

# **OAK LODGE WATER SERVICES DISTRICT**

## **BOARD OF DIRECTORS**

### **REGULAR MEETING**



**January 18, 2022**

**“Enhancing Our Community’s Water Environment”**



**REMOTE MEETING**

Board Attendance by Zoom Video/Telephone

Public Attendance by Telephone Only

**January 18, 2022 at 6:00 p.m.**

1. Call to Order and Meeting Facilitation Protocols

2. Call for Public Comment

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

3. Monthly Update: Oak Lodge Governance Project

4. Appointment of 2022 Board Officers

5. Assignment of 2022 Board Liaisons

6. Consent Agenda

a. November 2021 Financial Report

b. Approval of December 21, 2021 Regular Board Meeting Minutes

c. Approval of On-Call Contract for Boardman and Arista Flooding Alternatives Analysis

7. Business from the Board

8. Department Reports

a. Human Resources

b. Finance

c. Technical Services

d. Field Operations

e. Plant Operations

9. Call for Public Comment

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

10. Adjourn Regular Meeting



## AGENDA ITEM

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<b>Title</b>	Call for Public Comment
<b>Item No.</b>	2
<b>Date</b>	January 18, 2022

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### Summary

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

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

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



## AGENDA ITEM

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<b>Title</b>	Monthly Update: Oak Lodge Governance Project
<b>Item No.</b>	3
<b>Date</b>	January 18, 2022

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### Summary

The Board of Directors has extended an invitation to the Oak Lodge Governance Project for a monthly update to assure the availability of current and accurate information to the District's customers.



## STAFF REPORT

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**To** Board of Directors  
**From** Sarah Jo Chaplen, General Manager  
**Title** Appointment of 2022 Board Officers  
**Item No.** 4  
**Date** January 18, 2022

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### Summary

The Board of Directors self-appoints officers for the following positions: President, Secretary/Vice President, and Treasurer.

### Background

As a Joint Special District, Oak Lodge Water Services District (OLWSD) has the powers and authorities granted to both Water Districts and Sanitary Districts pursuant to ORS Chapter 264 and ORS Chapter 450, respectively. Both statutes provide that Officer elections shall occur at the first business meeting in January of each year.

### Past Board Actions

December 19, 2017 The Board identified and reaffirmed the Board Officer positions to be filled as the following: President, Secretary/Vice President, and Treasurer.

January 19, 2021 The Board appointed the following members to Officer positions: Paul Gornick as President, Ginny Van Loo as Secretary/Vice President, and Mark Knudson as Treasurer.

### Suggested Board Motions

*"I move to appoint \_\_\_\_\_ as President for 2022."*

*"I move to appoint \_\_\_\_\_ as Secretary/Vice President for 2022."*

*"I move to appoint \_\_\_\_\_ as Treasurer for 2022."*



## STAFF REPORT

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**To** Board of Directors  
**From** Sarah Jo Chaplen, General Manager  
**Title** Assignment of 2022 Board Liaisons  
**Item No.** 5  
**Date** January 18, 2022

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### Summary

The Board of Directors self-assigns liaisons to various community groups to further the mission of the District.

### Background

The Board of Directors will review the liaison assignments annually to:

- Add or remove community organizations to which the Board assigns liaisons.
- Assign Directors to both primary and alternate liaison positions for each organization.

Currently there is an open position on the Board of Directors. Liaison assignments may be assigned on an interim basis and revisited after filling the open Director position.

### Past Board Actions

November 19, 2019 The Board reassigned liaison duties due to Director vacancy & appointment.

### Recommendation

No official action is needed. However, Staff recommend Board consensus on:

- The community organizations to which the District assigns liaisons, and
- Directors assigned as primary and alternate liaisons to each organization.

### Suggested Board Motion

No motion is needed.

### Attachments

1. 2021 Liaison Assignments
2. Draft 2022 Liaison Assignments

**Oak Lodge Water Services  
2021 OLWS Board Member Liaison Assignments**

<b>Board/Committee</b>	<b>Current Primary</b>	<b>Current Alternate</b>	<b>Meeting Schedule</b>
Clackamas River Water	Kevin Williams	Paul Gornick	Monthly - Second Thursday, 6 p.m.
Sunrise Water Authority	Paul Gornick	Kevin Williams	Monthly - Fourth Wednesday, 6 p.m.
C-4	Paul Gornick	Susan Keil	Monthly - First Thursday, 6:45 p.m.
Regional Water Providers Consortium	Mark Knudson	Paul Gornick	Triannually - First Wednesday, 6:30 p.m.
Oak Grove Community Council	Mark Knudson	Susan Keil	Monthly - Fourth Wednesday, 7:00 p.m.
SDAO	All		Varies
AWWA	All		Varies
Jennings Lodge CPO	Kevin Williams	Paul Gornick	Monthly - Fourth Tuesdays, 7:00 p.m.
North Clackamas County Water Commission (NCCWC)	Paul Gornick/Kevin Williams	Mark Knudson	Quarterly - Fourth Thursday in Jan/March/June/Sept, 5:30 p.m.
Chamber of Commerce	Ginny Van Loo	Susan Keil	Monthly - Third Wednesdays, 11:45 a.m.-1:15 p.m.
New Concord Task Force	Ginny Van Loo		Quarterly
Healthy Watersheds	Kevin Williams		
OGLO Bike-Ped Bridge Advisory Group	OPEN	None needed	Task Force will dissolve after project decision
Water Research Foundation	Mark Knudson	None needed	

**OAK LODGE WATER SERVICES  
2022 BOARD LIAISON ASSIGNMENTS**

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





## CONSENT AGENDA

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**To** Board of Directors  
**From** Sarah Jo Chaplen, General Manager  
**Title** Consent Agenda  
**Item No.** 6  
**Date** January 18, 2022

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### Summary

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

The Consent Agenda includes:

- a. **November Financial Report**
- b. **Approval of December 21, 2021 Regular Board Meeting Minutes**
- c. **Approval of On-Call Contract for Boardman and Arista Flooding Alternatives Analysis**

### Options for Consideration

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

### Recommendation

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

### Suggested Board Motion

*"I move to approve the Consent Agenda."*

Approved By _____	Date _____
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## MONTHLY FINANCIAL REPORT

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<b>To</b>	Board of Directors
<b>From</b>	Gail Stevens, Finance Director
<b>Title</b>	November 2021 Financial Reports
<b>Item No.</b>	6a
<b>Date</b>	January 10, 2022, for January 18, 2022 Meeting

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### Reports

- November 2021 Monthly Overview (Including Cash and Investment Balances)
- November 2021 Budget to Actual Report
- November 2021 Budget Account Roll Up Report

**Oak Lodge Water Services  
Monthly Overview  
November 2021**

This report summarizes the revenues and expenditures for November 2021. Also incorporated in this report are account balances, including all cash and investment activity as well as checks and withdrawals.

**Cash and Investments**

<b>Account Balances As of:</b>		
<b>November 30, 2021</b>	<b>Interest Rate</b>	<b>Balance</b>
<b>Account</b>		
Wells Fargo Bank Checking-3552	0.25%	\$ 1,077,764
LGIP	0.55%	\$ 15,047,831
<b>Total</b>		<b>\$ 16,125,595</b>

The District’s checks, electronic withdrawals, and bank drafts total \$818 thousand for November 2021.

Below is a table identifying the District’s three principal sources of service charges in each fund with a comparison between annual budget estimates and year-to-date service charge fees.

<u>GL Account</u>	<u>Service Charge</u>	<u>Budget Estimate</u>	<u>Period Amount</u>	<u>Year-to-Date Amount</u>	<u>Percentage of Budget</u>
10-00-4211	Water sales	4,120,000	307,760	1,989,197	48.28%
20-00-4212	Wastewater charges	8,459,000	636,718	3,489,629	41.25%
30-00-4213	Watershed protection	1,566,000	129,809	657,300	41.97%
	Subtotal	\$ 14,145,000	\$ 1,074,288	\$ 6,136,126	43.38%

The percentage of budget is calculated by dividing the ending balance by the budget.

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

With respect to expenditures, at the end of November expenditures are overall 21.73% of budget. When excluding Contingencies, expenditures are 29.1% of budget, with 41.7% of the fiscal year completed.

Review of expenditure lines that are above 47% of budget:

1. **6120 Accounting & Audit Services** is at 58.6% of budget. This expense is not evenly expended, heavy in the first half of the year.

2. **6180 Dues & Subscriptions** is at 73.4% of budget. Annual Regional Water Providers Consortium fee paid once annually. This specific annual fee is 42.6% of this budget line.
3. **6320 Building & Grounds** is at 56.9% of budget. Reviewing HVAC expenses for possible capital repair.
4. **6330 Vehicle & Equipment Maintenance** is at 50.0% of budget. Current expenses include annual repairs and maintenance for dump trucks. Repairs of equipment higher than prior year due to aging units.
5. **6540 Safety Supplies** is at 63.6% of budget. Current expenses include annual fire extinguishers service / inspection and annual foul weather gear.
6. **6710 Purchased Water** is at 49.4% of the budget. This account trends higher in the first half of the fiscal year.
7. **6780 Taxes, Fees & Permits** is at 54.9% of the budget. Property taxes paid on cell tower portion of tax lots. Billed to cell vendors for reimbursement.

**Low Income Rate Relief Program Overview**

The District allows eligible customers to obtain a discounted rate on a portion of their bill. The District budgets resources to fund the revenue losses due to the program at the rate of 0.50% of budgeted service charge revenue. The budgeted amount serves as a cap to the program’s cost which can only be exceeded with approval from the District’s Board of Directors.

Below is a table identifying the number of accounts in the program and an estimated monthly discount and year-to-date value based on a single-family residential account with a standard 5/8” Water Meter and 6 CCF of water consumption per month.

Total Number of Accounts	Discount	Cap per Policy	Estimated Monthly Discount	Estimated Year-to-Date Discount	Estimated Percentage of Budget
114	Low Income Rate Relief	\$ 70,725	\$ (4,611)	\$ 23,302	32.95%

General Ledger  
Budget to Actual



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Period 05 - 05  
Fiscal Year 2022

Account Number	Description	Budget	Period Amt	End Bal	Encumbered	% of Budget
<b>05</b>	<b>Administrative Services</b>					
	<b>NonDivisional</b>					
	<i>Beginning Fund Balance</i>					
05-00-3500	Fund balance	978,000.00	0.00	1,237,220.94	0.00	126.51
	<i>Beginning Fund Balance</i>	<i>978,000.00</i>	<i>0.00</i>	<i>1,237,220.94</i>	<i>0.00</i>	<i>126.51</i>
	<b>NonDivisional</b>	<b>978,000.00</b>	<b>0.00</b>	<b>1,237,220.94</b>	<b>0.00</b>	<b>126.51</b>
	Fund Balance	978,000.00	0.00	1,237,220.94	0.00	126.51
	<b>NonDivisional</b>					
	<i>Revenue</i>					
05-00-4230	Contracted Services Revenue	57,400.00	4,000.00	25,400.00	0.00	44.25
05-00-4610	Investment revenue	3,000.00	498.29	1,951.44	0.00	65.05
05-00-4630	Miscellaneous revenues	1,000.00	1,300.00	7,000.00	0.00	700.00
	<i>Revenue</i>	<i>61,400.00</i>	<i>5,798.29</i>	<i>34,351.44</i>	<i>0.00</i>	<i>55.95</i>
	<b>NonDivisional</b>	<b>61,400.00</b>	<b>5,798.29</b>	<b>34,351.44</b>	<b>0.00</b>	<b>55.95</b>
	<b>Transfers &amp; Contingencies</b>					
	<i>Revenue</i>					
05-29-4910	Transfer in from Fund 10	1,500,000.00	125,000.00	625,000.00	0.00	41.67
05-29-4920	Transfer in from Fund 20	1,899,000.00	158,250.00	791,250.00	0.00	41.67
05-29-4930	Transfer in from Fund 30	1,008,000.00	84,000.00	420,000.00	0.00	41.67
	<i>Revenue</i>	<i>4,407,000.00</i>	<i>367,250.00</i>	<i>1,836,250.00</i>	<i>0.00</i>	<i>41.67</i>
	<b>Transfers &amp; Contingencies</b>	<b>4,407,000.00</b>	<b>367,250.00</b>	<b>1,836,250.00</b>	<b>0.00</b>	<b>41.67</b>
	Revenue	4,468,400.00	373,048.29	1,870,601.44	0.00	41.86
	<b>AdminFinance</b>					
	<i>Personnel Services</i>					
05-01-5110	Regular employees	657,000.00	41,582.06	211,895.10	0.00	32.25
05-01-5130	Overtime	5,000.00	0.00	1,071.91	0.00	21.44
05-01-5210	Healthdental insurance	127,000.00	8,806.85	38,387.20	0.00	30.23
05-01-5230	Social security	51,000.00	2,099.07	14,005.62	0.00	27.46
05-01-5240	Retirement	128,000.00	7,324.38	37,462.43	0.00	29.27
05-01-5250	TrimetWBF	6,000.00	323.99	1,640.74	0.00	27.35
05-01-5260	Unemployment	5,000.00	0.00	0.00	0.00	0.00
05-01-5270	Workers compensation	1,000.00	0.00	349.55	0.00	34.96
05-01-5290	Other employee benefits	2,000.00	33.45	155.45	0.00	7.77
	<i>Personnel Services</i>	<i>982,000.00</i>	<i>60,169.80</i>	<i>304,968.00</i>	<i>0.00</i>	<i>31.06</i>
	<i>Materials &amp; Services</i>					
05-01-6110	Legal services	375,000.00	7,831.50	88,878.84	0.00	23.70
05-01-6120	Accounting and audit services	50,000.00	14,175.00	29,295.00	0.00	58.59
05-01-6155	Contracted Services	188,000.00	18,742.70	117,744.11	7,800.00	62.63
05-01-6180	Dues and subscriptions	42,000.00	2,446.50	30,844.50	0.00	73.44
05-01-6220	Electricity	14,000.00	1,400.30	5,860.08	0.00	41.86
05-01-6240	Natural gas	4,000.00	0.00	408.09	0.00	10.20
05-01-6290	Other utilities	10,000.00	205.47	1,344.65	0.00	13.45
05-01-6310	Janitorial services	15,000.00	1,224.24	6,121.20	0.00	40.81

