman; Theresa Kohlhoff (Alt.) **Milwaukie:** Mark Gamba; **MPAC Citizen Rep:** Ed Gronke (Alt.); **Sandy:** Carl Exner; Jan Lee (Alt.) **Sanitary Districts:** Nancy Gibson (Oak Lodge); **Transit:** Julie Wehling (Canby); Andi Howell (-Sandy); **Water Districts:** Hugh Kalani; **West Linn:** Brenda Perry

Staff: Gary Schmidt (PGA); Chris Lyons (PGA); Trent Wilson (PGA)

Guests: Don Krupp (County Administration); Jaimie Huff (Happy Valley); John Lewis (Oregon City); Tom Mills (TriMet); Dan Johnson (DTD); Brooke Berglund (PGE); Karen Buehrig (DTD); Tracy Moreland (BCC); Mike Bezner (DTD); Mary Jo Cartasegna (BCC); Ellen Rogalin (DTD); Marge Stewart (Firwood CPO); Nicole Hendrix (SMART)

The C4 Meeting was recorded and the audio is available on the County's website at <http://www.clackamas.us/c4/meetings.html> . Minutes document action items approved at the meeting.

<u>Agenda Item</u>	<u>Action</u>
Approval of August 2, 2018 Minutes	Approved
Vehicle Registration Fee Discussion	County staff presented three distribution models for revenue stemming from a potential vehicle registration fee. The models were: A) state mandated 60% to the county and 40% to the cities; B) modified state formula of 50% to the county, 40% to cities, and 10% set aside for a strategic investment fund, with expectation that county would use 10% of its share as a strategic investment fund; C) modified state formula of 40% to the county, 20% to cities, and 40% set aside for a strategic investment fund. Staff noted that of the three counties in the Metro region, Clackamas is the only

	<p>county with no local funding mechanism. Multnomah collects \$18M annually from gas tax and VRF, and Washington collects \$49M from gas tax, VRF, local property tax, and a road district.</p> <p>Following discussion, C4 members discussed their preferences among the VRF models. During consensus gathering, every attending city agreed with the county continuing to work towards a vehicle registration fee of \$30 (with the exception of Canby, who preferred \$25), and a majority consensus on model B (above) pending further discussion.</p>
<p>HB 2017 Report and C4 Support Letter Discussion</p>	<p>TriMet staff presented on progress of work since passage of HB 2017 regarding proposed usage of the State Transportation Improvement Funds (STIF) and improved transit services in the region and, with additional emphasis on impacts to Clackamas County. Commissioner Savas, who sits on the HB 2017 Advisory Committee, and County staff, representing local transit agencies/authorities, proposed a comment letter addressing TriMet’s STIF funding proposals, which would come from C4.</p> <p>C4 approved the letter, with minor recommended edits.</p>
<p>2018 C4 Retreat – Final Report</p>	<p>County staff introduced the retreat summary and proposed calendar for the remainder of the C4 business year (March to February). C4 directed staff to plan far enough in advance for the retreat to secure preferred rooms and lodging at Resort at the Mountain, establishing one of the final two weekends in June as the annual retreat date.</p>
<p>Updates/Other Business</p> <ul style="list-style-type: none"> • JPACT/MPAC Updates • Housing Needs Assessment Update • Other Business 	<p>HNA – County staff announced that DLCD has awarded the county a \$100,000 grant to perform the county-wide Housing Needs Assessment proposed by C4. Notice was sent to City Managers requesting confirmation to participate by September 14.</p>

Adjourned at 8:20 p.m.

Memorandum

To: Clackamas County Coordinating Committee (C4)
From: Brooke Berglund/Randy Ealy, Local Government Affairs
Date: October 04, 2018
RE: Portland General Electric

Overview:

Portland General Electric has been powering our community and helping connect Oregonians to what matters most for more than 125 years. Now, the company is working closely with communities throughout our service area to meet the challenges and opportunities created by new and evolving technologies, changing customer expectations, the threat of climate change, and a shared desire for a clean, reliable and affordable energy future. For Clackamas County, this means we're exploring new streetlight technology in the cities of Milwaukie and Wilsonville and supporting efforts to electrify transportation options, while at the same time working to understand how clean energy technologies, distributed generation and the smart grid will shape future residential, commercial and industrial development. Maria Pope, PGE's President and CEO, will share her vision for Oregon's clean energy future and how PGE's partnership with Clackamas County and the cities within it can help drive this transformation.

Contact Information:

Randy Ealy, Local Government Affairs Manager, 503.464.8144, randy.ealy@pgn.com



Maria Pope
President and CEO

Maria Pope is president and CEO of Portland General Electric. Prior to becoming CEO in 2018, Pope served as senior vice president of Power Supply, Operations and Resource Strategy, overseeing PGE's energy supply portfolio, operations — including wholesale power, fuels, marketing, trading and long-term resource strategy— and generation facilities, including 15 thermal, hydro and wind facilities.

Pope joined PGE in 2009 as senior vice president of finance, chief financial officer and treasurer. She served on PGE's Board of Directors from 2006 to 2008. Prior to joining PGE, Pope was chief financial officer of Mentor Graphics Corporation and served in senior operating and finance positions within the forest products and consumer products industries. She began her career in banking with Morgan Stanley & Co.

Pope serves on the Oregon Global Warming Commission and the boards of Umpqua Holdings Corporation and the Oregon Business Council. She has previously served as board chair of Oregon Health & Science University and served on several other U.S. and Canadian boards. Pope is an alumna of the Stanford Graduate School of Business, and earned her bachelor's degree from Georgetown University.

OREGON'S ENERGY FUTURE

Clackamas County Coordinating Committee

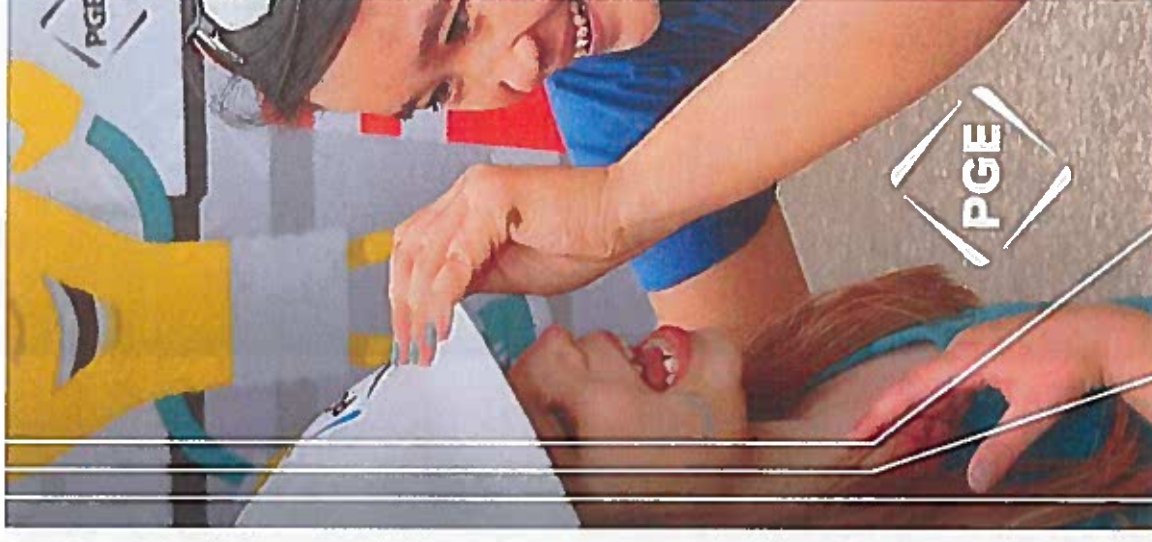
Oct. 4, 2018

Maria Pope
President and CEO



WHO WE ARE

- Serving Oregon area since 1889
- Safe, reliable, affordable
- Serving 50% of all Oregonians; 75% of commercial activity
- Jobs, facilities, taxes and fees support Clackamas County's thriving economy
- 15 generation facilities in Oregon
- 45,000 annual volunteer hours
- Customers at center of all we do