Account Number	Description	Budget	Period Amt	End Bal	Encumbered	% of Budget
05-01-6320	Buildings and grounds maint	20,000.00	703.54	9,534.74	0.00	47.67
05-01-6410	Mileage	1,000.00	0.00	0.00	0.00	0.00
05-01-6420	Staff training	12,000.00	125.00	175.00	0.00	1.46
05-01-6510	Office supplies	32,000.00	1,119.18	12,392.75	0.00	38.73
05-01-6730	Communications	2,000.00	0.00	1,174.50	0.00	58.73
05-01-6740	Advertising	1,000.00	0.00	0.00	0.00	0.00
05-01-6760	Equipment rental	5,000.00	599.43	1,773.18	0.00	35.46
05-01-6770	Bank charges	140,000.00	12,509.42	64,075.34	0.00	45.77
05-01-6780	Taxes, Fees, Permits	1,500.00	0.00	180.00	0.00	12.00
05-01-6785	ECAP Payments	76,000.00	893.04	16,864.47	0.00	22.19
05-01-6900	Miscellaneous expense	1,000.00	0.00	539.90	0.00	53.99
	<i>Materials &amp; Services</i>	<i>989,500.00</i>	<i>61,975.32</i>	<i>387,206.35</i>	<i>7,800.00</i>	<i>39.13</i>
	<b>AdminFinance</b>	<b>1,971,500.00</b>	<b>122,145.12</b>	<b>692,174.35</b>	<b>7,800.00</b>	<b>35.11</b>
	<b>Human Resources</b>					
	<i>Personnel Services</i>					
05-02-5110	Regular employees	188,000.00	15,335.31	73,035.65	0.00	38.85
05-02-5130	Overtime	5,000.00	0.00	796.51	0.00	15.93
05-02-5210	Healthdental insurance	27,000.00	2,069.37	9,077.14	0.00	33.62
05-02-5230	Social security	15,000.00	1,149.23	5,538.10	0.00	36.92
05-02-5240	Retirement	34,000.00	2,748.09	13,555.25	0.00	39.87
05-02-5250	TrimetWBF	2,000.00	120.56	583.35	0.00	29.17
05-02-5270	Workers compensation	1,000.00	0.00	106.92	0.00	10.69
05-02-5290	Other employee benefits	1,000.00	0.00	0.00	0.00	0.00
	<i>Personnel Services</i>	<i>273,000.00</i>	<i>21,422.56</i>	<i>102,692.92</i>	<i>0.00</i>	<i>37.62</i>
	<i>Materials &amp; Services</i>					
05-02-6155	Contracted Services	16,000.00	185.60	185.60	0.00	1.16
05-02-6175	Records Management	8,000.00	364.50	1,822.50	0.00	22.78
05-02-6230	Telephone	57,000.00	4,659.98	21,696.50	0.00	38.06
05-02-6410	Mileage	1,000.00	0.00	0.00	0.00	0.00
05-02-6420	Staff training	12,000.00	902.00	1,532.15	0.00	12.77
05-02-6440	Board Expense	7,000.00	24.80	578.77	0.00	8.27
05-02-6510	Office supplies	1,000.00	0.00	0.00	0.00	0.00
05-02-6540	Safety Supplies	1,000.00	0.00	1,587.56	0.00	158.76
05-02-6560	Uniforms	36,000.00	2,118.89	18,861.88	0.00	52.39
05-02-6610	Board Compensation	2,500.00	0.00	15.51	0.00	0.62
05-02-6720	Insurance-General	270,000.00	0.00	121.00	0.00	0.04
05-02-6730	Communications	4,000.00	57.92	315.96	0.00	7.90
05-02-6740	Advertising	5,500.00	910.00	3,306.46	0.00	60.12
05-02-6900	Miscellaneous expense	1,000.00	0.00	0.00	0.00	0.00
	<i>Materials &amp; Services</i>	<i>422,000.00</i>	<i>9,223.69</i>	<i>50,023.89</i>	<i>0.00</i>	<i>11.85</i>
	<b>Human Resources</b>	<b>695,000.00</b>	<b>30,646.25</b>	<b>152,716.81</b>	<b>0.00</b>	<b>21.97</b>
	<b>Technical Services</b>					
	<i>Personnel Services</i>					
05-03-5110	Regular employees	622,000.00	54,381.98	257,548.04	0.00	41.41
05-03-5130	Overtime	5,000.00	32.48	627.21	0.00	12.54
05-03-5210	Healthdental Insurance	93,000.00	7,757.83	33,709.69	0.00	36.25
05-03-5230	Social security	49,000.00	3,270.44	18,662.71	0.00	38.09
05-03-5240	Retirement	119,000.00	10,433.58	50,458.26	0.00	42.40
05-03-5250	TrimetWBF	5,000.00	430.12	2,045.88	0.00	40.92
05-03-5270	Workers compensation	1,000.00	0.00	330.93	0.00	33.09
05-03-5290	Other employee benefits	2,000.00	0.00	0.00	0.00	0.00
	<i>Personnel Services</i>	<i>896,000.00</i>	<i>76,306.43</i>	<i>363,382.72</i>	<i>0.00</i>	<i>40.56</i>
	<i>Materials &amp; Services</i>					
05-03-6155	Contracted Services	165,500.00	5,625.25	23,591.02	38,419.83	14.25
05-03-6180	Dues and subscriptions	0.00	0.00	0.00	0.00	0.00
05-03-6350	Computer maintenance	318,000.00	23,965.10	119,062.27	42,140.00	37.44
05-03-6410	Mileage	3,000.00	0.00	0.00	0.00	0.00
05-03-6420	Staff training	15,000.00	0.00	3,792.55	0.00	25.28
05-03-6430	Certifications	500.00	100.00	100.00	0.00	20.00
05-03-6510	Office supplies	0.00	0.00	1,313.05	0.00	0.00

<b>Account Number</b>	<b>Description</b>	<b>Budget</b>	<b>Period Amt</b>	<b>End Bal</b>	<b>Encumbered</b>	<b>% of Budget</b>
05-03-6530	Small tools and equipment	6,000.00	0.00	2,328.00	0.00	38.80
05-03-6540	Safety supplies	2,500.00	0.00	1,181.68	0.00	47.27
05-03-6730	Communications	119,000.00	0.00	7,630.84	39,842.10	6.41
05-03-6900	Miscellaneous expense	1,000.00	0.00	0.00	0.00	0.00
	<i>Materials &amp; Services</i>	<i>630,500.00</i>	<i>29,690.35</i>	<i>158,999.41</i>	<i>120,401.93</i>	<i>25.22</i>
	<b>Technical Services</b>	<b>1,526,500.00</b>	<b>105,996.78</b>	<b>522,382.13</b>	<b>120,401.93</b>	<b>34.22</b>
	<b>Vehicle Services</b>					
	<i>Materials &amp; Services</i>					
05-04-6330	Vehicleequipment maintenance	50,000.00	1,509.97	25,019.01	3,500.00	50.04
05-04-6520	Fuels and Oils	71,000.00	2,427.74	13,154.83	0.00	18.53
	<i>Materials &amp; Services</i>	<i>121,000.00</i>	<i>3,937.71</i>	<i>38,173.84</i>	<i>3,500.00</i>	<i>31.55</i>
	<b>Vehicle Services</b>	<b>121,000.00</b>	<b>3,937.71</b>	<b>38,173.84</b>	<b>3,500.00</b>	<b>31.55</b>
	<b>Special Payments</b>					
	<i>Special Payments</i>					
05-25-6990	Special Payments - PERS	550,000.00	0.00	0.00	0.00	0.00
	<i>Special Payments</i>	<i>550,000.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
	<b>Special Payments</b>	<b>550,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Transfers &amp; Contingencies</b>					
	<i>Transfers &amp; Contingencies</i>					
05-29-9000	Contingency	582,400.00	0.00	0.00	0.00	0.00
	<i>Transfers &amp; Contingencies</i>	<i>582,400.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
	<b>Transfers &amp; Contingencies</b>	<b>582,400.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>05</b>	Expense	5,446,400.00	262,725.86	1,405,447.13	131,701.93	25.81
	<b>Administrative Services</b>	<b>0.00</b>	<b>110,322.43</b>	<b>1,702,375.25</b>	<b>-131,701.93</b>	<b>0.00</b>
<b>10</b>	<b>Drinking Water</b>					
	<b>NonDivisional</b>					
	<i>Beginning Fund Balance</i>					
10-00-3500	Fund balance	1,086,000.00	0.00	1,264,860.38	0.00	116.47
	<i>Beginning Fund Balance</i>	<i>1,086,000.00</i>	<i>0.00</i>	<i>1,264,860.38</i>	<i>0.00</i>	<i>116.47</i>
	<b>NonDivisional</b>	<b>1,086,000.00</b>	<b>0.00</b>	<b>1,264,860.38</b>	<b>0.00</b>	<b>116.47</b>
	Fund Balance	1,086,000.00	0.00	1,264,860.38	0.00	116.47
	<b>NonDivisional</b>					
	<i>Revenue</i>					
10-00-4210	Water Sales - CRW	30,000.00	0.00	15,557.39	0.00	51.86
10-00-4211	Water sales	4,120,000.00	307,760.36	1,989,196.86	0.00	48.28
10-00-4215	Penalties and late charges	10,000.00	1,389.47	8,390.91	0.00	83.91
10-00-4220	System development charges	0.00	0.00	112,537.00	0.00	0.00
10-00-4240	Service installations	10,000.00	0.00	11,333.00	0.00	113.33
10-00-4280	Rents & leases	200,000.00	47,990.98	79,247.96	0.00	39.62
10-00-4290	Other charges for services	10,000.00	50.00	6,375.00	0.00	63.75
10-00-4610	Investment revenue	7,000.00	295.17	1,448.50	0.00	20.69
10-00-4630	Miscellaneous revenues	25,000.00	125.00	19,753.90	0.00	79.02
	<i>Revenue</i>	<i>4,412,000.00</i>	<i>357,610.98</i>	<i>2,243,840.52</i>	<i>0.00</i>	<i>50.86</i>
	<b>NonDivisional</b>	<b>4,412,000.00</b>	<b>357,610.98</b>	<b>2,243,840.52</b>	<b>0.00</b>	<b>50.86</b>
	Revenue	4,412,000.00	357,610.98	2,243,840.52	0.00	50.86
	<b>Drinking Water</b>					
	<i>Personnel Services</i>					
10-20-5110	Regular employees	677,000.00	58,004.70	275,541.31	0.00	40.70
10-20-5130	Overtime	29,000.00	2,389.80	12,614.71	0.00	43.50

Account Number	Description	Budget	Period Amt	End Bal	Encumbered	% of Budget
10-20-5210	Healthdental insurance	134,000.00	10,009.14	43,785.93	0.00	32.68
10-20-5230	Social Security	53,000.00	4,541.88	21,699.28	0.00	40.94
10-20-5240	Retirement	127,000.00	11,534.90	56,227.58	0.00	44.27
10-20-5250	TrimetWBF	6,000.00	476.33	2,286.11	0.00	38.10
10-20-5270	Workers compensation	19,000.00	0.00	7,091.25	0.00	37.32
10-20-5290	Other employee benefits	5,000.00	0.00	0.00	0.00	0.00
	<i>Personnel Services</i>	<i>1,050,000.00</i>	<i>86,956.75</i>	<i>419,246.17</i>	<i>0.00</i>	<i>39.93</i>
	<i>Materials &amp; Services</i>					
10-20-6155	Contracted Services	66,000.00	659.90	17,880.90	42,119.10	27.09
10-20-6220	Electricity	32,000.00	2,227.29	15,409.36	0.00	48.15
10-20-6240	Natural gas	3,000.00	198.65	1,001.19	0.00	33.37
10-20-6290	Other utilities	3,000.00	283.60	1,425.00	0.00	47.50
10-20-6320	Buildings & grounds	40,000.00	389.94	30,789.94	0.00	76.97
10-20-6340	Distribution system maint	250,000.00	4,969.02	109,396.54	46,368.84	43.76
10-20-6410	Mileage	0.00	0.00	42.56	0.00	0.00
10-20-6420	Staff training	15,000.00	163.00	3,001.81	0.00	20.01
10-20-6430	Certifications	2,000.00	590.00	1,420.00	0.00	71.00
10-20-6530	Small tools & equipment	9,000.00	183.98	5,383.27	2,350.00	59.81
10-20-6540	Safety supplies	10,000.00	3,530.42	9,515.23	0.00	95.15
10-20-6550	Operational Supplies	7,000.00	222.41	3,037.06	0.00	43.39
10-20-6560	Uniforms	0.00	0.00	-1,241.47	0.00	0.00
10-20-6710	Purchased water	1,117,000.00	73,667.60	551,939.04	0.00	49.41
10-20-6715	Water quality program	12,000.00	718.85	2,725.66	3,131.00	22.71
10-20-6760	Equipment Rental	3,000.00	0.00	735.16	0.00	24.51
10-20-6780	Taxes, Fees, Permits	18,000.00	9,251.55	13,751.55	0.00	76.40
10-20-6900	Miscellaneous expense	1,000.00	0.00	492.92	0.00	49.29
	<i>Materials &amp; Services</i>	<i>1,588,000.00</i>	<i>97,056.21</i>	<i>766,705.72</i>	<i>93,968.94</i>	<i>48.28</i>
	<b>Drinking Water</b>	<b>2,638,000.00</b>	<b>184,012.96</b>	<b>1,185,951.89</b>	<b>93,968.94</b>	<b>44.96</b>
	<b>Debt Service</b>					
	<i>Materials &amp; Services</i>					
10-24-6815	Zions Bank loan-principal	183,000.00	0.00	0.00	0.00	0.00
10-24-6825	Zions Bank loan-interest	26,000.00	0.00	12,992.70	0.00	49.97
	<i>Materials &amp; Services</i>	<i>209,000.00</i>	<i>0.00</i>	<i>12,992.70</i>	<i>0.00</i>	<i>6.22</i>
	<b>Debt Service</b>	<b>209,000.00</b>	<b>0.00</b>	<b>12,992.70</b>	<b>0.00</b>	<b>6.22</b>
	<b>Transfers &amp; Contingencies</b>					
	<i>Transfers &amp; Contingencies</i>					
10-29-8105	Transfers out to Fund 05	1,500,000.00	125,000.00	625,000.00	0.00	41.67
10-29-8171	Transfers out to Fund 71	500,000.00	41,667.00	208,335.00	0.00	41.67
10-29-9000	Contingency	651,000.00	0.00	0.00	0.00	0.00
	<i>Transfers &amp; Contingencies</i>	<i>2,651,000.00</i>	<i>166,667.00</i>	<i>833,335.00</i>	<i>0.00</i>	<i>31.43</i>
	<b>Transfers &amp; Contingencies</b>	<b>2,651,000.00</b>	<b>166,667.00</b>	<b>833,335.00</b>	<b>0.00</b>	<b>31.43</b>
<b>10</b>	<b>Expense</b>	<b>5,498,000.00</b>	<b>350,679.96</b>	<b>2,032,279.59</b>	<b>93,968.94</b>	<b>36.96</b>
	<b>Drinking Water</b>	<b>0.00</b>	<b>6,931.02</b>	<b>1,476,421.31</b>	<b>-93,968.94</b>	<b>0.00</b>
<b>20</b>	<b>Wastewater Reclam. NonDivisional</b>					
	<i>Beginning Fund Balance</i>					
20-00-3500	Fund balance	834,900.00	0.00	929,019.94	0.00	111.27
	<i>Beginning Fund Balance</i>	<i>834,900.00</i>	<i>0.00</i>	<i>929,019.94</i>	<i>0.00</i>	<i>111.27</i>
	<b>NonDivisional</b>	<b>834,900.00</b>	<b>0.00</b>	<b>929,019.94</b>	<b>0.00</b>	<b>111.27</b>
	<i>Fund Balance</i>	<i>834,900.00</i>	<i>0.00</i>	<i>929,019.94</i>	<i>0.00</i>	<i>111.27</i>
	<b>NonDivisional Revenue</b>					
20-00-4212	Wastewater charges	8,459,000.00	636,717.94	3,489,629.19	0.00	41.25
20-00-4215	Penalties & late charges	10,000.00	539.40	2,993.50	0.00	29.94