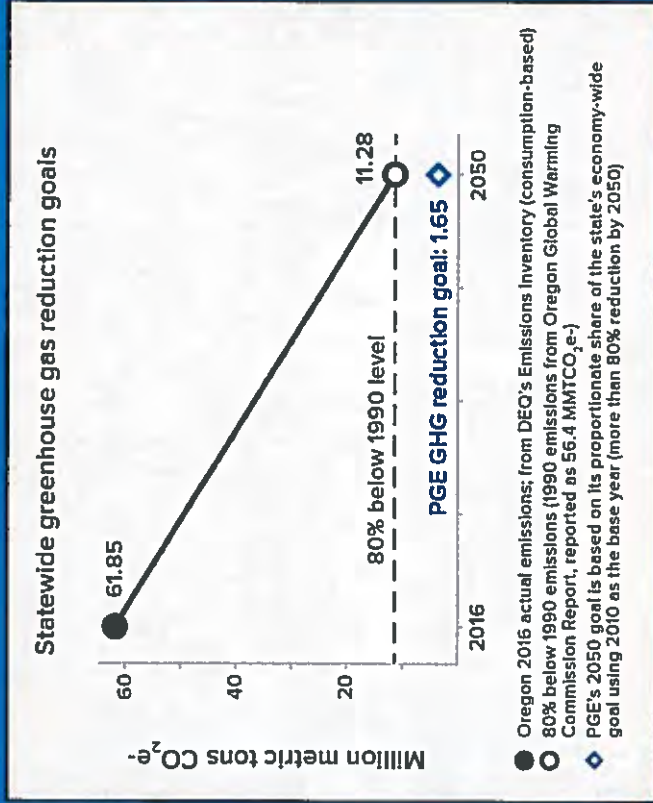


Changing energy landscape

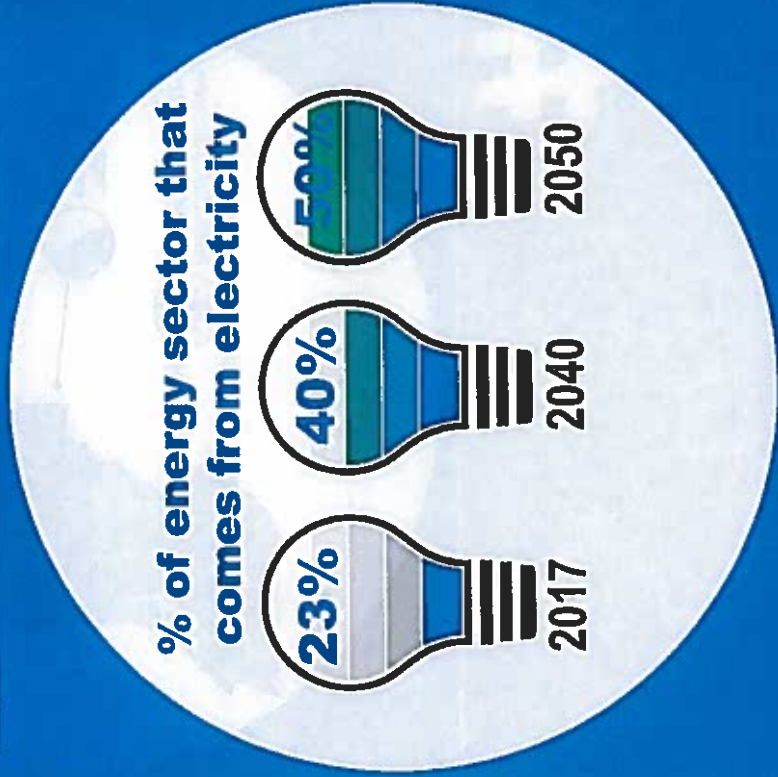


#1 REDUCE CARBON WITH CLEAN, RELIABLE ENERGY

Reduce greenhouse gas by more than 80% by 2050



#2 EMPOWER CUSTOMERS' CLEAN ENERGY CHOICES



- Technology changing rapidly
- 30 to 50% of vehicles will be electric by 2040
- Electricity will be generated from increasingly diverse sources



110 YEAR OLD STRUCTURE ON CR - ESTACADA - rebuild(?)

#3 MODERNIZE GRID TO BE SMART AND RESILIENT



Sensing devices
with two-way interaction
Distributed Storage/Generation

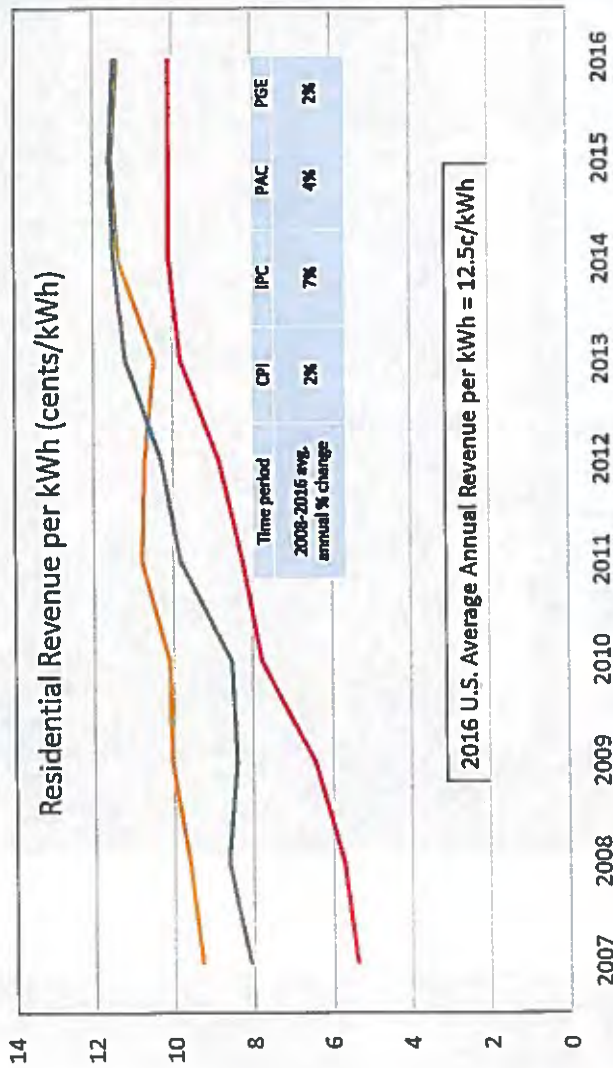
AUTOMATED AND FLEXIBLE GRID



OPTIMIZED & DISTRIBUTED GENERATION



EFFICIENCY AND RELIABILITY



- █ PGE
- █ Pacific Power
- █ Idaho Power Company
- █ CPI Consumer Price Index





CLACKAMAS AND PGE PARTNERSHIP

- Smart city pilots
 - Milwaukie
 - Wilsonville
- West Linn waterfront master plan
- Carbon free energy generation
- Economic development



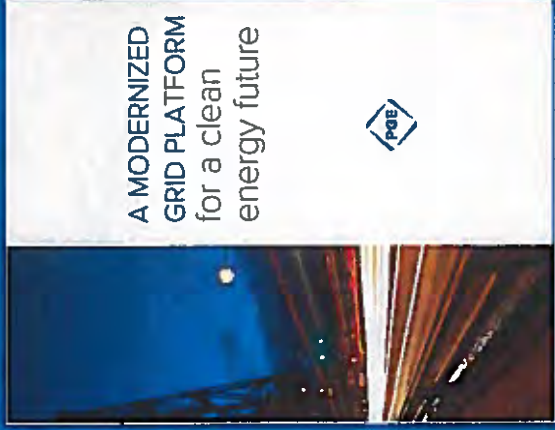
CLEAN, CONNECTED, AFFORDABLE, EQUITABLE



OUR VISION
for a clean
and reliable
energy future



THE PATH TO A
decarbonized
energy
economy



A MODERNIZED
GRID PLATFORM
for a clean
energy future



LEARN MORE ABOUT OUR VISION:

Follow us: @PortlandGeneral

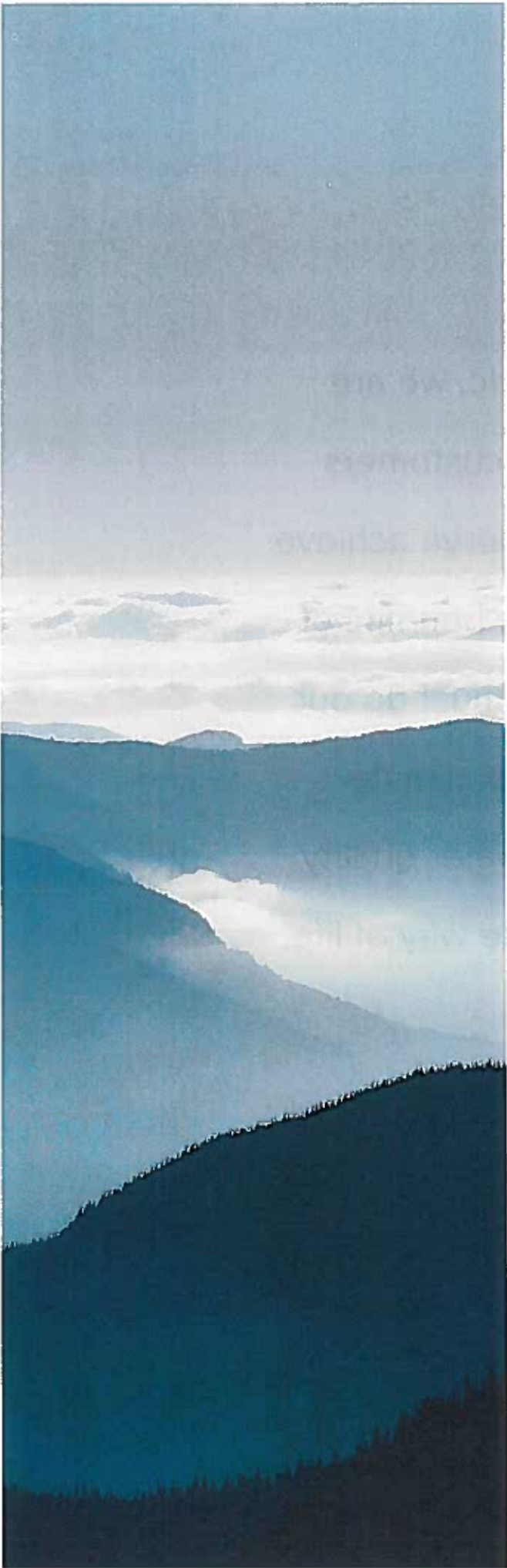


Connect with Maria Pope: <https://www.linkedin.com/in/mariapope/>



QUESTIONS?





OUR VISION for a clean and reliable energy future



At Portland General Electric, we are committed to helping our customers and the communities we serve achieve a clean energy future. The benefits of such a future are real: we must do our part to reduce the threat of climate change, improve air and water quality and live a more sustainable way of life.

Oregonians are at the forefront of a dramatic transformation. Several cities have proclaimed resolutions to move to 100 percent clean and renewable energy, and over 178,000 PGE customers voluntarily participate in the nation's top renewable power program. Additionally, more than 10,000 customers are early adopters of electric vehicles. Oregonians have a pioneering spirit and our customers are taking clear steps to create a clean energy future by making choices and assuming responsibility for their energy consumption.