Account Number	Description	Budget	Period Amt	End Bal	Encumbered	% of Budget
20-00-4220	System development charges	125,000.00	0.00	30,990.00	0.00	24.79
20-00-4290	Other charges for services	20,000.00	0.00	3,130.00	0.00	15.65
20-00-4610	Investment revenue	2,000.00	102.98	155.19	0.00	7.76
20-00-4630	Miscellaneous revenues	8,000.00	0.00	0.00	0.00	0.00
	<i>Revenue</i>	<i>8,624,000.00</i>	<i>637,360.32</i>	<i>3,526,897.88</i>	<i>0.00</i>	<i>40.90</i>
	<b>NonDivisional</b>	<b>8,624,000.00</b>	<b>637,360.32</b>	<b>3,526,897.88</b>	<b>0.00</b>	<b>40.90</b>
	<b>Transfers &amp; Contingencies</b>					
	<i>Revenue</i>					
20-29-4940	Transfers in from Fund 40	623,800.00	0.00	0.00	0.00	0.00
	<i>Revenue</i>	<i>623,800.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
	<b>Transfers &amp; Contingencies</b>	<b>623,800.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<i>Revenue</i>	9,247,800.00	637,360.32	3,526,897.88	0.00	38.14
	<b>Wastewater-Plant</b>					
	<i>Personnel Services</i>					
20-21-5110	Regular employees	704,000.00	52,446.62	256,170.45	0.00	36.39
20-21-5130	Overtime	40,000.00	5,115.50	13,512.56	0.00	33.78
20-21-5210	Healthdental insurance	185,000.00	12,758.84	60,790.83	0.00	32.86
20-21-5230	Social security	55,000.00	4,307.40	20,175.41	0.00	36.68
20-21-5240	Retirement	127,000.00	9,013.69	44,355.57	0.00	34.93
20-21-5250	TrimetWBF	6,000.00	450.64	2,118.73	0.00	35.31
20-21-5270	Workers compensation	18,000.00	0.00	7,356.84	0.00	40.87
20-21-5290	Other employee benefits	5,000.00	0.00	0.00	0.00	0.00
	<i>Personnel Services</i>	<i>1,140,000.00</i>	<i>84,092.69</i>	<i>404,480.39</i>	<i>0.00</i>	<i>35.48</i>
	<i>Materials &amp; Services</i>					
20-21-6155	Contracted Services	178,000.00	19,698.57	90,964.19	139,177.92	51.10
20-21-6220	Electricity	276,000.00	29,880.69	107,540.88	0.00	38.96
20-21-6240	Natural gas	2,000.00	26.35	119.25	0.00	5.96
20-21-6250	Solid waste disposal	42,000.00	4,596.13	9,684.21	19,307.06	23.06
20-21-6290	Other utilities	2,000.00	38.38	191.90	0.00	9.60
20-21-6310	Janitorial services	10,000.00	824.25	4,121.25	0.00	41.21
20-21-6320	Buildings & grounds	58,000.00	4,625.53	27,398.20	0.00	47.24
20-21-6342	WRF system maintenance	270,000.00	3,547.29	58,217.90	21,250.00	21.56
20-21-6410	Mileage	1,000.00	0.00	0.00	0.00	0.00
20-21-6420	Staff training	9,000.00	0.00	802.67	0.00	8.92
20-21-6430	Certifications	2,000.00	0.00	0.00	0.00	0.00
20-21-6525	Chemicals	55,000.00	630.00	25,637.21	5,383.08	46.61
20-21-6530	Small tools & equipment	10,000.00	1,536.12	3,381.80	0.00	33.82
20-21-6540	Safety supplies	20,000.00	1,187.87	6,694.58	0.00	33.47
20-21-6550	Operational supplies	14,000.00	0.00	1,113.45	0.00	7.95
20-21-6560	Uniforms	0.00	0.00	-630.47	0.00	0.00
20-21-6590	Other supplies	10,000.00	0.00	1,427.55	0.00	14.28
20-21-6740	Advertising	1,000.00	0.00	125.00	0.00	12.50
20-21-6750	Other purchased services	0.00	1,051.51	2,103.02	0.00	0.00
20-21-6780	Taxes, Fees, Permits	72,900.00	9,774.24	43,852.32	0.00	60.15
20-21-6900	Miscellaneous expense	1,000.00	0.00	0.00	0.00	0.00
	<i>Materials &amp; Services</i>	<i>1,033,900.00</i>	<i>77,416.93</i>	<i>382,744.91</i>	<i>185,118.06</i>	<i>37.02</i>
	<b>Wastewater-Plant</b>	<b>2,173,900.00</b>	<b>161,509.62</b>	<b>787,225.30</b>	<b>185,118.06</b>	<b>36.21</b>
	<b>Wastewater-Collections</b>					
	<i>Personnel Services</i>					
20-22-5110	Regular employees	488,000.00	32,564.11	153,796.41	0.00	31.52
20-22-5120	Temporaryseasonal employees	0.00	1,386.00	4,518.00	0.00	0.00
20-22-5130	Overtime	11,000.00	582.18	3,355.15	0.00	30.50
20-22-5210	Healthdental insurance	109,000.00	8,771.52	38,530.06	0.00	35.35
20-22-5230	Social security	38,000.00	2,635.39	12,339.01	0.00	32.47
20-22-5240	Retirement	63,000.00	5,939.81	29,086.45	0.00	46.17

Account Number	Description	Budget	Period Amt	End Bal	Encumbered	% of Budget
20-22-5250	TrimetWBF	4,000.00	278.21	1,304.83	0.00	32.62
20-22-5270	Workers compensation	11,000.00	0.00	5,099.63	0.00	46.36
20-22-5290	Other employee benefits	5,000.00	0.00	0.00	0.00	0.00
	<i>Personnel Services</i>	<i>729,000.00</i>	<i>52,157.22</i>	<i>248,029.54</i>	<i>0.00</i>	<i>34.02</i>
	<i>Materials &amp; Services</i>					
20-22-6320	Buildings & grounds	1,000.00	0.00	0.00	0.00	0.00
20-22-6342	Collection system maint.	50,000.00	190.15	8,502.09	1,628.00	17.00
20-22-6390	Other repairs & maintenance	5,000.00	0.00	0.00	0.00	0.00
20-22-6410	Mileage	0.00	0.00	107.52	0.00	0.00
20-22-6420	Staff training	8,000.00	320.00	1,960.90	0.00	24.51
20-22-6430	Certifications	2,000.00	160.00	400.00	0.00	20.00
20-22-6530	Small tools & equipment	15,000.00	59.97	4,940.88	0.00	32.94
20-22-6540	Safety supplies	4,000.00	425.14	5,222.66	0.00	130.57
20-22-6550	Operational supplies	5,000.00	182.36	2,021.33	0.00	40.43
20-22-6560	Uniforms	0.00	0.00	-1,065.47	0.00	0.00
20-22-6750	Other purchased services	0.00	729.60	1,459.20	0.00	0.00
20-22-6780	Taxes, Fees, Permits	14,500.00	949.51	3,138.31	0.00	21.64
20-22-6900	Miscellaneous expense	1,000.00	0.00	248.91	0.00	24.89
	<i>Materials &amp; Services</i>	<i>105,500.00</i>	<i>3,016.73</i>	<i>26,936.33</i>	<i>1,628.00</i>	<i>25.53</i>
	<b>Wastewater-Collections</b>	<b>834,500.00</b>	<b>55,173.95</b>	<b>274,965.87</b>	<b>1,628.00</b>	<b>32.95</b>
	<b>Transfers &amp; Contingencies</b>					
	<i>Transfers &amp; Contingencies</i>					
20-29-8105	Transfers out to Fund 05	1,899,000.00	158,250.00	791,250.00	0.00	41.67
20-29-8150	Transfers out to Fund 50	3,412,000.00	171,000.00	758,000.00	0.00	22.22
20-29-8172	Transfers out to Fund 72	1,000,000.00	83,333.00	416,665.00	0.00	41.67
20-29-9000	Contingency	763,300.00	0.00	0.00	0.00	0.00
	<i>Transfers &amp; Contingencies</i>	<i>7,074,300.00</i>	<i>412,583.00</i>	<i>1,965,915.00</i>	<i>0.00</i>	<i>27.79</i>
	<b>Transfers &amp; Contingencies</b>	<b>7,074,300.00</b>	<b>412,583.00</b>	<b>1,965,915.00</b>	<b>0.00</b>	<b>27.79</b>
<b>20</b>	Expense	10,082,700.00	629,266.57	3,028,106.17	186,746.06	30.03
	<b>Wastewater Reclam.</b>	<b>0.00</b>	<b>8,093.75</b>	<b>1,427,811.65</b>	<b>-186,746.06</b>	<b>0.00</b>
<b>30</b>	<b>Watershed Protection NonDivisional</b>					
	<i>Beginning Fund Balance</i>					
30-00-3500	Fund balance	659,000.00	0.00	677,232.52	0.00	102.77
	<i>Beginning Fund Balance</i>	<i>659,000.00</i>	<i>0.00</i>	<i>677,232.52</i>	<i>0.00</i>	<i>102.77</i>
	<b>NonDivisional</b>	<b>659,000.00</b>	<b>0.00</b>	<b>677,232.52</b>	<b>0.00</b>	<b>102.77</b>
	Fund Balance	659,000.00	0.00	677,232.52	0.00	102.77
	<b>NonDivisional Revenue</b>					
30-00-4213	Watershed protection fees	1,566,000.00	129,809.49	657,300.05	0.00	41.97
30-00-4215	Penalties & late charges	1,000.00	206.96	1,000.03	0.00	100.00
30-00-4290	Other charges for services	25,000.00	0.00	5,970.00	0.00	23.88
30-00-4610	Investment revenue	2,000.00	153.98	924.64	0.00	46.23
30-00-4630	Miscellaneous revenues	1,000.00	0.00	0.00	0.00	0.00
	<i>Revenue</i>	<i>1,595,000.00</i>	<i>130,170.43</i>	<i>665,194.72</i>	<i>0.00</i>	<i>41.70</i>
	<b>NonDivisional</b>	<b>1,595,000.00</b>	<b>130,170.43</b>	<b>665,194.72</b>	<b>0.00</b>	<b>41.70</b>
	Revenue	1,595,000.00	130,170.43	665,194.72	0.00	41.70
	<b>Watershed Protection Personnel Services</b>					
30-23-5110	Regular employees	92,000.00	7,838.34	37,819.82	0.00	41.11
30-23-5130	Overtime	1,000.00	5.54	5.54	0.00	0.55
30-23-5210	Healthdental insurance	30,000.00	2,991.74	13,108.49	0.00	43.69
30-23-5230	Social Security	8,000.00	577.37	2,790.85	0.00	34.89