COMBATING CLIMATE CHANGE

Climate change is having a very real, immediate impact, here and around the globe. It's essential that greenhouse gases are systematically driven out of the energy economy. The Intergovernmental Panel on Climate Change, which includes the world's foremost collection of climate scientists, estimates that limiting global temperature rise to 2 degrees Celsius

above pre-industrial levels will help avert the most destructive impacts of climate change. This global goal was the central aim of the 2015 Paris Climate Agreement. It is a challenging goal that will require the global community work together to dramatically reduce greenhouse gas emissions.

OUR GOAL: A REDUCTION IN GREENHOUSE GAS EMISSIONS OF MORE THAN 80% BY 2050

In the spring of 2017, PGE joined over 2,500 businesses and universities, along with state and local governments, to say #WeAreStillIn by promising to continue to do our part to meet the United States' commitments in the Paris agreement. In addition to driving down greenhouse gas emissions in our resource portfolio, our commitment includes evolving the

smart grid platform to help our customers and Oregon reach our shared emission reduction and sustainability goals. To do this, we will build upon our history of promoting and integrating renewable energy, energy efficiency and rapidly emerging clean technologies such as energy storage and energy flexibility, and by weaving together technology and information through a modern and more resilient energy grid.

Setting our emission reduction goal

We are proud to partner with our state, municipalities and customers to advance a clean energy future. In pursuit of this future, and consistent with our #WeAreStillIn pledge, we are committed to reducing greenhouse gas emissions on our system by more than 80 percent by 2050, consistent with our proportionate share of the state's 2050 greenhouse gas reduction goal.¹ By continuing to drive down our emissions using a diverse portfolio of clean and renewable energy resources, and at the same time promoting economy-wide emission reductions through electrification and smart energy use, we can help the state meet its greenhouse gas reduction goals. A clean energy future that includes transportation electrification has the added benefit of reducing conventional air pollutants, which will greatly improve local air quality.

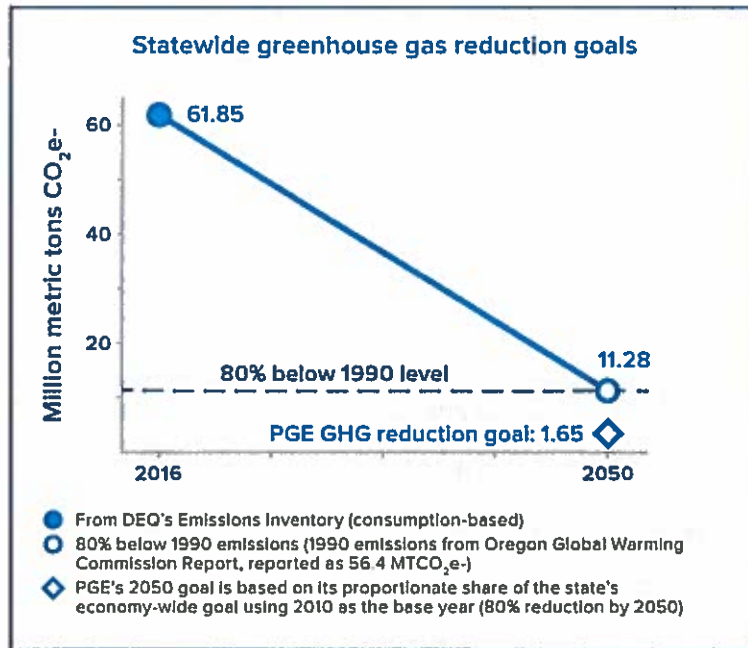
¹PGE's 2050 goal is based on its proportionate share of Oregon's economy-wide goal using 2010 as the base year.

Taking action today and planning for tomorrow

In 2016, we collaborated with environmental groups and customer advocates to pass one of the most progressive clean energy laws in the nation. The resulting landmark legislation — the Oregon Clean Electricity and Coal Transition Plan — sets a target of 50 percent renewable energy by 2040 and also transitions Oregon off of coal-fired electricity by 2035. As a result, Oregon's electricity sector will substantially reduce greenhouse gas emissions; PGE will be 70 percent carbon-free by 2040. And we can't stop there. We have more to do to achieve our new 2050 greenhouse gas reduction goal.

In the near term, we are continuing to pursue renewable resources to meet our customers' needs and decarbonize our portfolio. With the additional 100 MWa

of renewables approved by the Oregon Public Utility Commission in December 2017, we will be on track to serve approximately 50 percent of our customers' energy needs with clean and renewable energy by the end of 2020. Simultaneously, we are deliberately pursuing new renewable product offerings for our customers who want to decarbonize even faster.



**WE ARE PLANNING FOR
NEW, COST-EFFECTIVE
AND MORE SUSTAINABLE
WAYS TO GENERATE
ELECTRICITY USING
RENEWABLE RESOURCES**

As our region's population and industries grow, we are planning for new, cost-effective and more sustainable ways to generate electricity using renewable resources. We are also developing new capabilities to more efficiently integrate these renewable resources into our portfolio to lower costs and enhance reliability. This includes entering the Western Energy Imbalance Market and embarking on new Initiatives to support the development of flexible distributed resources, such as energy storage and smart technologies.

TRANSFORMING FOR A CLEAN ENERGY FUTURE

For more than 125 years, PGE has been powering our customers' lives, delivering energy that is safe, reliable and affordable. Today's customers expect more. They also want their energy to be clean and secure. Our commitment to equitable access and dedication to the communities we serve puts us in a unique position to help lead this energy transformation while also protecting the affordability and reliability of electric service. Success will depend on thoughtful planning, community partnerships, empowering customers and embracing new technologies. Our vision for a clean energy future relies on three interrelated and overarching strategies: decarbonize through investing in clean and reliable energy; modernize through a smarter more resilient grid; and empower our customers in their energy technology choices.

Decarbonize through investing in clean and reliable energy

Through investments in clean and reliable energy resources — on top of our legacy carbon-free hydroelectric and renewable resources — we will dramatically reduce emissions on our system, consistent with our proportionate share of Oregon's 2050 greenhouse gas reduction goal and help others achieve their emissions goals. As the state's largest electric utility, we are positioned to enable the development and integration of clean and reliable resources on behalf of all our customers, serving their needs for both today's energy services and tomorrow's smart, clean technologies.

SUCCESS WILL
DEPEND ON
THOUGHTFUL
PLANNING,
COMMUNITY
PARTNERSHIPS,
EMPOWERING
CUSTOMERS AND
EMBRACING NEW
TECHNOLOGIES

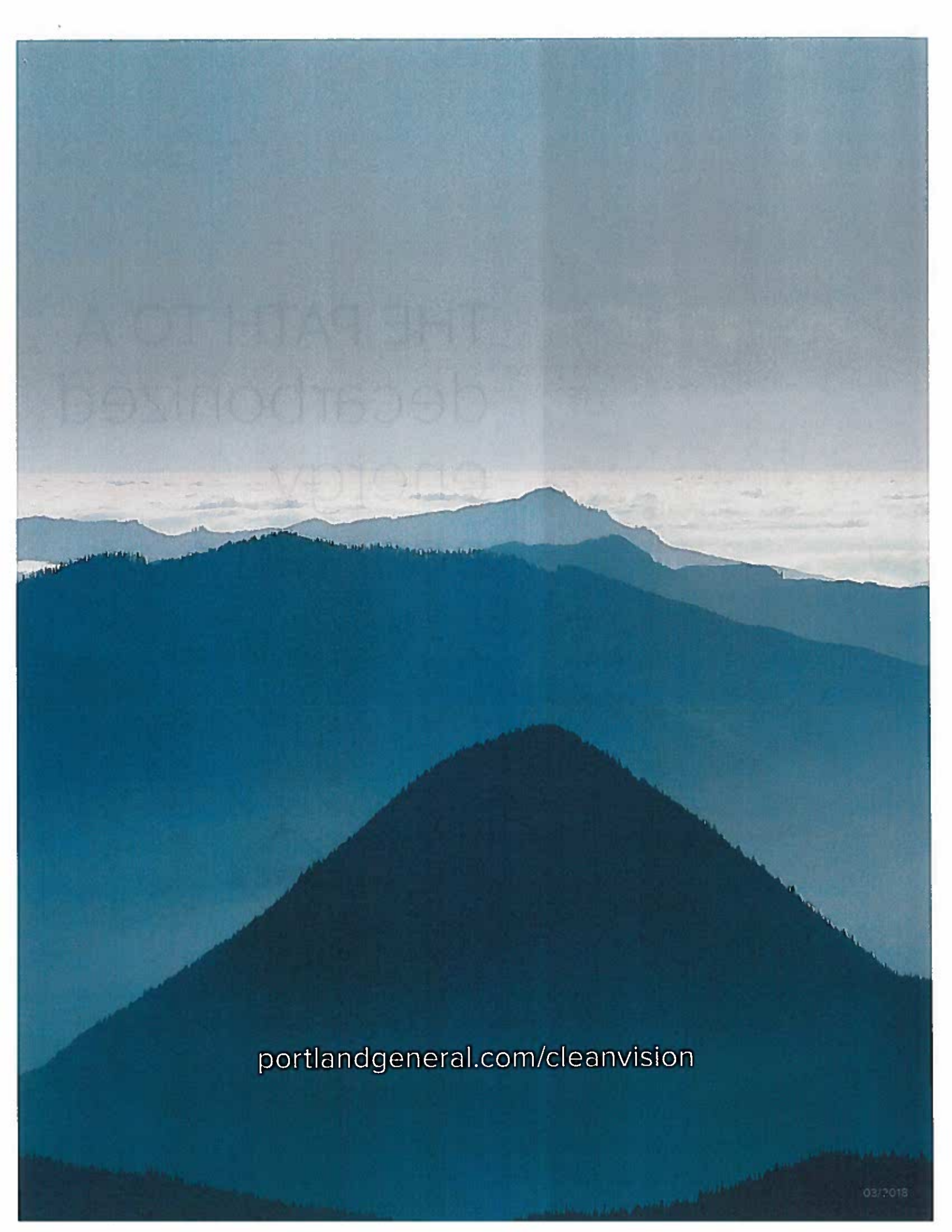
Modernize through a smarter, more resilient grid

We will build and operate a smarter, more flexible and resilient grid to improve operations and enable seamless integration of new technologies. The efficient integration of devices and information will require innovation and development of new grid capabilities. We are committed to providing customers with a platform capable of interconnecting and leveraging these technologies to benefit the communities we serve and support the transition to our clean energy future.

Empower our customers in their energy technology choices

Our customers' expectations are changing as new energy technologies, like solar panels, smart technologies and battery storage, are finally available to suit their desires. We will partner with our customers to integrate their own technologies, provide them with real-time information and maximize usage of clean energy through a modern, enhanced grid.

The world is changing. To lessen the impacts unleashed by climate change, actions to reduce greenhouse gas emissions must be taken at a global level. We all have a role to play in addressing climate change, and we are determined to be part of the solution. Achieving a clean energy future will be challenging; we believe it is attainable and vital to Oregon's future. We also believe the transition should not compromise reliability or affordability for our customers. We welcome the opportunity to work together with our customers, stakeholders and regional partners to make real progress in this transformation.



A PATH TO A
DECARBONIZED
ENERGY

portlandgeneral.com/cleanvision



THE PATH TO A decarbonized energy economy



Today, carbon dioxide and other greenhouse gases (GHGs) are causing global temperatures to rise, leading to potentially devastating effects for the entire planet. To help prevent the most destructive impacts to our environment, the Intergovernmental Panel on Climate Change has proposed a limit for global temperature rise of 2 degrees Celsius above pre-industrial levels. We know that to make meaningful change, everyone — consumers, businesses, industries and governments — must play an active role in reducing GHG emissions.

As Oregon's largest electric utility, Portland General Electric is leading an energy transformation that will harness the power of clean and renewable resources on behalf of all customers. For more than 125 years, we have powered customers' lives with energy that is safe, reliable and affordable. Today, we're also ensuring the energy we provide is clean and secure.

As we change the way we produce and deliver energy, PGE will work closely with regulators, policy makers, customers and other stakeholders to keep electricity equitable. It is part of our mission to provide an accessible, affordable clean energy future to customers in all of the communities we serve.

PGE'S COMMITMENT TO GHG REDUCTION

- 2018** PGE sets a goal to reduce GHG emissions by more than 80 percent by 2050.
- 2017** PGE joins 2,500+ businesses and local governments in the #WeAreStillIn pledge to do our part to meet obligations in the Paris Climate Agreement.
- 2016** PGE joins diverse stakeholders in designing the Clean Electricity and Coal Transition Plan to further progress toward Oregon's GHG reduction goals.
- 2015** PGE signs the White House's American Business Act on Climate Pledge, supporting strong regulation of emissions.
- 2010** PGE reaches an agreement with the Oregon Public Utility Commission and the Oregon Department of Environmental Quality to cease burning coal at our Boardman generating station by the end of 2020.
- 2009** PGE supports the American Clean Energy and Security Act (H.R. 2454), another attempt to establish a national cap-and-trade program for GHGs.
- 2007** PGE and a diverse coalition of stakeholders are instrumental in the adoption of the Oregon Renewable Portfolio Standard.
- 2007** PGE supports the Low Carbon Economy Act (S. 1766), which would have established a national cap-and-trade program for GHGs.
- 2006** PGE CEO Peggy Fowler publicly states it's time for a national, market-based mechanism to reduce GHG emissions economy-wide.

A global imperative takes shape locally

In 2007, the Oregon State Legislature set a goal to achieve GHG levels that are at least 75 percent below 1990 levels by 2050.¹ This reduction target will likely become more stringent as science and policy progress. Recent GHG policy proposals suggest a new 2050 goal of 80 percent below 1990 levels. Additionally, Oregon's Clean Electricity and Coal Transition Plan, enacted in 2016, set a benchmark for how much electricity must come from renewable sources like wind and solar (50 percent by 2040) and requires the elimination of coal from Oregon utility customers' energy supply by 2035.²

Local governments are taking actions on clean energy and GHG reductions, too. In June 2017, Oregon's most populous city, Portland, and most populous county, Multnomah, each announced resolutions to achieve 100 percent clean and renewable electricity by 2035 and 100 percent economy-wide clean and renewable energy by 2050.³ Other jurisdictions in PGE's service area, including the cities of Milwaukie and Hillsboro, are considering similar goals.

These commitments reflect the values held by customers. As an example, PGE has the highest participation in the country, both by percentage and total number of customers, in our voluntary renewable power program. Our research has found the majority of both residential and general business customers expect PGE to provide clean and renewable energy to all customers within 20 years.⁴

Defining PGE's role

At PGE, we believe addressing climate change is our imperative. Consistent with the recommendations of the world's leading climate scientists, PGE's goal is to reduce our GHG emissions by more than 80 percent by 2050⁵ and to be our region's source for affordable and dependable clean energy now and into the future. By continuing to reduce our emissions through a diverse portfolio of clean and renewable resources — while promoting economy-wide emission reductions through energy efficiency, electrification and smart energy use — we can help other sectors of the economy to decarbonize and help the state meet its GHG reduction goals.

PGE'S DECARBONIZATION STUDY

To help us understand the challenges and opportunities ahead, PGE commissioned a deep decarbonization study. The independent study, conducted by Evolved Energy Research (EER), investigated options to reduce GHG emissions for all energy services by 80 percent across our service area. Because electricity accounts for only a portion of GHG emissions, the study also accounted for energy-related emissions from transportation, industry and buildings.

Our study evaluated three future energy scenarios, also known as deep decarbonization pathways: high electrification, low electrification and high distributed energy. Each pathway achieves the steep GHG reductions required, but does so in a unique way.

Meeting the reduction goal will require dramatic progress across the three tactical pillars: energy efficiency, electricity decarbonization and electrification.

Energy efficiency Decarbonization Electrification



Total energy consumption falls due to new efficient technologies

TOTAL ENERGY DEMAND IS LOWER THAN USUAL AS USUAL BY 2050

Renewable development and integration drive GHGs out of the electricity system

CARBON INTENSITY OF ELECTRICITY DROPS BY OVER 90% BY 2050



Electricity fuels new clean technologies like electric vehicles and heat pumps

ELECTRICITY PROVIDES APPROXIMATELY 50% OF ALL ENERGY SERVICES BY 2050

Each pathway achieves steep reductions, which are made possible by transformation across three pillars.

We gained several valuable insights from the study:

- It is possible to meet aggressive GHG reduction goals by 2050 without compromising the services PGE customers expect.
- The work will not be easy. It will require major changes to the way we produce, deliver and use all forms of energy: careful planning by all energy providers in the region; and collaboration across government, industry and businesses, regulators, stakeholders, communities and customers.
- Even with today's technological outlook, the costs to decarbonize over time could be relatively modest. The higher upfront costs for clean technologies like electric vehicles, smart home appliances and renewable energy, are offset by reducing the amount of money spent on fossil fuels. Smart policies can help manage the costs associated with this transition by prioritizing cost-effective GHG reduction strategies. Technological breakthroughs will likely reduce costs even further.

CRITICAL STRATEGIES

There is no single solution to meeting these deep reduction goals; success will depend on collaboration across a number of technical, policy and regulatory issues. PGE has identified several key focus areas, described below. Critical to all of them is cost. Because electricity will be fundamental to this transition, we must keep costs affordable to make it easier for Oregonians to adopt clean energy technologies. PGE is working with policymakers and stakeholders to advance policies, and identify and work through barriers to ensure all customers will benefit from the clean energy future.

Statewide cap on GHG emissions

An economy-wide mandatory cap on GHG emissions could help Oregon realize its reduction goals if the compliance program is designed to protect Oregonians from unnecessary costs. We believe an effective and affordable program is possible, and we are committed to constructive engagement in the ongoing effort to design a statewide cap-and-trade program that protects our residential and business customers. We support resetting the state's 2050 reduction goal to 80 percent below 1990 levels, or the normalized equivalent if using a base year for which better data is available.

Energy efficiency

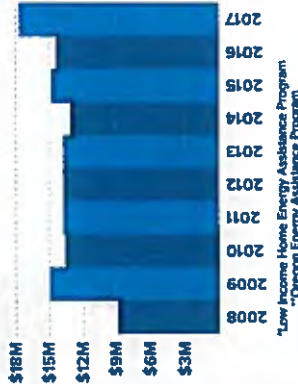
Energy efficiency will continue to be key in reducing GHG emissions. To reach the goals envisioned in PGE's study, the research found total energy consumption across the energy economy will need to drop by about one-quarter to one-third. This will be accomplished through traditional forms of energy efficiency, such as LED lighting and energy-efficient appliances, as well as the adoption of new highly efficient technologies like electric vehicles and heat pumps.