Account Number	Description	Budget	Period Amt	End Bal	Encumbered	% of Budget
30-23-5240	Retirement	17,000.00	1,405.62	6,878.49	0.00	40.46
30-23-5250	TrimetWBF	1,000.00	60.84	295.08	0.00	29.51
30-23-5270	Workers compensation	3,000.00	0.00	961.41	0.00	32.05
30-23-5290	Other employee benefits	1,000.00	0.00	0.00	0.00	0.00
	<i>Personnel Services</i>	<i>153,000.00</i>	<i>12,879.45</i>	<i>61,859.68</i>	<i>0.00</i>	<i>40.43</i>
	<i>Materials &amp; Services</i>					
30-23-6155	Contracted Services	134,000.00	2,052.00	20,400.40	106,761.50	15.22
30-23-6340	System maintenance	150,000.00	0.00	261.00	0.00	0.17
30-23-6420	Staff training	3,000.00	0.00	12.00	0.00	0.40
30-23-6530	Small tools & equipment	6,000.00	694.31	1,918.47	0.00	31.97
30-23-6540	Safety supplies	1,000.00	269.00	269.00	0.00	26.90
30-23-6780	Taxes, Fees, Permits	4,100.00	0.00	0.00	0.00	0.00
30-23-6900	Miscellaneous expense	1,000.00	0.00	0.00	0.00	0.00
	<i>Materials &amp; Services</i>	<i>299,100.00</i>	<i>3,015.31</i>	<i>22,860.87</i>	<i>106,761.50</i>	<i>7.64</i>
	<b>Watershed Protection</b>	<b>452,100.00</b>	<b>15,894.76</b>	<b>84,720.55</b>	<b>106,761.50</b>	<b>18.74</b>
	<b>Debt Service</b>					
	<i>Materials &amp; Services</i>					
30-24-6814	Principal Payment-KS Statebank	57,000.00	0.00	56,229.12	0.00	98.65
30-24-6824	Interest Paid-KS Statebank	7,000.00	0.00	6,328.49	0.00	90.41
	<i>Materials &amp; Services</i>	<i>64,000.00</i>	<i>0.00</i>	<i>62,557.61</i>	<i>0.00</i>	<i>97.75</i>
	<b>Debt Service</b>	<b>64,000.00</b>	<b>0.00</b>	<b>62,557.61</b>	<b>0.00</b>	<b>97.75</b>
	<b>Transfers &amp; Contingencies</b>					
	<i>Transfers &amp; Contingencies</i>					
30-29-8105	Transfers out to Fund 05	1,008,000.00	84,000.00	420,000.00	0.00	41.67
30-29-8173	Transfers out to Fund 73	480,000.00	40,000.00	200,000.00	0.00	41.67
30-29-9000	Contingency	249,900.00	0.00	0.00	0.00	0.00
	<i>Transfers &amp; Contingencies</i>	<i>1,737,900.00</i>	<i>124,000.00</i>	<i>620,000.00</i>	<i>0.00</i>	<i>35.68</i>
	<b>Transfers &amp; Contingencies</b>	<b>1,737,900.00</b>	<b>124,000.00</b>	<b>620,000.00</b>	<b>0.00</b>	<b>35.68</b>
	Expense	2,254,000.00	139,894.76	767,278.16	106,761.50	34.04
<b>30</b>	<b>Watershed Protection</b>	<b>0.00</b>	<b>-9,724.33</b>	<b>575,149.08</b>	<b>-106,761.50</b>	<b>0.00</b>
<b>40</b>	<b>WW GO Debt Service</b>					
	<b>NonDivisional</b>					
	<i>Beginning Fund Balance</i>					
40-00-3500	Fund balance	623,800.00	0.00	623,763.59	0.00	99.99
	<i>Beginning Fund Balance</i>	<i>623,800.00</i>	<i>0.00</i>	<i>623,763.59</i>	<i>0.00</i>	<i>99.99</i>
	<b>NonDivisional</b>	<b>623,800.00</b>	<b>0.00</b>	<b>623,763.59</b>	<b>0.00</b>	<b>99.99</b>
	Fund Balance	623,800.00	0.00	623,763.59	0.00	99.99
	<b>NonDivisional</b>					
	<i>Revenue</i>					
40-00-4610	Investment revenue	0.00	231.13	1,388.01	0.00	0.00
	<i>Revenue</i>	<i>0.00</i>	<i>231.13</i>	<i>1,388.01</i>	<i>0.00</i>	<i>0.00</i>
	<b>NonDivisional</b>	<b>0.00</b>	<b>231.13</b>	<b>1,388.01</b>	<b>0.00</b>	<b>0.00</b>
	Revenue	0.00	231.13	1,388.01	0.00	0.00
	<b>Transfers &amp; Contingencies</b>					
	<i>Transfers &amp; Contingencies</i>					
40-29-8120	Transfers out to Fund 20	623,800.00	0.00	0.00	0.00	0.00
	<i>Transfers &amp; Contingencies</i>	<i>623,800.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
	<b>Transfers &amp; Contingencies</b>	<b>623,800.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Account Number	Description	Budget	Period Amt	End Bal	Encumbered	% of Budget
40	Expense <b>WW GO Debt Service</b>	623,800.00 <b>0.00</b>	0.00 <b>231.13</b>	0.00 <b>625,151.60</b>	0.00 <b>0.00</b>	0.00 <b>0.00</b>
50	<b>WW Revenue Bond Debt Service</b> <b>NonDivisional</b> <i>Beginning Fund Balance</i>					
50-00-3500	Fund balance <i>Beginning Fund Balance</i>	587,000.00 <i>587,000.00</i>	0.00 <i>0.00</i>	514,742.94 <i>514,742.94</i>	0.00 <i>0.00</i>	87.69 <i>87.69</i>
	<b>NonDivisional</b>	<b>587,000.00</b>	<b>0.00</b>	<b>514,742.94</b>	<b>0.00</b>	<b>87.69</b>
	Fund Balance <b>NonDivisional</b> <i>Revenue</i>	587,000.00	0.00	514,742.94	0.00	87.69
50-00-4610	Investment revenue <i>Revenue</i>	6,000.00 <i>6,000.00</i>	36.03 <i>36.03</i>	502.86 <i>502.86</i>	0.00 <i>0.00</i>	8.38 <i>8.38</i>
	<b>NonDivisional</b>	<b>6,000.00</b>	<b>36.03</b>	<b>502.86</b>	<b>0.00</b>	<b>8.38</b>
	<b>Transfers &amp; Contingencies</b> <i>Revenue</i>					
50-29-4920	Transfer in from Fund 20 <i>Revenue</i>	3,412,000.00 <i>3,412,000.00</i>	171,000.00 <i>171,000.00</i>	758,000.00 <i>758,000.00</i>	0.00 <i>0.00</i>	22.22 <i>22.22</i>
	<b>Transfers &amp; Contingencies</b>	<b>3,412,000.00</b>	<b>171,000.00</b>	<b>758,000.00</b>	<b>0.00</b>	<b>22.22</b>
	Revenue <b>Debt Service</b> <i>Materials &amp; Services</i>	3,418,000.00	171,036.03	758,502.86	0.00	22.19
50-24-6810	2010 SRF Loan Principal	928,171.00	0.00	461,854.00	0.00	49.76
50-24-6811	2021 IFA Loan Principal	307,409.00	0.00	0.00	0.00	0.00
50-24-6813	JPM Bank Loan Principal	1,385,000.00	0.00	0.00	0.00	0.00
50-24-6820	2010 SRF Loan Interest	305,740.00	0.00	125,144.00	0.00	40.93
50-24-6822	2021 IFA Loan Interest	144,809.00	0.00	0.00	0.00	0.00
50-24-6823	JPM Bank Loan Interest <i>Materials &amp; Services</i>	340,676.00 <i>3,411,805.00</i>	170,337.50 <i>170,337.50</i>	170,337.50 <i>757,335.50</i>	0.00 <i>0.00</i>	50.00 <i>22.20</i>
	<b>Debt Service</b>	<b>3,411,805.00</b>	<b>170,337.50</b>	<b>757,335.50</b>	<b>0.00</b>	<b>22.20</b>
50	Expense <b>WW Revenue Bond Debt Service</b>	3,411,805.00 <b>593,195.00</b>	170,337.50 <b>698.53</b>	757,335.50 <b>515,910.30</b>	0.00 <b>0.00</b>	22.20 <b>86.97</b>
71	<b>Drinking Water Capital</b> <b>NonDivisional</b> <i>Beginning Fund Balance</i>					
71-00-3500	Fund balance <i>Beginning Fund Balance</i>	4,135,000.00 <i>4,135,000.00</i>	0.00 <i>0.00</i>	4,537,966.26 <i>4,537,966.26</i>	0.00 <i>0.00</i>	109.75 <i>109.75</i>
	<b>NonDivisional</b>	<b>4,135,000.00</b>	<b>0.00</b>	<b>4,537,966.26</b>	<b>0.00</b>	<b>109.75</b>
	Fund Balance <b>NonDivisional</b> <i>Revenue</i>	4,135,000.00	0.00	4,537,966.26	0.00	109.75
71-00-4221	System Development-Reimburse	100,000.00	0.00	0.00	0.00	0.00
71-00-4225	System Development-Improvement	100,000.00	0.00	0.00	0.00	0.00
71-00-4610	Investment revenue <i>Revenue</i>	40,000.00 <i>240,000.00</i>	1,701.38 <i>1,701.38</i>	9,939.50 <i>9,939.50</i>	0.00 <i>0.00</i>	24.85 <i>4.14</i>
	<b>NonDivisional</b>	<b>240,000.00</b>	<b>1,701.38</b>	<b>9,939.50</b>	<b>0.00</b>	<b>4.14</b>

Account Number	Description	Budget	Period Amt	End Bal	Encumbered	% of Budget
	<b>Transfers &amp; Contingencies</b>					
	<i>Revenue</i>					
71-29-4910	Transfer in from Fund 10	500,000.00	41,667.00	208,335.00	0.00	41.67
	<i>Revenue</i>	<i>500,000.00</i>	<i>41,667.00</i>	<i>208,335.00</i>	<i>0.00</i>	<i>41.67</i>
	<b>Transfers &amp; Contingencies</b>	<b>500,000.00</b>	<b>41,667.00</b>	<b>208,335.00</b>	<b>0.00</b>	<b>41.67</b>
	<i>Revenue</i>	740,000.00	43,368.38	218,274.50	0.00	29.50
	<b>Drinking Water</b>					
	<i>Capital Outlay</i>					
71-20-7200	Infrastructure	1,555,000.00	0.00	0.00	0.00	0.00
71-20-7300	Buildings & improvements	0.00	0.00	23,156.00	0.00	0.00
71-20-7530	Software	25,000.00	0.00	0.00	0.00	0.00
71-20-7540	Vehicles	35,000.00	0.00	37,352.23	0.00	106.72
71-20-7600	Capital Improvement Projects	370,000.00	3,401.90	34,931.43	563,310.83	9.44
	<i>Capital Outlay</i>	<i>1,985,000.00</i>	<i>3,401.90</i>	<i>95,439.66</i>	<i>563,310.83</i>	<i>4.81</i>
	<b>Drinking Water</b>	<b>1,985,000.00</b>	<b>3,401.90</b>	<b>95,439.66</b>	<b>563,310.83</b>	<b>4.81</b>
	<b>Transfers &amp; Contingencies</b>					
	<i>Transfers &amp; Contingencies</i>					
71-29-9000	Contingency	2,890,000.00	0.00	0.00	0.00	0.00
	<i>Transfers &amp; Contingencies</i>	<i>2,890,000.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
	<b>Transfers &amp; Contingencies</b>	<b>2,890,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>71</b>	Expense	4,875,000.00	3,401.90	95,439.66	563,310.83	1.96
	<b>Drinking Water Capital</b>	<b>0.00</b>	<b>39,966.48</b>	<b>4,660,801.10</b>	<b>-563,310.83</b>	<b>0.00</b>
<b>72</b>	<b>Wastewater Reclamation Capital</b>					
	<b>NonDivisional</b>					
	<i>Beginning Fund Balance</i>					
72-00-3500	Fund balance	4,535,000.00	0.00	5,019,995.06	0.00	110.69
	<i>Beginning Fund Balance</i>	<i>4,535,000.00</i>	<i>0.00</i>	<i>5,019,995.06</i>	<i>0.00</i>	<i>110.69</i>
	<b>NonDivisional</b>	<b>4,535,000.00</b>	<b>0.00</b>	<b>5,019,995.06</b>	<b>0.00</b>	<b>110.69</b>
	Fund Balance	4,535,000.00	0.00	5,019,995.06	0.00	110.69
	<b>NonDivisional</b>					
	<i>Revenue</i>					
72-00-4610	Investment revenue	50,000.00	1,880.87	11,156.24	0.00	22.31
	<i>Revenue</i>	<i>50,000.00</i>	<i>1,880.87</i>	<i>11,156.24</i>	<i>0.00</i>	<i>22.31</i>
	<b>NonDivisional</b>	<b>50,000.00</b>	<b>1,880.87</b>	<b>11,156.24</b>	<b>0.00</b>	<b>22.31</b>
	<b>Transfers &amp; Contingencies</b>					
	<i>Revenue</i>					
72-29-4920	Transfer in from Fund 20	1,000,000.00	83,333.00	416,665.00	0.00	41.67
	<i>Revenue</i>	<i>1,000,000.00</i>	<i>83,333.00</i>	<i>416,665.00</i>	<i>0.00</i>	<i>41.67</i>
	<b>Transfers &amp; Contingencies</b>	<b>1,000,000.00</b>	<b>83,333.00</b>	<b>416,665.00</b>	<b>0.00</b>	<b>41.67</b>
	<i>Revenue</i>	1,050,000.00	85,213.87	427,821.24	0.00	40.74
	<b>Wastewater-Plant</b>					
	<i>Capital Outlay</i>					
72-21-7520	Equipment	191,000.00	4,526.78	17,806.28	84,792.00	9.32
72-21-7600	Capital Improvement	660,000.00	133,964.79	442,967.59	1,144,810.29	67.12

Account Number	Description	Budget	Period Amt	End Bal	Encumbered	% of Budget
	Projects					
	Capital Outlay	851,000.00	138,491.57	460,773.87	1,229,602.29	54.14
	<b>Wastewater-Plant</b>	<b>851,000.00</b>	<b>138,491.57</b>	<b>460,773.87</b>	<b>1,229,602.29</b>	<b>54.14</b>
	<b>Wastewater-Collections</b>					
	Capital Outlay					
72-22-7540	Vehicles	35,000.00	0.00	0.00	0.00	0.00
72-22-7600	Capital Improvement	1,624,000.00	28,920.35	136,296.62	32,695.64	8.39
	Projects					
	Capital Outlay	1,659,000.00	28,920.35	136,296.62	32,695.64	8.22
	<b>Wastewater-Collections</b>	<b>1,659,000.00</b>	<b>28,920.35</b>	<b>136,296.62</b>	<b>32,695.64</b>	<b>8.22</b>
	<b>Transfers &amp; Contingencies</b>					
	Transfers & Contingencies					
72-29-9000	Contingency	3,075,000.00	0.00	0.00	0.00	0.00
	Transfers & Contingencies	3,075,000.00	0.00	0.00	0.00	0.00
	<b>Transfers &amp; Contingencies</b>	<b>3,075,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
72	Expense	5,585,000.00	167,411.92	597,070.49	1,262,297.93	10.69
	<b>Wastewater Reclamation</b>	<b>0.00</b>	<b>-82,198.05</b>	<b>4,850,745.81</b>	<b>-1,262,297.93</b>	<b>0.00</b>
	<b>Capital</b>					
73	<b>Watershed Protection</b>					
	<b>Capital</b>					
	<b>NonDivisional</b>					
	Beginning Fund Balance					
73-00-3500	Fund balance	1,687,000.00	0.00	1,683,263.62	0.00	99.78
	Beginning Fund Balance	1,687,000.00	0.00	1,683,263.62	0.00	99.78
	<b>NonDivisional</b>	<b>1,687,000.00</b>	<b>0.00</b>	<b>1,683,263.62</b>	<b>0.00</b>	<b>99.78</b>
	Fund Balance	1,687,000.00	0.00	1,683,263.62	0.00	99.78
	<b>NonDivisional</b>					
	Revenue					
73-00-4610	Investment revenue	15,000.00	663.70	3,476.48	0.00	23.18
	Revenue	15,000.00	663.70	3,476.48	0.00	23.18
	<b>NonDivisional</b>	<b>15,000.00</b>	<b>663.70</b>	<b>3,476.48</b>	<b>0.00</b>	<b>23.18</b>
	<b>Transfers &amp; Contingencies</b>					
	Revenue					
73-29-4930	Transfer in from Fund 30	480,000.00	40,000.00	200,000.00	0.00	41.67
	Revenue	480,000.00	40,000.00	200,000.00	0.00	41.67
	<b>Transfers &amp; Contingencies</b>	<b>480,000.00</b>	<b>40,000.00</b>	<b>200,000.00</b>	<b>0.00</b>	<b>41.67</b>
	Revenue	495,000.00	40,663.70	203,476.48	0.00	41.11
	<b>Watershed Protection</b>					
	Capital Outlay					
73-23-7600	Capital Improvement	300,000.00	0.00	0.00	0.00	0.00
	Projects					
	Capital Outlay	300,000.00	0.00	0.00	0.00	0.00
	<b>Watershed Protection</b>	<b>300,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Transfers &amp; Contingencies</b>					
	Transfers & Contingencies					
73-29-9000	Contingency	1,882,000.00	0.00	0.00	0.00	0.00

<b>Account Number</b>	<b>Description</b>	<b>Budget</b>	<b>Period Amt</b>	<b>End Bal</b>	<b>Encumbered</b>	<b>% of Budget</b>
	<i>Transfers &amp; Contingencies</i>	1,882,000.00	0.00	0.00	0.00	0.00
	<b>Transfers &amp; Contingencies</b>	<b>1,882,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Expense	2,182,000.00	0.00	0.00	0.00	0.00
73	<b>Watershed Protection Capital</b>	<b>0.00</b>	<b>40,663.70</b>	<b>1,886,740.10</b>	<b>0.00</b>	<b>0.00</b>
Revenue Total		<b>25,426,200.00</b>	<b>1,838,703.13</b>	<b>9,915,997.65</b>	<b>0.00</b>	<b>0.39</b>
Expense Total		<b>39,958,705.00</b>	<b>1,723,718.47</b>	<b>8,682,956.70</b>	<b>2,344,787.19</b>	<b>0.2173</b>