POWER FOR ALL PEOPLE

As we make the transition to a decarbonized future, we are acutely aware of our responsibility to provide affordable access across PGE's service area. We provide an essential service that customers rely on to power their lives and businesses. We have, for many years, worked closely with local Community Action Program agencies, customer advocates, counties, policymakers and other stakeholders to raise income and improve services for our low-income, medically fragile and home-energy-is-essential customers. But, there's more work to do here. We must partner with others to break through economic, cultural and linguistic barriers. We are committed to working with stakeholders to ensure all customers — including low-income people, people of color, seniors and people living with disabilities — have the opportunity to participate in the evolving energy landscape and benefit from new technologies and opportunities.

Energy Assistance Payments to PGE Customers from LIHEAP¹ and OEAP² Funds

Covers 20% of estimated customer need



Keep electricity as affordable as possible. We are working with policymakers and our regulators to keep affordability at the forefront of discussions around the clean energy transition. The transition will require dramatic changes in the way we produce, deliver and consume energy. Careful planning and policy design can reduce the incremental costs of the transition, protecting customers from unnecessary cost impacts. Despite efforts to keep electricity broadly affordable, we recognize that some customers are disproportionately impacted by the cost of their energy bills and need additional assistance to reduce their overall energy burden. Existing assistance programs are effective but insufficient in meeting current needs. It is time for a holistic review of existing weatherization and bill-assistance policies and programs with a focus on identifying barriers for participation and how we can better serve the needs of the most vulnerable members of our community.

Focus on policies, programs and technologies that deliver the biggest GHG reduction "bang for the buck." Utility customers' ability to absorb new costs is limited. It is essential that state policies align with the greater goal of cost-efficient decarbonization, freeing capacity to provide additional support to traditionally underserved communities so they too have meaningful access to weatherization, renewables, electric vehicles and smart grid enabled efficient technologies and appliances.

Offer multiple solutions. When rolling out clean energy options, we will ensure our most vulnerable communities are not left behind. We recognize that customers have differing needs and that "one size fits all" solutions are far from ideal. We'll work to understand the unique needs of the communities we serve and explore how we can expand and refresh existing policies and programs. To increase access for all customers, PGE will also work to identify and remove barriers to program participation.

Protect our most vulnerable customers. We must protect vulnerable customers from predatory situations in which businesses promise benefits that don't manifest.

Be the green energy employer of choice with a workforce that reflects the communities we serve. At PGE, diversity, equity and inclusion are part of our core values — both in how we develop and support our workforce and in how we serve our community. As one of the state's largest employers and as an energy company at the center of the region's clean energy transition, PGE has the opportunity to ensure the clean energy job revolution provides opportunities for all.

Efficient energy use is also critical to managing the individual and collective costs of the transition to a low-carbon future. We, along with our partners, must remain diligent and creative in engaging as many customers as possible in cost-effective energy efficiency. To do this, we must address the access and equity issues that impede some customers from taking advantage of services like free weatherization or rebates for energy-efficient purchases. Working with policymakers and stakeholders, we must also create solutions for multifamily housing and rentals, so the 44 percent of our customers who rent can also enjoy the cost and comfort benefits of energy efficiency.

Renewable development

In the near term, PGE is pursuing renewable resources to meet customers' needs, affordably and reliably. We're on track to serve about 50 percent of customers' energy needs with clean and renewable power by 2021. That's a good start, but we have to do more to meet our 2050 GHG reduction goal and enable the state and local jurisdictions we serve to meet their clean energy goals.

DEVELOPMENT OPPORTUNITIES AND CHALLENGES

Between now and 2050, we anticipate that a significant amount of new carbon-free resources will need to be added to the system to transition to the clean energy economy envisioned in PGE's decarbonization study. While the amount projected in our decarbonization study is well within the renewable resource potential of our region, it represents a ten-fold increase compared to the renewables we have today.

The scale of development required in the coming decades will call for a coordinated effort to develop and integrate renewable resources. This effort would benefit from streamlined permitting, transmission coordination and planning and the timely deployment of capital. PGE will continue to work with stakeholders at the local, state and federal levels to ensure barriers to cost-effective renewable development and access to transmission in the West are reduced. We will also work with stakeholders and regulators through our Integrated Resource Planning process to plan for cost-effective renewable resource procurement as clean technology costs continue to decline.

GREEN OPTIONS FOR CUSTOMERS

Customers' desire to decarbonize their personal energy use provides a valuable boost for reaching GHG goals. PGE is taking steps to ensure all customers can meet their clean energy goals, including a new green tariff option.

THE ROLE OF DISTRIBUTED GENERATION

While research suggests large-scale renewable resource development will be critical to meeting long-term GHG reduction goals, we also know distributed generation, like rooftop solar, empowers customers to participate in the clean energy economy and accelerates decarbonization of our energy system. We're working to help

customers adopt clean distributed technologies while integrating them onto the grid, so distributed resources can benefit all customers. To make the most of distributed technologies, we are evolving our processes, from long-term planning to real-time power management operations. Our goal is to provide an integrated platform to connect customers and their clean energy technologies to the community and to the broader Western energy markets. To learn more about what we're doing to support clean technologies on our distribution system, see our paper on grid modernization.

Transportation electrification

Today, about 40 percent of Oregon's GHG emissions come from transportation — and these emissions are expected to grow. If Oregon is to achieve its GHG reduction goals, that trend must reverse. Switching vehicles from running on fossil fuels to electricity is an essential step toward a clean energy future. In addition to reducing emissions and improving air quality along major corridors, transportation electrification can help us use clean energy resources more efficiently and improve the

resilience of our grid by tapping electric vehicles (EVs) for power storage.

PGE's decarbonization study projected that charging EVs on a low-carbon grid could decrease overall passenger transportation GHG emissions by 95 percent. Our communities can realize additional reductions by electrifying buses, delivery vehicles and intermodal freight trucks — giving customers the ability to choose electric and clean regardless of their mode of transportation or need. Keeping electricity affordable is an important part of helping Oregon families, businesses, school systems and local governments to make this transition.

PGE is working to increase the adoption of EVs and expand access to electricity as a transportation fuel for all customers. We are also focused on efficiently integrating vehicle charging to realize the grid benefits that flexible battery loads can provide. Today, we're deploying charging infrastructure, streamlining processes for customers to add their own chargers and creating rates that support EV adoption. Looking forward, we're evaluating programs to make it easier for customers to install smart and connected charging in their homes and businesses to support flexible loads.

In the future, consumers will have a larger selection of vehicle types that will all be supported by a ubiquitous network of smart chargers living at the intersection of the transportation sector and the electric utility. To be ready for this future, we'll need policies that support common industry standards, ensure equitable access and reduce deployment costs.

SWITCHING VEHICLES FROM RUNNING ON FOSSIL FUELS TO ELECTRICITY IS AN ESSENTIAL STEP TOWARD A CLEAN ENERGY FUTURE

Flexible operations

In the Pacific Northwest, we benefit from investments made over the last century in clean and flexible hydropower. In a deeply decarbonized future, the regional electricity system will need to complement the hydropower system with new approaches to improving flexibility, both across the West and here in Oregon.

REGIONAL COORDINATION

The development and integration of renewable resources at the scale required in the coming decades will depend on improved coordination across the West. PGE took an important step in this direction in 2017 by joining the Western

Energy Imbalance Market — a real-time energy wholesale market that automatically dispatches the lowest-cost electricity generating resources available to customer needs within the hour, while optimizing use of renewable energy over a seven-state region (plus a Canadian province). Going forward, we'll identify and evaluate opportunities to improve regional coordination, with the goal of joining a broader organized market when it is in the best interest of customers and Oregon.

FLEXIBLE LOADS

We recognize that as customers adopt new clean technologies like electric vehicles, water heaters and heat pumps, the flexibility of these resources will be increasingly valuable in integrating renewable energy efficiently and affordably. We will develop programs and implement the technologies needed to enhance grid flexibility through the participation of these new electric loads. This will help us make the best use of variable renewable resources, like wind and solar, when they are available, and to reduce costs when they are not. In PGE's decarbonization study, we found that operating these new electric loads flexibly will be critical to ensuring the transition to a low-carbon economy is as efficient and affordable as possible.

Today, we're implementing pilot programs to test flexible load technologies and programs with customers. We'll also work with policymakers to encourage updated codes and standards that advance the use of smart electric appliances and incentives that support the adoption of smart technologies as appliances are replaced.

ENERGY STORAGE

Energy storage technologies can help us integrate renewables and better support our grid. By 2020, we will expand upon our pioneering work on battery storage at the Salem Smart Power Center with new pilot programs and projects. These will focus on enabling customer adoption, improving flexibility, contributing to reliability and resiliency and supporting our grid.

GRID MODERNIZATION

At the core of our transformation will be the development of a modernized smart grid that is flexible, reliable and highly integrated. As outlined in our grid modernization paper, PGE will be transforming the grid to integrate new technologies, improve real-time power management operations and better coordinate with the rest of the West to ensure customers have the most reliable and affordable access to the clean power they expect.

NEXT STEPS

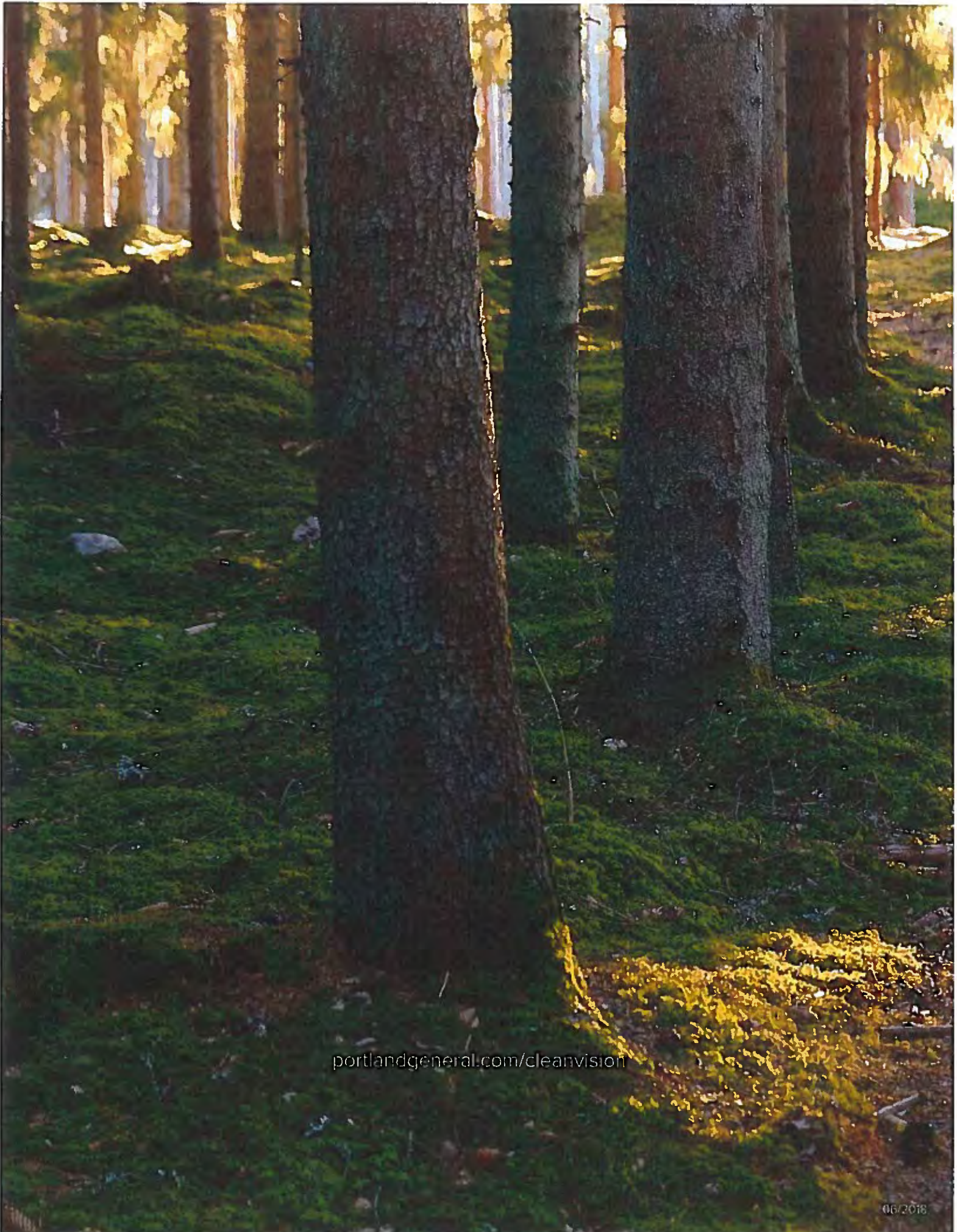
PGE is proud to partner with local, state and federal policy makers, municipalities, regulators, customers and stakeholders to advance a clean energy future that will help address climate change, promote healthy communities and deliver affordable, reliable power. As our region's population and industries grow, PGE is examining options through our Integrated Resource Planning process to meet the demand for energy with cost effective energy efficiency and clean and renewable resources. We're also developing new capabilities around distributed and flexible resources, like energy storage and flexible loads, to more efficiently integrate these resources into our portfolio to lower costs and maintain reliability. Furthermore, we're working with all of our stakeholders to ensure this transition is affordable, accessible and equitable for all customers and communities. By partnering with customers and communities, we can realize a more sustainable future for all Oregonians.

AS CUSTOMERS ADOPT NEW CLEAN TECHNOLOGIES LIKE ELECTRIC VEHICLES, THE FLEXIBILITY OF THESE RESOURCES WILL BE INCREASINGLY VALUABLE IN INTEGRATING RENEWABLE ENERGY EFFICIENTLY AND AFFORDABLY

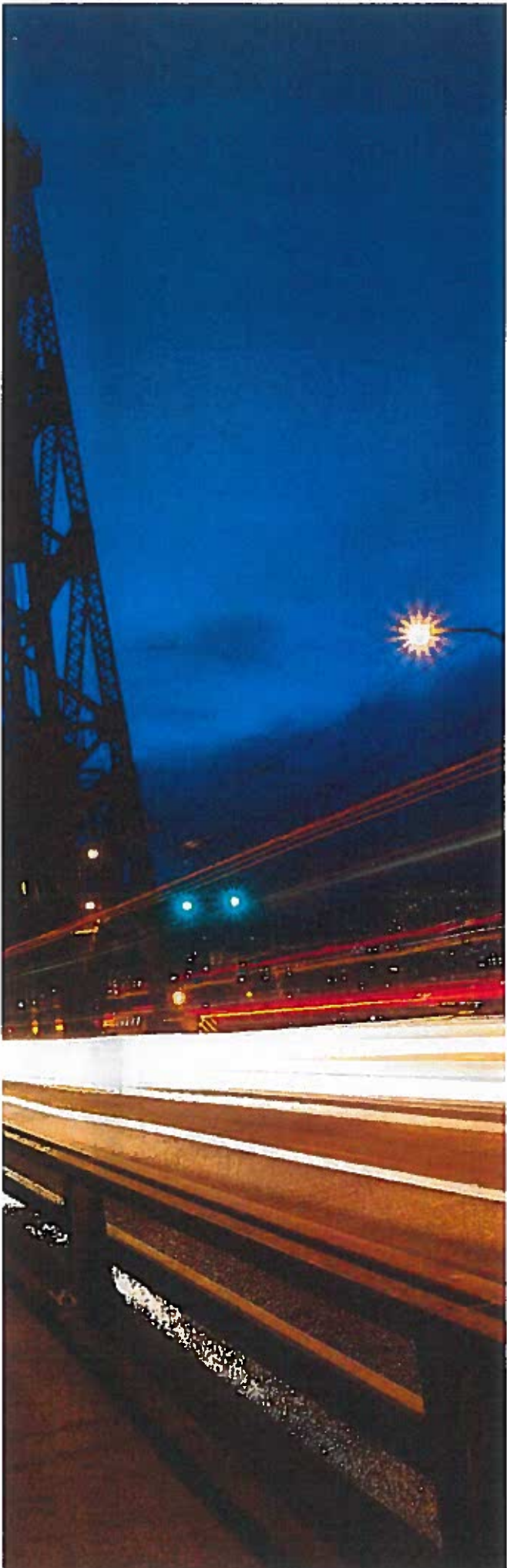
1. "Understanding the IPCC Reports," World Resources Institute, accessed March 15, 2018, <http://www.wri.org/ipcc-infographic>.
2. "Chapter 468A — Air Quality," 2017 Edition, Oregon State Legislature, 2017, https://www.oregonlegislature.gov/bills_laws/orsn/orsn468a.html.
3. "Renewable Portfolio Standard," Oregon Department of Energy, accessed March 15, 2018, <http://www.oregon.gov/energy/energy-oregon/Pages/Renewable-Portfolio-Standard.aspx>.
4. "Portland, Multnomah County set 100% renewable energy goal," The Oregonian, June 1, 2017, http://www.oregonlive.com/portland/index.ssf/2017/06/portland_multnomah_county_100.html.
5. PGE's Customer Insights Survey, presented at the February 14th 2018 IPP Roundtable Meeting. Available at: <https://www.portlandgeneral.com/media/publications/energy-strategy/decarbonization/2018-02-14-ipp-presentation.pdf#view>.
6. PGE's 2050 goal is based on its proportionate share of Oregon's proposed mandatory economy-wide goal, using 2010 as the base year. "Oregon Clean Fuels Program," Oregon Department of Environmental Quality, accessed March 15, 2018, <http://www.oregon.gov/deq/depw/Programs/Pages/Clean-Fuels.aspx>.
7. "Oregon Clean Fuels Program," Oregon Department of Environmental Quality, accessed March 15, 2018, <http://www.oregon.gov/deq/depw/Programs/Pages/Clean-Fuels.aspx>.

ADDITIONAL RESOURCES

PGE Clean Energy Vision portlandgeneral.com/clean/vision/	PGE energy storage proposal portlandgeneral.com/2018/storagepotential	PGE Green Future™ program portlandgeneral.com/greenfuture
PGE Decarbonization Study report portlandgeneral.com/decarbonstudy	PGE energy strategy portlandgeneral.com/energystrategy	Electric vehicles and charging stations portlandgeneral.com/ev
PGE green leaf program portlandgeneral.com/greenleaf	PGE Integrated Resource Plan portlandgeneral.com/resourceplanning	PGE strategy paper A modernized grid platform for a clean energy future



portlandgeneral.com/cleanvision



A MODERNIZED grid platform for a clean energy future



The modern electric grid
is the platform to enable
a lower-carbon future
for all sectors of the
economy, from utilities to
transportation to industry.

Our world is changing — and so is how we create and use power. Until recently, electricity has flowed pretty much as it had for more than a century — in a one-way stream from where it's generated to where it's used. But new smart grid technologies create a two-way exchange of electric power and information that helps us make our system more efficient and more reliable for customers. The modern grid will empower customers to take advantage of the cleanest energy sources, lower their overall household energy spending and partner with their utility to help decarbonize our economy.

The smart grid allows us to work in collaboration with customers to integrate renewable energy and other technologies that improve efficiency and drive decarbonization. These efforts can be something as simple as customers installing solar panels to reduce their electric bills, which also play an integral part in addressing climate change. In essence, the modern electric grid is the platform to enable a lower-carbon future for all sectors of the economy, from utilities to transportation to industry.