General Ledger  
Account Roll up



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Period 05 - 05  
Fiscal Year 2022

Sort Level	Description	Budget	Period Amt	End Bal	% ExpendCollect
<b>Revenue</b>	<b>Revenue</b>				
4210	Water Sales - CRW	30,000.00	0.00	15,557.39	51.86
4211	Water sales	4,120,000.00	307,760.36	1,989,196.86	48.28
4212	Wastewater Charges	8,459,000.00	636,717.94	3,489,629.19	41.25
4213	Watershed protection fees	1,566,000.00	129,809.49	657,300.05	41.97
4215	Penalties & late charges	21,000.00	2,135.83	12,384.44	58.97
4220	System Development Charges	125,000.00	0.00	143,527.00	114.82
4221	System Development-Reimburse	100,000.00	0.00	0.00	0.00
4225	System Development-Improvement	100,000.00	0.00	0.00	0.00
4230	Contract services	57,400.00	4,000.00	25,400.00	44.25
4240	Service installations	10,000.00	0.00	11,333.00	113.33
4280	Rents & leases	200,000.00	47,990.98	79,247.96	39.62
4290	Other charges for services	55,000.00	50.00	15,475.00	28.14
4610	Investment revenue	125,000.00	5,563.53	30,942.86	24.75
4630	Miscellaneous revenues	35,000.00	1,425.00	26,753.90	76.44
4910	Transfer in from Fund 10	2,000,000.00	166,667.00	833,335.00	41.67
4920	Transfer in from Fund 20	6,311,000.00	412,583.00	1,965,915.00	31.15
4930	Transfer in from Fund 30	1,488,000.00	124,000.00	620,000.00	41.67
4940	Transfer in from Fund 40	623,800.00	0.00	0.00	0.00
		<b>25,426,200.00</b>	<b>1,838,703.13</b>	<b>9,915,997.65</b>	<b>39.00</b>
<b>Revenue</b>	<b>Revenue</b>				
<b>Expense</b>	<b>Expense</b>				
5110	Regular employees	3,428,000.00	262,153.12	1,265,806.78	36.93
5120	Temporary/Seasonal employees	0.00	1,386.00	4,518.00	0.00
5130	Overtime	96,000.00	8,125.50	31,983.59	33.32
5210	Employee Ins	705,000.00	53,165.29	237,389.34	33.67
5230	Social Security	269,000.00	18,580.78	95,210.98	35.39
5240	Retirement	615,000.00	48,400.07	238,024.03	38.70
5250	Trimet	30,000.00	2,140.69	10,274.72	34.25
5260	Unemployment	5,000.00	0.00	0.00	0.00
5270	Workers compensation	54,000.00	0.00	21,296.53	39.44
5290	Other employee benefits	21,000.00	33.45	155.45	0.74
6110	Legal services	375,000.00	7,831.50	88,878.84	23.70
6120	Accounting & audit services	50,000.00	14,175.00	29,295.00	58.59
6155	Contracted Services	747,500.00	46,964.02	270,766.22	36.22
6175	Records Management	8,000.00	364.50	1,822.50	22.78
6180	Dues & subscriptions	42,000.00	2,446.50	30,844.50	73.44
6220	Electricity	322,000.00	33,508.28	128,810.32	40.00
6230	Telephone	57,000.00	4,659.98	21,696.50	38.06
6240	Natural gas	9,000.00	225.00	1,528.53	16.98
6250	Solid waste disposal	42,000.00	4,596.13	9,684.21	23.06
6290	Other utilities	15,000.00	527.45	2,961.55	19.74
6310	Janitorial services	25,000.00	2,048.49	10,242.45	40.97
6320	Buildings & grounds	119,000.00	5,719.01	67,722.88	56.91
6330	Vehicle & equipment maint.	50,000.00	1,509.97	25,019.01	50.04
6340	Distribution system maint	400,000.00	4,969.02	109,657.54	27.41
6342	Collection system maint.	320,000.00	3,737.44	66,719.99	20.85
6350	Computer maintenance	318,000.00	23,965.10	119,062.27	37.44
6390	Other repairs & maintenance	5,000.00	0.00	0.00	0.00
6410	Mileage	6,000.00	0.00	150.08	2.50
6420	Staff training	74,000.00	1,510.00	11,277.08	15.24



Sort Level	Description	Budget	Period Amt	End Bal	% ExpendCollect
6430	Certifications	6,500.00	850.00	1,920.00	29.54
6440	Board travel & training	7,000.00	24.80	578.77	8.27
6510	Office supplies	33,000.00	1,119.18	13,705.80	41.53
6520	Fuel & oils	71,000.00	2,427.74	13,154.83	18.53
6525	Chemicals	55,000.00	630.00	25,637.21	46.61
6530	Small tools & equipment	46,000.00	2,474.38	17,952.42	39.03
6540	Safety supplies	38,500.00	5,412.43	24,470.71	63.56
6550	Operational Supplies	26,000.00	404.77	6,171.84	23.74
6560	Uniforms	36,000.00	2,118.89	15,924.47	44.23
6590	Other supplies	10,000.00	0.00	1,427.55	14.28
6610	Board compensation	2,500.00	0.00	15.51	0.62
6710	Purchased water	1,117,000.00	73,667.60	551,939.04	49.41
6715	Water quality program	12,000.00	718.85	2,725.66	22.71
6720	Insurance	270,000.00	0.00	121.00	0.04
6730	Communications	125,000.00	57.92	9,121.30	7.30
6740	Advertising	7,500.00	910.00	3,431.46	45.75
6750	Other purchased services	0.00	1,781.11	3,562.22	0.00
6760	Equipment Rental	8,000.00	599.43	2,508.34	31.35
6770	Bank charges	140,000.00	12,509.42	64,075.34	45.77
6780	Taxes, Fees & Permits	111,000.00	19,975.30	60,922.18	54.88
6785	ECAP Payments	76,000.00	893.04	16,864.47	22.19
6810	2010 SRF Loan Principal	928,171.00	0.00	461,854.00	49.76
6811	2010 IFA Loan Principal	307,409.00	0.00	0.00	0.00
6813	JPM Bank Loan Principal	1,385,000.00	0.00	0.00	0.00
6814	Principal Payment-KS Statebank	57,000.00	0.00	56,229.12	98.65
6815	Zions Bank loan-principal	183,000.00	0.00	0.00	0.00
6820	2010 SRF Loan Interest	305,740.00	0.00	125,144.00	40.93
6822	2010 IFA Loan Interest	144,809.00	0.00	0.00	0.00
6823	JPM Bank Loan Interest	340,676.00	170,337.50	170,337.50	50.00
6824	Interest Paid-KS Statebank	7,000.00	0.00	6,328.49	90.41
6825	Zions Bank loan-interest	26,000.00	0.00	12,992.70	49.97
6900	Miscellaneous expense	7,000.00	0.00	1,281.73	18.31
6990	Special Payments	550,000.00	0.00	0.00	0.00
7200	Infrastructure	1,555,000.00	0.00	0.00	0.00
7300	Buildings & Improvements	0.00	0.00	23,156.00	0.00
7520	Equipment	191,000.00	4,526.78	17,806.28	9.32
7530	Software	25,000.00	0.00	0.00	0.00
7540	Vehicles	70,000.00	0.00	37,352.23	53.36
7600	Capital Improvement Projects	2,954,000.00	166,287.04	614,195.64	20.79
8105	Transfers out to Fund 05	4,407,000.00	367,250.00	1,836,250.00	41.67
8120	Transfers out to Fund 20	623,800.00	0.00	0.00	0.00
8150	Transfers out to Fund 50	3,412,000.00	171,000.00	758,000.00	22.22
8171	Transfers out to Fund 71	500,000.00	41,667.00	208,335.00	41.67
8172	Transfers out to Fund 72	1,000,000.00	83,333.00	416,665.00	41.67
8173	Transfers out to Fund 73	480,000.00	40,000.00	200,000.00	41.67
9000	Contingency	10,093,600.00	0.00	0.00	0.00
<b>Expense</b>	<b>Expense</b>	<b>39,958,705.00</b>	<b>1,723,718.47</b>	<b>8,682,956.70</b>	<b>21.73</b>
<b>Revenue Total</b>		<b>25,426,200.00</b>	<b>1,838,703.13</b>	<b>9,915,997.65</b>	<b>0.39</b>
<b>Expense Total</b>		<b>39,958,705.00</b>	<b>1,723,718.47</b>	<b>8,682,956.70</b>	<b>0.2173</b>
<b>Grand Total</b>		<b>-14,532,505.00</b>	<b>114,984.66</b>	<b>1,233,040.95</b>	<b>-0.0848</b>



## AGENDA ITEM

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<b>To</b>	Board of Directors
<b>From</b>	Laural Casey, District Recorder
<b>Title</b>	Approval of Meeting Minutes
<b>Item No.</b>	6b
<b>Date</b>	January 18, 2022

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### **Summary of Minutes for Approval**

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

### **Attachments**

1. December 21, 2021 Regular Board Meeting Minutes



**BOARD OF DIRECTORS  
[REMOTE] REGULAR MEETING MINUTES – 6:00 P.M.  
DECEMBER 21, 2021**

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Board of Directors – Members Present via Zoom:

Ginny Van Loo	Secretary/Vice President
Mark Knudson	Treasurer
Susan Keil	Director
Kevin Williams	Director

Oak Lodge Water Services Staff – Present via Zoom:

Sarah Jo Chaplen	General Manager
Aleah Binkowski-Burk	Human Resources/Payroll Manager
Gail Stevens	Finance Director
David Hawkins	Interim Plant Operations Superintendent
Jeff Page	Utility Operations Director
Brad Lyon	Field Operations Supervisor
Laural Casey	District Recorder
Alexa Morris	Outreach and Communications Specialist

Consultants & Organizational Representatives – Present via Zoom:

Tommy Brooks	Cable Huston
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**1. Call to Order & Meeting Facilitation Protocols**

Secretary/Vice President Van Loo called the meeting to order at 6:00 p.m.

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

General Manager Chaplen also introduced guests attending in an official capacity:

- Sherry French, President of the Clackamas River Water Board of Commissioners.
- Chris Hawes, Chair of the Sunrise Water Authority.

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

**2. Call for Public Comment**

Secretary/Vice President Van Loo asked District Recorder Casey if any written comments had been submitted. District Recorder Casey stated there were none.

Secretary/Vice President Van Loo asked District Recorder Casey if there were any members of the public

in attendance. District Recorder Casey stated there were none.

### **3. Monthly Update: Oak Lodge Governance Project**

As announced at the previous meeting, no representatives were present.

### **4. Consent Agenda**

Items on the Consent Agenda included:

- The October Financial Report,
- The November 16, 2021 regular meeting minutes,
- Approval of participation in the Low-Income Housing Water Assistance Program, and
- Approval of SDIS Insurance Policy Renewal for 2022.

The Board asked clarifying questions related to the Low-Income Housing Water Assistance Program and the October Financial Report.

Treasurer Knudson requested the Special Districts Insurance Service (SDIS) insurance policy renewal be voted on separately from the Consent Agenda. He cited his intent to abstain from voting on the item due to his affiliation with the Special District Association of Oregon (SDAO) – the parent organization of SDIS.

Treasurer Knudson moved to approve the Consent Agenda. Director Keil seconded. Secretary/Vice President Van Loo asked District Recorder Casey to conduct a roll call vote to approve the Consent Agenda. Voting Aye: Secretary/Vice President Van Loo; Treasurer Knudson; Directors Keil and Williams.

MOTION CARRIED

Director Williams moved to approve the General Manager to renew the Property and Liability Insurance Policy with SDIS through the agent of record, Brown and Brown. Director Keil seconded. Secretary/Vice President Van Loo asked District Recorder Casey to conduct a roll call vote to approve the Consent Agenda. Voting Aye: Secretary/Vice President Van Loo; Directors Keil and Williams. Abstaining: Treasurer Knudson.

MOTION CARRIED

### **5. Consideration of Continued Remote Meetings**

General Manager Chaplen noted the Board's request for Staff to provide an update regarding public meeting format during the pandemic. She outlined the Staff recommendation and current pandemic recommendations from the CDC and State of Oregon.

Director Keil inquired about the regulation of pandemic protocols. Her suggestion was for the Board to continue to hold remote meetings until Staff returned with a recommendation to begin meetings of a

different format. Treasurer Knudson suggested periodic updates.

Director Keil moved to continue remote meetings until Staff recommend a change based on the conditions and regulations in place, and to update the Board in 90 days of the status. Treasurer Knudson seconded. Secretary/Vice President Van Loo asked District Recorder Casey to conduct a roll call vote to approve the Consent Agenda. Voting Aye: Secretary/Vice President Van Loo; Treasurer Knudson; Directors Keil and Williams.

MOTION CARRIED

## **6. Business from the Board**

Director Williams provided an overview of his written report, including the intent to present information on the District's reorganization as an Authority at the March Jennings Lodge Community Planning Organization (JLCPO) meeting. He asked Director Keil to co-present.

Treasurer Knudson applauded Director Keil for the Authority-related presentation at the Oak Grove Community Council (OGCC) meeting. He announced that OGCC voted to send a letter of support to the Clackamas County Board of County Commissioners (BCC).

Director Keil announced the upcoming Community Conversations to be held on January 24 and 29, 2022. A letter will be sent to all customers, as well as various public notices in the Clackamas Review and on social media. Secretary/Vice President Van Loo requested the information be sent to the BCC directly. Director Keil asked for Staff to communicate the information with businesses and the North Clackamas Chamber of Commerce, as well.

## **7. Departments Reports**

The Board asked clarifying questions and provided comments on:

- The impacts of beaver dams to water quality,
- The non-revenue water audit,
- The contaminated load of biosolids,
- The decrease in delinquent balances,
- The usage of labor attorneys, and
- The Clackamas County paving standards.

There was Board consensus to accept the US Department of Agriculture's (USDA) offer to mitigate the beaver infestation in the District to improved localized flooding, worker safety, and system performance.

## **8. Call for Public Comment**

Secretary/Vice President Van Loo asked District Recorder Casey if there were any members of the public

still in attendance. District Recorder Casey confirmed there were none.

**9. Adjourn Meeting**

Treasurer Knudson thanked the Board and Staff for the recent farewell event. He made his final remarks as a Board member, stating he would miss the tremendously rewarding opportunity of working with fellow Board members and District Staff.

Secretary/Vice President Van Loo complimented Staff on excellent customer service. She outlined the unfortunate situation a customer had recently encountered with eight inches of water in new construction. Staff responded immediately and while the issue was not caused by the District, Staff took the time to help the customer find the issue.