At Portland General Electric, our mission is to connect customers with what matters most, and our imperatives are to address climate change and ensure equity in the transition to a clean energy future. We are enhancing our grid to enable a seamless platform that launches our economy into an affordable, equitable, resilient, safe and clean energy future. These enhancements include:

- The increasing availability of clean, renewable sources like wind and solar.
- The use of electricity for more things like electric vehicles and heat pumps.
- The integration of new, geographically diverse energy markets.
- The deployment of new technologies like storage, communications networks, automation and control systems for flexible loads and distributed generation.
- The development of connected neighborhood microgrids and smart communities.
- The use of data and analytics to better predict demand and support energy-saving customer programs.

Building on our foundational infrastructure, nearly 130 years in the making, PGE is creating an electric grid that's more flexible, resilient and integrated — in a word, smarter. The modernized grid complements our transmission and distribution system operations as we continue to harness new technologies and move toward our clean energy future.

Preparing for the future

Between now and 2050, we estimate that our service area will need about 10 to 15 gigawatts of new renewable resources to transition to a clean energy economy. While this amount is within the total renewable resource potential of our region, it represents a ten-fold increase in our current renewables. Expanding our use of energy storage will also help integrate new renewable resources while supporting grid operations. Furthermore, by updating our communications and control systems, we'll support new customer technologies, smart cities and more efficient grid operations.

Integrating our grid and markets

As we look forward, building the smart grid on our distribution system foundation requires the integration of multiple levels of our generation, transmission, distribution and customer systems. Grid stability has traditionally been managed on the transmission system, but this must expand to include the distribution system. Ultimately, an integrated grid will accelerate our deployment of renewable energy, create better experiences for customers, support system-wide optimization and lower energy costs for everyone.

This integration is also key to obtaining the lowest cost renewables for customers. With more renewables being added to the system, there are times when their variable output outstrips customers' need for power. As a result, that low cost renewable energy is often curtailed. Because PGE is part of an integrated Western grid, we're able to take advantage of that low-cost resource for our customers whenever possible. We support enabling customers who want to install distributed resources like rooftop solar. Through when it comes to the lowest cost renewable energy available, that usually isn't coming from your neighbor's roof — it's grid-scale wind projects or the excess renewable energy generated elsewhere on the Western grid.

RAPID ADOPTION OF NEW TECHNOLOGIES

From now to 2030, we estimate:

 We'll need about 2.5 times the wind and solar we have today to meet customer demands with renewable energy.

 We'll see a ten-fold increase of energy storage capabilities on the grid.

 Demand response programs will increase ten-fold.

 Electric vehicles charging on the grid will increase twenty-fold.

STRATEGY IN ACTION

Meeting demand on the hottest day of the year On August 3, 2017, our service area reached a record 105 degrees Fahrenheit — and PGE reached an all-time record summer energy peak at 3,974 MW.

Prior to the heat wave, we had integrated data from our smart meters with our outage management system to identify transformers that needed to be upgraded or replaced. We had also implemented 13 MW of demand response and other dispatchable resources. Finally, we had upgraded substations with advance communications and control systems. All our work kept customers comfortable on the hottest day of the year.

CREATING AVAILABLE, FLEXIBLE ENERGY

In this new era of dynamic electricity use, PGE is integrating flexible electricity use and generating resources while driving affordability and accessibility. This paper outlines a number of focus areas, projects and plans designed to help us meet our goals. We are working to apply an equity and inclusion lens to all we do, acknowledging that we are learning more and trying to get better at this as we move forward.

STRATEGY IN ACTION

Salem Smart Power Center: Energy storage and grid frequency stabilization

The Salem Smart Power Center was developed by PGE and our partners as part of the largest regional smart grid demonstration at the time — the Pacific Northwest Smart Grid Demonstration Project.

The project used state-of-the-art storage batteries to show how variable renewable sources, such as solar and wind, may be stored for later use. When power sagged briefly on the regional transmission system in February 2015, the batteries immediately fed 5 MW back onto the grid to help stabilize grid frequency.

Energy for everyone

As the state's largest electric utility, our social compact has been to keep energy affordable and accessible to all customers. We have worked over the years with partners to create programs and policies to help customers who have historically experienced systemic and social barriers to affordable and reliable energy because of economics, geographical location or language barriers. For example, working with Community Action Partnership Agencies and counties, we have a system that makes available low-income bill payment assistance, low-income weatherization, time payment assistance and other ways to help customers pay their bills.

In the future, maintaining a just and equitable energy system means recognizing that energy is an integral part of the fabric of our society that is growing in importance. It also means thinking creatively about how communities benefit from the clean energy future, from access to clean technologies to jobs at PGE and elsewhere. Maintaining a just and equitable energy system means embracing the role we play as conveners of access to healthier, more equitable resources. When the community bands together to do their part to lower costs and support for cleaner alternatives, the benefits are far reaching.

IN THE FUTURE, MAINTAINING A JUST AND EQUITABLE ENERGY SYSTEM MEANS RECOGNIZING THAT ENERGY IS AN INTEGRAL PART OF THE FABRIC OF OUR SOCIETY THAT IS GROWING IN IMPORTANCE

Greater flexibility with energy storage

Historically, utilities have been able to alter generation to balance energy supply with demand, which fluctuates throughout the day. To maximize the use of renewable resources like wind and solar, which generate variable amounts of power during the day, flexibility must increase. Energy storage systems like batteries and electric vehicles, store electricity during periods of high generation and provide it back to the grid during peak usage times. PGE is turning to energy storage as a way to leverage more renewable resources and maintain reliability, while helping regulate the grid. Looking to the future, when used in conjunction with microgrids, energy storage can also supply power to customers during outages. These local microgrids can meet the needs of customers in a particular area during wide-area events impacting the grid.

More efficiency through automation and control

By automating and optimizing our operations, we can make our transmission and distribution (T&D) system smarter than ever. We're deploying advanced sensing equipment and automation across our system. We'll further enhance grid efficiency through voltage optimization, which improves energy efficiency and reduces energy usage.

Imagine a grid that can automatically identify outages, diagnose problems and restore power to customers. Distribution Automation (DA) uses digital sensors and switches to manage the flow of power without manual intervention. This can shorten the duration of outages and reduce the number of impacted customers by two-thirds, leading to greater reliability and cost savings.

IMAGINE A GRID THAT CAN AUTOMATICALLY IDENTIFY OUTAGES, DIAGNOSE PROBLEMS AND RESTORE POWER TO CUSTOMERS

Lower costs through flexible loads

When we can reduce the demand on our grid during peak times, we can deliver power at lower costs. Flexible load strategies, such as demand response, include customer programs like flexible pricing, building management systems, smart thermostats and smart water heaters — all of which help us balance power supply with power use by shifting load to non-peak times. From 2016 to 2021, PGE will increase demand response capacity in our service area by more than 500 percent. Our approach places PGE as a leader among utilities in the Pacific Northwest.

Demand response strategies also empower customers to control their power costs while keeping long-term prices low for our entire community. For example, as part of our smart thermostat program, customers save money by telling their thermostats to make decisions based on the cost of energy, the weather and comfort.

Smarter decisions with analytics and forecasting

Data, when coupled with analytics, are powerful. PGE is learning more about the demands on our grid and how to bring energy to customers more effectively by analyzing data from smart meters and other sources, including distributed energy resources.

Smart meters are fundamental to our smart grid, and we've been using them across our system for a decade. These meters, along with advanced weather forecasts, help predict how much electricity customers use on hot summer days or how much energy is being produced from sources like rooftop solar. PGE will monitor voltage in near-real-time to help identify abnormal conditions and analyze outage data to determine the cause, so we can shorten restoration times or avoid the outage altogether.

Better protection with physical and cyber security

As systems become more sophisticated, it's critical that we continue to protect our energy delivery, data and employees against both physical and cyber threats. Our Integrated Security Program focuses on the safety, protection and reliability of our operations and information. This means anticipating business needs and maintaining our security expertise so we can respond quickly to threats and be responsible stewards of customer information.

A reliable, resilient foundation

By strengthening the safety and reliability of our grid, we can ensure the best experiences and opportunities for customers. We're focusing our efforts where they'll make the most impact. This involves replacing aging equipment, redesigning parts of our T&D system and targeting areas prone to

weather-related outages. To prepare for a grid with two-way power flow, we are proactively integrating modern equipment that includes enhanced monitoring and control. These enhancements will allow us to partner with customers to build resilient microgrids, limiting widespread outages during major storms or earthquakes.

STRATEGY IN ACTION

Operational technology enables market access

Energy market participation requires the control of generation resources and significant data about the grid to ensure effective dispatch of resources. To support participation in the Western EIM, PGE deployed new operational technology.

- Telecommunications infrastructure allows data exchange with market operators.
- High-accuracy meters measure energy exchange.
- Supervisory Control and Data Acquisition (SCADA) systems allow real-time monitoring and detailed system modeling.
- Automatic Generation Control (AGC) systems enable remote, efficient dispatch of energy resources in conjunction with market and system needs.

INTEGRATION: BETTER TOGETHER

In the deeply decarbonized energy future we envision, electricity systems will efficiently integrate vast amounts, sizes and types of renewable sources, as well as new technologies. From modernizing our communications to determining where distributed energy resources will offer the most value, integration is a key theme in our modernized smart grid.

Fast, secure data with upgraded communications

For our grid to be truly integrated, all equipment, devices and systems — including those at customer premises — must communicate with each other and PGE quickly and securely. PGE is developing new capabilities for data and systems interoperability that will enable us to ingest large volumes of data from generation, transmission, distribution, meter and home appliances to drive even more efficiencies in how we manage energy. Visibility into, and integration of, this data is critical in our path to create the smartest and cleanest energy for customers. We're also continually investing in our fiber optic network, and in 2016, PGE purchased wireless communication spectrum that covers our service area as part of a long-term strategy to support our smart grid.

STRATEGY IN ACTION

Rush Hour Rewards: Smart thermostats save money

In 2015, PGE launched a smart thermostat program. The Rush Hour Rewards program achieved large demand reductions, averaging about 0.8 kW per customer in the summer — the equivalent total savings of about 17 kWh.

Today, about 4,800 PGE customers are enrolled in Rush Hour Rewards, with a capacity of 3.8 MW. Our goal is to reach enrollment of 15,500 thermostats for 5.44 MW of demand response.

More value with

Distribution Resource Planning

Customers are bringing more distributed generation resources, like rooftop solar, onto the grid. These will play a key role in our clean energy future. PGE is working to ensure that all customers can benefit from distributed energy resources, which can lower energy costs for the community as a whole, especially when paired with energy storage and flexible loads. PGE is developing a Distribution Resource Planning (DRP) process in conjunction with our Integrated Resource Planning (IRP) and Transmission Planning processes. As customers add new

technologies — like EVs, heat pumps and rooftop solar — we will continue to model, customize and optimize the system. This involves forecasting where distributed energy resources will be installed on the system, planning and prioritizing local and modernization, and engaging in public and regulatory processes. We want to work with customers to deploy diverse energy solutions, enabling them to contribute to our decarbonized energy future. Together, we will increase efficiency and decarbonize.

A strong core with integrated operations

Our modernized grid must have a strong center of operations that fully monitors and integrates new energy resources and flexible loads, along with traditional utility operations and community resiliency initiatives.

As generation sources are added to our distribution system, we'll need to evolve our conventional way of balancing load and generation on the grid. In 2017, PGE joined the Western Energy Imbalance Market (EIM) — a real-time energy wholesale market that automatically dispatches the lowest-cost electricity generating resources available to customer needs within the hour, while optimizing use of renewable energy over a seven-state region (plus a Canadian province). Our participation in the EIM is managed through our operations center, where we will also soon house our Advanced Distribution Management System (ADMS). This will integrate our smart grid with distributed energy resources and demand response systems. In effect, our operations center will soon be the brain that processes signals from our modern smart grid, enabling optimal system operations.

Extending market access

The evolution of our grid and technology investments positions PGE to partner with customers on the selection, integration and operation of energy resources. We have a unique ability to support customers' specific goals while maintaining the lowest-cost solutions for reliable grid operations. We already realize value in aggregating customer generators, which fills an important role in providing reliability services during grid disturbances, while also serving the needs of their owners as localized back-up power.

Additionally, we have demonstrated our ability to achieve value in multiple energy markets and have already implemented the systems that allow for real-time trading in the Western EIM. Our demonstrated competency in leveraging market opportunities is a great fit for customers who seek value from their energy assets by accessing those markets.

SUMMARY

PGE's proactive investments in an integrated smart grid platform are enabling the clean energy future that we, together with customers, envision. With a modernized grid, we will:

- Accelerate the path to clean, renewable energy sources while maintaining equity, efficiency and reliability.

- Foster the adoption of distributed energy resources, and ensure that they are fully integrated and backed by system-wide resiliency and security.
- Improve automation throughout the grid to create further efficiencies, increasing reliability for customers.
- Integrate customer technologies to enable transportation electrification, smart communities and customer choice.
- Ensure customers can participate in the smart grid, help address climate change and reduce their overall spending on energy.
- Provide great family-wage clean energy jobs with a diverse workforce that reflects the communities we serve.

Welcome partnerships with other utilities, industries and customers. Initiatives like the Western Energy Imbalance Market prove utility collaboration and benefits across the region are possible, both in the form of more efficient operation of the system and the potential for better utilization of renewable energy resources.

As we move toward our modernized grid, we are prioritizing our investments based on what customers want today, as well as their expectations for tomorrow.

ADDITIONAL RESOURCES

PGE Clean Energy Vision
portlandgeneral.com/energy/visionpdi

PGE Decarbonization Study report
portlandgeneral.com/deepdecarbstudy

PGE green tariff program
portlandgeneral.com/greentarrif

PGE energy storage proposal
portlandgeneral.com/2018storageplan

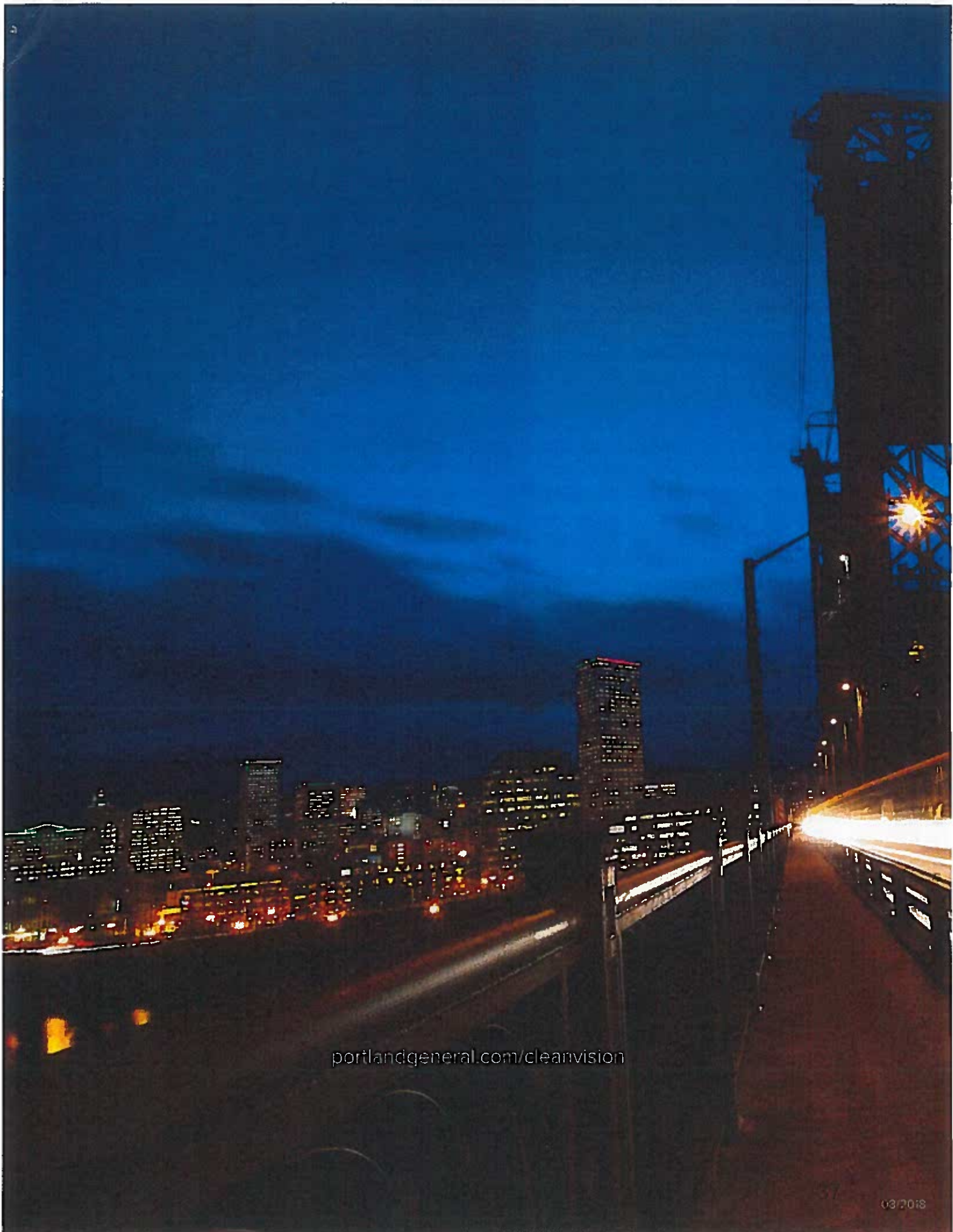
PGE energy strategy
portlandgeneral.com/energystrategy

PGE Integrated Resource Plan
portlandgeneral.com/resources/irp

PGE Green Future™ program
portlandgeneral.com/greenfuture

Electric vehicles and charging stations
portlandgeneral.com/ev

PGE strategy paper
The path to a decarbonized energy economy



portlandgeneral.com/cleanvision

Memorandum

To: Clackamas County Coordinating Committee (C4)
From: Emmett Wheatfall, Assistant County Administrator – Clackamas County
Date: October 04, 2018
RE: Equity and Diversity Opportunities for Public Agencies

Overview:

Clackamas County wants to partner with cities that are working to create workplace values geared towards inclusive and equitable services and employment. While the intention to make these changes is always good, we also understand that resources are sometimes limited to do this well, thoughtfully, or effectively.

Clackamas County has been working for 10 years to build an identity as an equitable service provider and a safe, welcoming work place. And we are not done! But we feel we are in a place where our work can be a resource for partnering agencies and public employees throughout Clackamas County.

I plan to reach out to city managers in October to begin discussion on what this could look like and learn if there is interest in working together. How great would it be for the public and our talented, deserving employees to be treated fair and equitably no matter which public agency they visit or work for within Clackamas County!

One upcoming opportunity is the 2018 NW Public Employees Diversity Conference on October 23, 2018.

Contact Information:

Emmett Wheatfall, Assistant County Administrator
503-655-8291 | ewheatfall@clackamas.us



AGENDA ITEM

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

Background:

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



AGENDA ITEM

Agenda Item: Adjourn Executive Session
Item No.: 14
Presenters: N/A

Background:

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