Secretary/Vice President Van Loo adjourned the meeting at 7:09 p.m.

Respectfully submitted,

\_\_\_\_\_  
Paul Gornick  
President, Board of Directors

\_\_\_\_\_  
Ginny Van Loo  
Secretary/Vice President, Board of Directors

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

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



## STAFF REPORT

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**To** Board of Directors  
**From** Jason Rice, District Engineer  
**Title** Approval of On-Call Contract for Boardman and Arista Flooding Alternatives Analysis  
**Item No.** 6c  
**Date** January 5 for January 18, 2022

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### Summary

Staff seeks approval for the General Manager to sign a Task Order under the District's On-Call Engineering Services Contract in the amount not to exceed \$57,132 with David Evans and Associates Inc.

### Background

Watershed Protection is one of the District's three main functions. Since the District has no approved plan for how improvements will be made, last September staff attended a Board Meeting and received approval to further analyze the flooding at Boardman and Arista. This Staff Report and attached documents, serve as the first step to solve the flooding at this location.

The intersection of SE Boardman Ave. and SE Arista Dr. and the surrounding area experiences frequent flooding during rain events. The intersection is bound by residential properties, the Trolley Trail, and a conveyance ditch that flows from southeast to northwest. An existing culvert conveys flows from the ditch under SE Boardman Ave. An inlet at the low point of SE Arista Dr. collects runoff from the roadway and eventually discharges to a conveyance ditch under SE Boardman Ave. There appears to be extensive beaver and nutria activity in the conveyance ditch as well. The District would like to determine the cause of the flooding at the intersection and consider alternatives to correct identified issues. This project includes site investigation, survey, and existing condition analysis to inform an alternatives analysis memo and high-level cost estimate.

Once the alternatives are created, staff will attend a future Board meeting to discuss which of the alternatives are acceptable to propose partnering on with the Clackamas County Department of Transportation (CCDTD) and North Clackamas Parks and Recreation District (NCPRD) to further design.

## **Past Board Actions**

September 2021                      Staff visited the Board, discussed various flooding issues within the District, and ultimately recommend Boardman and Arista be further analyzed.

## **Budget**

The current FY22 Budget contains \$300,000 in the Watershed Protection Capital Fund (73-23-7600) for the purposes of improving surface water quality within the District.

## **Concurrence**

The attached Scope and Estimate of Fees was reviewed by the Assistant Director of Transportation at Clackamas County and no changes were requested.

NCPRD staff are following the project and will determine at a later date if they can participate in the solution.

## **Recommendation**

Staff recommends approving the General Manager to sign the proposed Task Order as it moves the District closer to a solution of solving the flooding at Boardman and Arista along the trolley Trail.

## **Suggested Board Motion**

*“I move to approve the General Manager to sign the proposed Task Order with David Evans and Associates Inc., a District On-Call Engineer, in an amount not to exceed \$57,132”*

## **Attachments**

1. Project Scope
2. Project Estimate of Fees





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AND ASSOCIATES INC.

## **SE Boardman Ave. and SE Arista Dr. Scope of Work**

### **Project Description**

The intersection of SE Boardman Ave. and SE Arista Dr. and the surrounding area experiences frequent flooding during rain events. The intersection is bound by residential properties, the Trolley Trail, and a conveyance ditch that flows from southeast to northwest. An existing culvert conveys flows from the ditch under SE Boardman Ave. An inlet at the low point of SE Arista Dr. collects runoff from the roadway and eventually discharges to conveyance ditch under SE Boardman Ave. There appears to be extensive beaver and nutria activity in the conveyance ditch as well. Oak Lodge Water Services (OLWS) would like to determine the cause of the flooding at the intersection and consider alternatives to correct identified issues. This project includes site investigation, survey, and existing condition analysis to inform an alternatives analysis memo and high-level cost estimate.

The scope of work for the Project includes the following general tasks:

### **Task 1 Project Management**

The purpose of this task is to coordinate the project team, prepare and review effort details and progress letters, invoice the project and process project expenses.

The work under this task includes:

#### **100 Project Management**

- Prepare monthly invoices and progress letters
- Coordinate the project effort and review scope, schedule, and budget
- Facilitate and attend a Zoom project kickoff meeting
- Facilitate and attend up to 4 check-in Zoom meetings as needed
- Provide meeting notes

#### **Assumptions:**

- The duration of the project is up to 6 months and will include up to 6 invoices

### **Task 2: Survey Services**

The work under this task includes:

#### **200 Survey Services**

The purpose of this task is to provide survey services including site topographical survey. Topographic survey extends curb to curb for approximately 450 linear feet of SE Boardman Ave. and 300 linear feet of SE Arista Dr. It will also include survey of approximately 625 linear feet of the Trolley Trail and the surrounding area, and up to 5 cross sections of the conveyance ditch. Survey in this area will include



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mapping of standard one-call utility locates, storm and sanitary manholes and catch basins and street cross sections on 50-foot stations for the width of the roadway and adjacent Trolley Trail. For the first 100 feet each direction from the culvert crossing on Boardman Ave and the Trolley Trail, cross sections will be shot on 25-foot stations.

The existing culvert structures under SE Boardman Ave. and SE Roethe Rd. will be located and measured for invert depths, pipe size and materials. No other topographic survey will be collected outside of the Full Topographic Survey Limits shown below.

**Assumptions:**

Right of Entry on private property will be coordinated by OLWS. DEA Surveyors will also notify property owners before entry under the provisions of ORS 672.047

Utility locates will take up to 10 days as allowed by law. Utility locates will be requested upon receiving notice to proceed.

The effort does not include cleaning of the culverts should there be accumulated material that inhibits survey of these structures.

Right of way resolution and a Pre or Post Construction Record of Survey is not required for this project.

Survey monuments will not be exposed if paved over. An approximate location using a metal detector signal will be mapped solely for preservation purposes to be shown on the topographic survey map.

Horizontal and vertical datum would be the Oregon Coordinate Reference System, Portland Zone and NAVD88, respectively.

**Task 3: Alternatives Analysis**

The work under this task includes:

**300 Field Investigation/Data Collection**

- Visit site with OLWS staff to assess the site and observe drainage patterns.
- Desktop review relating to wetland characterization and connections to upstream and downstream habitat.
- Discussions with OLWS and County staff on how beavers and nutrias have utilized this area historically, including efforts to manage their activity.

**Assumptions:**

- Up to 3 consultant staff will attend a one-hour site visit with OLWS staff and any stakeholders identified by OLWS.
- No field wetland delineation work will be performed.



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### **310 Existing Condition Review**

The purpose of this task is to understand the existing site conditions and identify potential sources of flooding of the intersection and surrounding area.

- Provide preliminary engineering evaluation based on obvious site constraints, topographic survey, and existing drainage conditions including the roadway intersection, adjacent trail, and drainage infrastructure.
- Complete hydrologic and hydraulic analysis of the culvert under SE Boardman Ave. This includes a hydrologic study of the area to determine expected flows in the conveyance ditch and a hydraulic analysis (HEC-RAS model) of the culvert and conveyance ditch to determine potential capacity issues. This analysis will include analysis of theoretical impacts of beaver dams in the ditch downstream of the culvert.

### **320 Alternatives Recommendation Memorandum**

The purpose of this task is to provide high-level recommendations to address potential causes of flooding in the area identified in Task 310.

- With input from OLWS staff, identify criteria for assessing alternatives. These criteria may include project cost, traffic impacts, public safety, and/or environmental/permitting.
- Evaluate up to 5 alternatives for addressing causes of flooding identified in Task 310. This includes high-level discussion of alternatives criteria, cost estimating, and review of potential environmental and land use permits required.
- Provide a recommendation memorandum of methodology, findings, alternatives analysis, assumptions, and recommendations.

#### **Assumptions:**

- One draft and one final Recommendation Memorandum
- One virtual client review meeting with up to 3 consultant staff to review comments on the draft memorandum.
- Alternatives evaluation based on the identified criteria including cost estimating will be based on engineering judgement and will not include design of alternatives.

Attachments:

Approximate Survey Limits and Cross Section Locations

Basis of Cost



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**Approximate Survey Limits and Cross Section Locations**



Red polygon = Roadway/Trail survey limits

Blue lines = Approximate ditch cross section locations





## AGENDA ITEM

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**Title** Business from the Board  
**Item No.** 7  
**Date** January 18, 2022

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### Summary

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.

Business from The Board Items Include:

- a. Individual Board Member Reports**
- b. Parking Lot**

Date Added	Item	Work Update
8/13/2019	OLWSD/Gladstone IGA	OLWSD and Gladstone have begun negotiations of the full draft IGA.

## **Business from the Board**

### **Paul Gornick's Meeting Reports - January 2022**

December 14, 2021 - Sunrise Water Board Meeting (remote meeting)

- Board discussed the need for altering zone representation following the 2020 census. They are in contact with PSU regarding population estimates for revising the zone boundaries.
- Board approved resolution revising the leak adjustment policy, eliminating appeals to the board.
- Board approved purchasing of Transportation SDC credits from Gramor Development at a 15% discount to fulfill SDCs required for the new SWA operations building.
- Board approved resolution for the new rate schedule, which was broadly approved in April 2021 for 0%-5% rate increases in 2022-2024. Approved rate increase on January 1, 2022 is a 5% increase for both service and consumption charges for commercial, residential, and fire service accounts.
- Board approved resumption of enforcement of the shutoff policy. Enforcement threshold is an unpaid balance of more than \$100.
- General manager's report noted that gross consumption was up 15% over prior year. Phone interviews for new Finance Director are scheduled for next week. GM noted that one additional full time accounting/finance staffer was added this past month.
- Board liaison reports included noting that CRW's Finance Director is retiring, so they will soon have the need to hire for this position as well.
- Board convened as Contract Review Board for two items: a \$106,000 change order for boulder removal at the new operations building site, and a \$100,000 contract for an acoustic enclosure for the generator at Pump Station 15 on SE Verlie St in a residential area next to their reservoir.

January 6, 2021 – C4 Meeting (remote meeting)

- Gail Greenman, Executive Director of the Westside Economic Alliance, introduced herself and provided information about her organization, along with links to the organization website and her bio.
- The bulk of the meeting was a discussion of transit issues, facilitated by Karen Buerhig from ClackCo Transportation and Trent Wilson from ClackCo Government Affairs. As part of ODOT's work to identify strategies to mitigate diversion caused by the I-205 tolling project, they requested the small transit provider in Clackamas County to help identify transit related mitigation opportunities. This work is expected to have multiple iterations, and further discussion will be needed by the C4 Diversion Subcommittee. Secondly, at the October C4 retreat, Clackamas jurisdictions were asked to go to their constituencies and solicit transit objectives for future consideration, both for their communities and the county at large (separate from the I-205 diversion concerns).
- The transit discussion was quite extended, and the remaining agenda items (including C4 discussion priorities for 2022) were deferred to the February meeting.
- To read the informational meeting packet, go here: [e5b39f7d-070b-42c0-9d2b-81a8c9260314 \(clackamas.us\)](https://www.clackamas.us/e5b39f7d-070b-42c0-9d2b-81a8c9260314)
- A video of the meeting (not yet posted as of 1/09/2022) can be found here: [C4 Meetings | Clackamas County](#)



## STAFF REPORT

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**To** Board of Directors  
**From** Aleah Binkowski, Human Resources and Payroll Manager  
**Title** Human Resources Monthly Report  
**Item No.** 8a  
**Date** January 18, 2022

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### Summary

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

### Highlights of the Month

- Insurance policy numbers finalized
- Staffing and hiring update
- Records management

### Human Resources

The District has finalized numbers for our Annual Property and Liability Insurance Coverage through SDIS (Special Districts Insurance Services). The premium total is unchanged from the amount listed in December's Staff Report. The District has chosen to purchase our supplemental Cybersecurity Insurance through Coalition Insurance Services. For the past three years the District has purchased supplemental Cybersecurity Insurance through Beazley Insurance Company. This year the Beazley renewal quote increased by 257% over last year. Our 2021 policy with Beazley cost \$6,460.00 and Beazley quoted \$16,665.00 for a 2022 renewal. The increase was based on how Beazley writes and administers their policies. The District worked with our insurance broker and was able to get supplemental Cybersecurity Insurance with Coalition for \$7,921.88. As part of the application and policy creation process with Coalition, they created a Risk Assessment for the District. This Coalition Risk Assessment is the first step in their continuous monitoring process. They use externally observable data to provide an objective, evidence-based assessment of our cyber risk and our overall security preparedness. The Coalition Risk Assessment found no vulnerabilities in the critical or high-risk categories, and only one easily fixed vulnerability in the medium risk category. They rank all Coalition policyholders and give them risk level number from zero to one hundred (zero being minimal risk and one hundred being the highest risk). Coalition gave the District a risk level number of forty-one. The peer average risk level number is fifty.



The District has recently welcomed several new staff members to fill open positions. Tyrell Graham has joined us as our new Maintenance Mechanic. Larry Nighthawk has joined us as our new Plant Operator. And Antonio Canisales has started as our new Sr. Accounting Lead. Although hiring is challenging in the current labor market, we have been able to bring on qualified individuals who are excited to join our already amazing staff.

## **Records Management**

The District made significant improvements in records management during 2021 and District Recorder Casey (Laural) looks forward to continuing this momentum in 2022.

- The Records Management Team comprised of Records Liaisons from each department met three times and Laural conducted “Records Basics” trainings with various departmental teams throughout the year.
- Through District-wide record identification efforts, over 2,600 records were archived in the dedicated records shared drive (the District’s interim archive solution).
- Physical and electronic records were consolidated and classified. The Records Inventory, cataloguing records according to State retention, is almost complete.
- Laural responded to eight Public Records Requests; down from 12 in 2020.

In 2022, the District is planning to hold the first annual “Records Week” in which each department will dedicate a full day to various records trainings and clean up. The Records Management Team will begin to identify needs and create a scope for the implementation of an Electronic Records Management System (ERMS) in the FY 2024 budget. Also, stay tuned for an update of the District’s Records Management Plan.

## **Attachments**

1. Coalition Insurance Summary



# Cybersecurity & insurance to keep your business safe

Coalition is the best way for a company to manage cyber risk. We provide comprehensive insurance coverage, free cybersecurity tools to monitor and protect your business, and 24/7 expert incident response to help you quickly respond to a cyber incident.



**Hackers are smart, breaches are common, accidents happen. You need the most comprehensive protection. That's Coalition.**

## State-of-the-art cybersecurity

Our cybersecurity platform includes 24/7 security monitoring, automated security alerts, employee training, and access to security experts to prevent cyber incidents before they occur



## Best-in-class cyber insurance

We protect the value of your entire business including financial, intangible, and tangible damage with up to \$15M of the most comprehensive cyber insurance

## The most innovative and comprehensive coverage available

Coalition covers more of the financial, tangible, and intangible exposures your business faces as than any other insurance company.



### Ransomware

A hacker has encrypted all of your files and won't unlock them until you pay a ransom. Not to worry, we'll cover the costs to restore your data and get you up and running again.



### Wire Fraud & Social Engineering

A funds transfer request is sent to your controller by someone pretending to be your CEO. The funds may be out the door, but at least you're not out of pocket — we've got you covered.



### Phishing and Data Breaches

A hacker gains access to an employee's email or breaches your network. We'll cover costs to fix the problem and breach related expenses such as credit monitoring and regulatory penalties.



# Don't just protect your network, protect your business

We offer a full suite of security apps including 24/7 security monitoring, automated threat and intelligence alerts, DDoS mitigation, security benchmarking, ransomware protection, employee training, patch reminders, and more — included with each policy at no additional cost.



“



*“I never thought I'd say I was passionate about an insurance platform, but what you guys have built is exceptional.”*

— VERIFIED COALITION POLICYHOLDER

## We're here for you when you need us most

Incidents happen, which is why you have insurance in the first place. Coalition is the only insurance firm with a dedicated 24/7 incident response and claims team to help you quickly respond to an incident. Join thousands of other organizations who rely on Coalition to provide emergency first response.

## The capabilities of Coalition.

## The financial strength of the world's leading insurers.

Coalition's insurance products are offered with the financial security of many of the world's leading (re)insurers including Swiss Re Corporate Solutions, Arch Insurance North America, and Lloyd's of London, among others.

# Ready to protect your business?

To learn more visit [www.coalitioninc.com](http://www.coalitioninc.com)

\* Consult your quote or policy for specific carrier information.



## **Notice**

**This insurance was procured and developed under the Oregon Surplus Lines Laws. It is NOT covered by the provisions of ORS 734.510 to 734.710 relating to the Oregon Insurance Guaranty Association. If the insurer issuing this insurance becomes insolvent, the Oregon Insurance Guaranty Association has no obligation to pay claims under this evidence of insurance.**



Coalition Insurance Solutions, Inc.  
 OR License No. 3000112920  
 1160 Battery Street, Suite 350  
 San Francisco, CA 94111  
 Producer Code: 1035616

## COALITION CYBER POLICY

### POLICY DECLARATIONS

NOTICE: YOUR POLICY CONTAINS CLAIMS-MADE AND REPORTED COVERAGE. CLAIMS-MADE AND REPORTED COVERAGE APPLIES ONLY TO CLAIMS THAT ARE FIRST MADE AND REPORTED DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF PURCHASED. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES WILL BE REDUCED AND MAY BE EXHAUSTED BY CLAIMS EXPENSES. FURTHERMORE, CLAIMS EXPENSES WILL BE APPLIED AGAINST THE RETENTION.

PLEASE READ YOUR POLICY CAREFULLY AND CONSULT YOUR INSURANCE ADVISOR ABOUT ANY QUESTIONS YOU MIGHT HAVE.

Filing Policy No.: C-4LWN-129213-CYBER-2022  
 Renewal of: New

Broker: Beecher Carlson Insurance Services, LLC  
 Broker License Number: 100151203  
 Agency: Beecher Carlson Insurance Services / Brown and Brown  
 Agency Address: 6 Concourse Parkway  
 Suite 2300  
 Atlanta, GA 30328

<b>Item 1.</b>	<b>Named Insured Address</b>	Oak Lodge Water Services District 14496 Southeast River Road Oak Grove, OR 97267														
<b>Item 2.</b>	<b>Policy Period</b>	From: January 01, 2022 To: January 01, 2023 <i>Both dates at 12:01 AM at the address stated in Item 1.</i>														
<b>Item 3.</b>	<b>Policy Premium</b>	<table border="0" style="width: 100%;"> <tr> <td>Premium without TRIA</td> <td style="text-align: right;">\$7,726.27</td> </tr> <tr> <td>TRIA Premium</td> <td style="text-align: right;">\$7.73</td> </tr> <tr> <td><b>Policy Premium</b></td> <td style="text-align: right;"><b>\$7,734.00</b></td> </tr> <tr> <td>OR Surplus Lines Tax (2%)</td> <td style="text-align: right;">\$154.68</td> </tr> <tr> <td>Surplus Lines Service Charge</td> <td style="text-align: right;">\$10.00</td> </tr> <tr> <td>Fire Marshal Tax (0.3%)</td> <td style="text-align: right;">\$23.20</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>\$7,921.88</b></td> </tr> </table>	Premium without TRIA	\$7,726.27	TRIA Premium	\$7.73	<b>Policy Premium</b>	<b>\$7,734.00</b>	OR Surplus Lines Tax (2%)	\$154.68	Surplus Lines Service Charge	\$10.00	Fire Marshal Tax (0.3%)	\$23.20	<b>Total</b>	<b>\$7,921.88</b>
Premium without TRIA	\$7,726.27															
TRIA Premium	\$7.73															
<b>Policy Premium</b>	<b>\$7,734.00</b>															
OR Surplus Lines Tax (2%)	\$154.68															
Surplus Lines Service Charge	\$10.00															
Fire Marshal Tax (0.3%)	\$23.20															
<b>Total</b>	<b>\$7,921.88</b>															
<b>Item 4.</b>	<b>Aggregate Policy Limit of Liability</b>	\$1,000,000														

**Item 5. Insuring Agreement(s) purchased, Limits of Liability, and Retentions**

**Coverage under this policy is provided only for those Insuring Agreements for which a limit of liability appears below. If no limit of liability is shown for an Insuring Agreement, such Insuring Agreement is not provided by this policy. The Aggregate Policy Limit of Liability shown above is the most the Insurer(s) will pay regardless of the number of Insured Agreements purchased.**

**THIRD PARTY LIABILITY COVERAGES**

Insuring Agreement	Limit/Sub-Limit	Retention/Sub-Retention
A. NETWORK AND INFORMATION SECURITY LIABILITY	\$1,000,000	\$5,000
B. REGULATORY DEFENSE AND PENALTIES	\$1,000,000	\$5,000
C. MULTIMEDIA CONTENT LIABILITY	\$1,000,000	\$5,000
D. PCI FINES AND ASSESSMENTS	\$1,000,000	\$5,000

**FIRST PARTY LIABILITY COVERAGES**

Insuring Agreement	Limit/Sub-Limit	Retention/Sub-Retention
E. BREACH RESPONSE	\$1,000,000	\$5,000
F. CRISIS MANAGEMENT AND PUBLIC RELATIONS	\$1,000,000	\$5,000
G. CYBER EXTORTION	\$1,000,000	\$5,000
H. BUSINESS INTERRUPTION AND EXTRA EXPENSES	\$1,000,000	\$5,000 i. Waiting period: 8 hours ii. Enhanced waiting period: 8 hours
I. DIGITAL ASSET RESTORATION	\$1,000,000	\$5,000
J. FUNDS TRANSFER FRAUD	\$250,000	\$25,000

**Item 6. Pre-Claim Assistance** \$1,930

**Item 7. Insurers and Quota Share Percentage**

Insurer	Policy No.	Quota Share % of Loss	Quota Share Limit of Liability	Premium
North American Capacity Insurance Company	CCP1040044-00	51.0%	\$510,000	\$3,944.34
Arch Specialty Insurance Company	CCP1040044-00	49.0%	\$490,000	\$3,789.66

The obligations of each Insurer in this Item 7. of these Declarations are limited to the extent of its Quota Share % of Loss up to its Quota Share Limit of Liability.



Coalition Insurance Solutions, Inc.  
 OR License No. 3000112920  
 1160 Battery Street, Suite 350  
 San Francisco, CA 94111  
 Producer Code: 1035616

**Item 8. Notification of incidents, claims, or potential claims**

By Email  
 Attn: Coalition Claims  
 claims@thecoalition.com

By Phone  
 1.833.866.1337

By Mail  
 Attn: Coalition Claims  
 1160 Battery Street, Suite 350  
 San Francisco, CA 94111  
 Full prior acts coverage

**Item 9. Retroactive Date**

**Item 10. Continuity Date**

January 01, 2022

**Item 11. Optional Extended Reporting Period**

Additional premium: N/A  
 Extended period: N/A

**Item 12. Choice of Law**

OR

**Item 13. Endorsements and Forms Effective at Inception**

DECLARATIONS	SP 14 797 0221
COALITION CYBER POLICY	SP 14 798 0419
QUOTA SHARE ENDORSEMENT	SP 15 629 0218
SERVICE OF SUIT ENDORSEMENT	SP 14 927 0219
COMPUTER REPLACEMENT ENDORSEMENT	SP 17 514 0419
REPUTATION REPAIR ENDORSEMENT	SP 14 802 1117
REPUTATIONAL HARM LOSS	SP 16 383 0718
SERVICE FRAUD ENDORSEMENT	SP 16 183 0518
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM	SP 17 252 0219
DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT	SP 17 255 0220
MISCELLANEOUS AMENDMENTS (BROWN & BROWN) ENDORSEMENT	SP 17 923 1019
BREACH RESPONSE SEPARATE LIMIT ENDORSEMENT	SP 16 296 0618
REGULATORY COVERAGE ENHANCEMENT ENDORSEMENT – CCPA AND GDPR	SP 17 147 1119
COURT ATTENDANCE COST REIMBURSEMENT ENDORSEMENT	SP 16 777 0918
CRIMINAL REWARD COVERAGE	SP 16 670 0818



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DUTY TO COOPERATE ENDORSEMENT	SP 17 274 0219
INVOICE MANIPULATION ENDORSEMENT	SP 17 813 0819
MULTI-FACTOR AUTHENTICATION (MFA) RETENTION REDUCTION	SP 17 814 0819
YOUR OBLIGATIONS AS AN INSURED ENDORSEMENT	SP 17 275 0219
PHISHING (IMPERSONATION) AND PROOF OF LOSS PREPARATION EXPENSE ENDORSEMENT	SP 18 435 0720
WRONGFUL COLLECTION EXCLUSION	SP 18 324 0521
\$0 RETENTION FOR SERVICES FROM COALITION INCIDENT RESPONSE	SP 18 395 0620

THE DECLARATIONS, THE APPLICATION, THE COALITION CYBER POLICY, AND ANY ENDORSEMENTS ATTACHED THERETO, CONSTITUTE THE ENTIRE POLICY BETWEEN US, THE ENTITY NAMED IN ITEM 1 OF THE DECLARATIONS, AND ANY INSURED.

IN WITNESS WHEREOF, we have caused this Policy to be signed officially below.



\_\_\_\_\_  
 Authorized Representative

December 30, 2021  
 Date

Coalition Insurance Solutions, Inc.





Coalition Insurance Solutions, Inc.  
OR License No. 3000112920  
1160 Battery Street, Suite 350  
San Francisco, CA 94111  
Producer Code: 1035616

IN WITNESS THEREOF, the issuing company has caused this policy to be signed officially below.

A handwritten signature in black ink, appearing to read "Wen Gao", written above a horizontal line.

President

A handwritten signature in black ink, appearing to read "Elesia B. Kenny", written above a horizontal line.

Secretary

**North American Capacity Insurance Company**



Coalition Insurance Solutions, Inc.  
OR License No. 3000112920  
1160 Battery Street, Suite 350  
San Francisco, CA 94111  
Producer Code: 1035616

IN WITNESS WHEREOF, Arch Specialty Insurance Company has caused this policy to be executed and attested.

A handwritten signature in black ink, appearing to read "John Mentz", written over a horizontal line.

John Mentz  
President

A handwritten signature in black ink, appearing to read "Regan A. Shulman", written over a horizontal line.

Regan Shulman  
Secretary



## COALITION CYBER POLICY

### SECTION I

#### INTRODUCTION

This Policy is a contract of insurance between the **named insured** and **us**. This Policy includes and must be read together with the Declarations page and any Endorsements.

The insurance provided under this Policy for **claims** made against **you** is on a claims made and reported basis, and applies to **claims** only if they are first made against **you** during the **policy period** and reported to **us** during the **policy period** or any applicable Optional Extended Reporting Period. **Claim expenses** reduce the applicable Limits of Liability and are subject to retentions.

Please note that the terms in bold lower case print are defined terms and have special meaning as set forth in Section IX, DEFINITIONS.

### SECTION II

#### WHAT WE COVER – OUR INSURING AGREEMENTS

In consideration of the **named insured's** payment of the premium, in reliance upon the information provided to **us**, including in and with the **application**, and subject to the Limits of Liability and applicable Retention(s), exclusions, conditions, and other terms of this Policy, **we** agree to provide the following insurance coverage provided that:

1. The **claim** is made against **you** during the **policy period**, and is reported to **us** during the **policy period** or any applicable Optional Extended Reporting Period;
2. The **incident, privacy liability, or multimedia wrongful act** first took place after the **retroactive date** and before the end of the **policy period**; and
3. Notice is provided in accordance with Section IV, YOUR OBLIGATIONS AS AN INSURED.

## THIRD PARTY LIABILITY COVERAGES

- A. NETWORK AND INFORMATION SECURITY LIABILITY **We will pay on your behalf claim expenses and damages that you become legally obligated to pay resulting from a claim against you for a security failure, data breach, or privacy liability.**
- B. REGULATORY DEFENSE AND PENALTIES **We will pay on your behalf claim expenses and regulatory penalties that you become legally obligated to pay resulting from a claim against you in the form of a regulatory proceeding for a security failure or data breach.**
- C. MULTIMEDIA CONTENT LIABILITY **We will pay on your behalf claim expenses and damages that you become legally obligated to pay resulting from a claim against you for a multimedia wrongful act.**
- D. PCI FINES AND ASSESSMENTS **We will pay on your behalf PCI fines and assessments that you become legally obligated to pay resulting from a claim against you for a security failure or data breach compromising payment card data.**

## FIRST PARTY COVERAGES

- E. BREACH RESPONSE **We will pay on your behalf breach response costs resulting from an actual or suspected security failure or data breach first discovered by you during the policy period.**
- F. CRISIS MANAGEMENT AND PUBLIC RELATIONS **We will pay on your behalf crisis management costs resulting from a public relations event first discovered by you during the policy period.**
- G. CYBER EXTORTION **We will pay on your behalf cyber extortion expenses resulting from cyber extortion first discovered by you during the policy period.**
- H. BUSINESS INTERRUPTION AND EXTRA EXPENSES **We will pay business interruption loss and extra expenses that you incur during the indemnity period directly resulting from the partial or complete interruption of computer systems for a period longer than the waiting period caused by a security failure or systems failure first discovered by you during the policy period.**

The **waiting period** for any failure of **computer systems** caused by a **denial of service attack** will be the period of time set forth in Item 5.H.ii. of the Declarations. The **waiting period** for all other causes of failure of **computer systems** will be the period of time set forth in Item 5.H.i. of the Declarations.

- I. DIGITAL ASSET RESTORATION **We will pay on your behalf restoration costs that you incur because of the alteration, destruction, damage, theft, loss, or inability to access digital assets directly resulting from a security failure first discovered by you during the policy period.**

- J. FUNDS TRANSFER FRAUD **We** will pay on **your** behalf direct **funds transfer loss** that **you** incur resulting from a **funds transfer fraud** first discovered by **you** during the **policy period**.

### SECTION III

- EXCLUSIONS – WHAT IS NOT COVERED
- This policy does not apply to and **we** will not make any payment for any **claim expenses, damages, loss, regulatory penalties, PCI fines and assessments**, or any other amounts directly or indirectly arising out of, resulting from, based upon, or attributable to:
- A. BODILY INJURY Any physical injury, sickness, disease, mental anguish, emotional distress, or death of any person, provided, however, that this exclusion will not apply to any **claim** for mental anguish or emotional distress under Section II.A, NETWORK AND INFORMATION SECURITY LIABILITY.
- B. CONFISCATION Confiscation, nationalization, requisition, destruction of, or damage to any property, **computer system**, software, or electronic data by order of any governmental or public authority.
- C. CONTRACTUAL LIABILITY Any contractual liability or obligation or any breach of contract or agreement either oral or written, provided, however, that this exclusion will not apply:
1. with respect to the coverage provided by Section II.A, NETWORK AND INFORMATION SECURITY LIABILITY, and Section II.E, BREACH RESPONSE, to **your** obligations to maintain the confidentiality or security of **personally identifiable information** or **third party corporate information**;
  2. with respect to the coverage provided by Section II.C, MULTIMEDIA CONTENT LIABILITY, to misappropriation of ideas under implied contract;
  3. with respect to the coverage provided by Section II.D, PCI FINES AND ASSESSMENTS; and
  4. to the extent **you** would have been liable in the absence of such contract or agreement.
- D. DIRECTOR & OFFICERS LIABILITY Any act, error, omission, or breach of duty by any director or officer in the discharge of his or her duty if the **claim** is brought by or on behalf of the **named insured**, a **subsidiary**, or any principals, directors, officers, stockholders, members, or **employees** of the **named insured** or a **subsidiary**.
- E. DISCRIMINATION Any discrimination of any kind.
- F. EMPLOYMENT PRACTICES & DISCRIMINATION Any employer-employee relations, policies, practices, acts, or omissions. However, this exclusion will not apply to a **claim** by a current or former **employee** under Section II.A, NETWORK AND INFORMATION SECURITY LIABILITY or to **breach response costs** under Section II.E, BREACH RESPONSE impacting current or former **employees**.

G. FRAUD BY A SENIOR EXECUTIVE

Any dishonest, fraudulent, criminal, or malicious act or omission of any **senior executive**. However, this exclusion does not apply to **claim expenses** incurred in defending any such **claim** until and unless a final and non-appealable adjudication establishes that a **senior executive** committed such dishonest, fraudulent, criminal, or malicious act or omission, at which time the **named insured** will reimburse **us** for all **claim expenses we** incurred or paid in defending such **claim**.

This exclusion will not apply to any **insured** person who did not allegedly or actually participate in or otherwise be involved in the dishonest, fraudulent, criminal, or malicious act or omission.

H. GOVERNMENTAL ORDERS

Any court order or demand requiring **you** to provide **personally identifiable information** to any domestic or foreign law enforcement, administrative, regulatory, or judicial body or other governmental authority.

I. ILLEGAL REMUNERATION

Any profit, remuneration, or advantage to which **you** are not legally entitled. However, this exclusion does not apply to **claim expenses** incurred in defending any such **claim** until and unless a final and non-appealable adjudication establishes the gaining of any profit, remuneration, or advantage to which **you** are not legally entitled, at which time the **named insured** will reimburse **us** for all **claim expenses we** incurred or paid in defending such **claim**.

J. INSURED VERSUS INSURED

Any **claim** made by or on behalf of:

1. an **insured** under this Policy; however, this exclusion will not apply to an otherwise covered **claim** made by an **employee** arising from a **security failure** or **data breach**;
2. any business enterprise in which **you** have greater than a twenty percent (20%) ownership interest; or
3. any parent company or other entity that owns more than twenty percent (20%) of an **insured**.

K. INTELLECTUAL PROPERTY

Violation or infringement of any intellectual property right or obligation, including:

1. infringement of copyright of software, firmware, or hardware;
2. misappropriation, misuse, infringement, or violation of any patent or trade secret;
3. distribution or sale of, or offer to distribute to sell, any goods, products, or services; or
4. other use of any goods, products, or services that infringes or violates any intellectual property law or right relating to the appearance, design, or function of any goods, products, or services;

however, this exclusion will not apply to Section II.C, MULTIMEDIA CONTENT LIABILITY, for an otherwise covered **claim** for a **multimedia wrongful act**, provided that, this exception to exclusion K. INTELLECTUAL PROPERTY shall not apply to any violation or infringement of any intellectual property right or obligation described in items 1. and 2. above.

- L. MERCHANT LIABILITY Any charge back, interchange fee, discount fee, service related fee, rate, or charge; or liability or fee incurred by **you** due to a merchant service provider, payment processor, payment card company, or bank reversing or freezing payment transactions, except that this exclusion will not apply to coverage afforded under Section II.D, PCI FINES AND ASSESSMENTS.
- M. NATURAL DISASTER Any physical event or natural disaster, including fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, and landslide.
- N. NUCLEAR Any exposure or threatened exposure to any radioactive matter or any form of radiation or contamination by radioactivity of any kind or from any source. This exclusion applies regardless of whether any other causes, events, materials, or products contributed concurrently or in any sequence to the **claim** or **incident**, or the liability or legal obligation alleged or existing.
- O. POLLUTANTS Any:
1. discharge, dispersal, seepage, migration, release, or escape of **pollutants**, or any threatened discharge, seepage, migration, release, or escape of **pollutants**; or
  2. request, demand, order, or statutory or regulatory requirement that **you** or others detect, report, test for, monitor, clean up, remove, remediate, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of **pollutants**; including any **claim**, suit, notice, or proceeding by or on behalf of any governmental authority or quasi-governmental authority, a potentially responsible party or any other person or entity for any amounts whatsoever because of detecting, reporting, testing for, monitoring, cleaning up, removing, remediating, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.
- This exclusion applies regardless of whether any other causes, events, materials, or products contributed concurrently or in any sequence to the **claim** or **incident**, or the liability or legal obligation alleged or existing.
- P. PRIOR KNOWLEDGE
1. any **incident**, act, error, or omission that any **senior executive** on or before the **continuity date** knew or could have reasonably foreseen might be the basis of a **claim** or **loss** under this Policy; or
  2. any **claim**, **incident**, or circumstance which has been the subject of any notice given to the insurer of any other policy in force prior to the inception date of this Policy.
- Q. RECALL Any withdrawal, recall, inspection, adjustment, removal, or disposal of any property, tangible or intangible, including **computer systems** and their component parts, mobile devices, and mechanical equipment.

- R. REPAIR Any repair, replacement, recreation, restoration, or maintenance of any property, tangible or intangible, including **computer systems** and their component parts, mobile devices, and mechanical equipment. This exclusion does not apply to **damages** that **you** are legally obligated to pay resulting from a **claim** and that are otherwise covered under this Policy, or to coverage afforded under Sections II.H, BUSINESS INTERRUPTION AND EXTRA EXPENSES, and II.I, DIGITAL ASSET RESTORATION.
- S. RETROACTIVE DATE Any **incident**, act, error, or omission that took place prior to the **retroactive date**, or any related or continuing acts, errors, omissions, or **incidents** where the first such act, error, omission, or **incident** first took place prior to the **retroactive date**.
- T. TANGIBLE PROPERTY Any injury or damage to, destruction, impairment, or loss of use of any tangible property, including any computer hardware rendered unusable by a **security failure**.
- U. THIRD PARTY MECHANICAL FAILURE Electrical, mechanical failure, or interruption (including blackouts, brownouts, power surge, or outage) or other utility failure, interruption, or power outage, of a third party, including telecommunications and other communications, internet service, website hosts, server services, satellite, cable, electricity, gas, water, or other utility or power service providers. However, this exclusion will not apply to **business interruption loss** under Section II.H, BUSINESS INTERRUPTION AND EXTRA EXPENSES, where such loss arises directly from the **service provider** directly experiencing their own **security failure**.
- V. UNFAIR TRADE PRACTICE Any false, unlawful, deceptive, or unfair trade practices; however, this exclusion does not apply to a **claim** under Section II.B, REGULATORY DEFENSE AND PENALTIES arising from a **security failure** or **data breach**.
- W. VIOLATION OF ACTS/LAWS Any violation of:
1. the Employee Retirement Income Security Act of 1974 (ERISA);
  2. the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, and any other federal or state securities laws;
  3. the Organized Crime Control Act of 1970 (RICO);
  4. the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM);
  5. Telephone Consumer Protection Act (TCPA);
  6. the Sherman Anti-Trust Act, the Clayton Act, or any price fixing, restraint of trade, or monopolization statute; or
  7. any similar local, state, federal, common, or foreign laws or legislation to the laws described in 1. through 6. above.
- X. WAR AND TERRORISM War, invasion, acts of foreign enemies, terrorism, hostilities, civil war, rebellion, revolutions, insurrection, military, or usurped power; however, this exclusion will not apply to **cyber terrorism**.

## SECTION IV



## YOUR OBLIGATIONS AS AN INSURED

### WHEN THERE IS A CLAIM OR INCIDENT

You must provide **us** written notice of a **claim** or **incident** through the persons named in Item 8. of the Declarations as soon as practicable once such **claim** or **incident** is known to a **senior executive**. In no event will such notice to **us** be later than: (i) the end of the **policy period**; (ii) or 60 days after the end of the **policy period** for **claims** made against you or **incidents** discovered by **you** in the last 30 days of the **policy period**.

### WHEN THERE IS A CIRCUMSTANCE

If during the **policy period**, **you** become aware of any circumstances that could reasonably be expected to give rise to a **claim**, **you** may give written notice to **us** through the persons named in Item 8. of the Declarations as soon as practicable during the **policy period**. Such notice must include:

1. a detailed description of the act, event, **security failure**, or **data breach** that could reasonably be the basis for a **claim**;
2. the details of how **you** first became aware of the act, event, **security failure**, or **data breach**; and
3. the identity of potential claimants.

Any **claim** arising out of a circumstance reported under this Section will be deemed to have been made and reported at the time written notice complying with the above requirements is provided to **us**.

### DUTY TO COOPERATE

**We** will have the right to make any investigation **we** deem necessary, and **you** will cooperate with **us** in all investigations, respond to reasonable requests for information, and execute all papers and render all assistance as requested by **us**. In addition, **you** will make reasonable efforts to promptly address any **computer systems** vulnerabilities that a **senior executive** becomes aware of during the **policy period**. **You** will also cooperate with counsel in the defense of all **claims** and response to all **incidents** and provide all information necessary for appropriate and effective representation.

With respect to Section II.G, CYBER EXTORTION, **you** must make every reasonable effort not to divulge the existence of this coverage, without first seeking **our** prior consent.

### OBLIGATION TO NOT INCUR ANY EXPENSE OR ADMIT LIABILITY

**You** will not admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment, or award or dispose of any **claim** without **our** prior written consent, except as specifically provided in Section V, CLAIMS PROCESS. Compliance with **breach notice law** will not be considered as an admission of liability for purposes of this paragraph.

Expenses incurred by **you** in assisting and cooperating with **us** do not constitute **claim expenses** or **loss** under this Policy.

OBLIGATION TO PRESERVE  
OUR RIGHT OF SUBROGATION

In the event of any payment by **us** under this Policy, **we** will be subrogated to all of **your** rights of recovery. **You** will do everything necessary to secure and preserve such subrogation rights, including the execution of any documents necessary to enable **us** to bring suit in **your** name. **You** will not do anything after an **incident** or event giving rise to a **claim** or **loss** to prejudice such subrogation rights without first obtaining **our** consent.

AUTHORIZATION OF NAMED  
INSURED TO ACT ON BEHALF  
OF ALL INSUREDS

It is agreed that the **named insured** shall act on behalf of all **insureds** with respect to the giving of notice of a **claim**, giving and receiving of notice of cancellation and non-renewal, payment of premiums and receipt of any return premiums that may become due under this Policy, receipt and acceptance of any endorsements issued to form a part of this Policy, exercising or declining of the right to tender the defense of a **claim** to **us**, and exercising or declining to exercise of any right to an Optional Extended Reporting Period.

## SECTION V

### CLAIMS PROCESS

#### DEFENSE

**We** will have the right and duty to defend, subject to the Limits of Liability and applicable Retention(s), exclusions, conditions, and other terms of this Policy:

1. any **claim** against **you** seeking **damages** that are payable under the terms of this Policy; or
2. under Section II.B, REGULATORY DEFENSE AND PENALTIES, any **claim** in the form of a **regulatory proceeding**.

**You** have the right to select defense counsel from **our** Panel Providers. If **you** would like to retain defense counsel that is not on **our** list of Panel Providers, such counsel will be mutually agreed upon between **you** and **us**, which agreement will not be unreasonably withheld.

**We** will pay **claim expenses** incurred with **our** prior written consent with respect to any **claim** seeking **damages** or **regulatory penalties** payable under this Policy. **We** will have no obligation to pay **claim expenses** until **you** have satisfied the applicable Retention.

The Limits of Liability of this Policy will be reduced and may be completely exhausted by payment of **claim expenses**. **Our** duty to defend ends once the applicable Limit of Liability is exhausted, or after deposit of the amount remaining on the applicable Limit of Liability in a court of competent jurisdiction. Upon such payment, **we** will have the right to withdraw from the defense of the **claim**.

#### RIGHT TO ASSOCIATE

**We** have the right, but not the duty, to associate in the investigation and response to any **incident**, including participation in the formation of strategy and review of forensic investigations and reports.

## PRE-CLAIM ASSISTANCE

If **we** are provided with notice of an **incident** or of a circumstance that is not yet a **claim** or **incident** under Section IV, YOUR OBLIGATIONS AS AN INSURED, and **you** request **our** assistance to mitigate against such a **claim** or **incident**, **we** may, in **our** discretion, agree to pay for up to the amount shown in Item 6. of the Declarations in legal, forensic, and IT fees. Any such fees must be incurred with **our** prior consent by an attorney or consultant we have mutually agreed upon. Such attorney's and consultant's fees will be considered **claim expenses** or **loss** and will be subject to the Limits of Liability that would be applicable if a covered **claim** is made, and is also subject to the Policy's Aggregate Limit of Liability.

## SETTLEMENT

If **you** refuse to consent to any settlement or compromise recommended by **us** and acceptable to the claimant, **our** liability for such **claim** will not exceed:

1. the amount for which such **claim** could have been settled, less the retention, plus **claim expenses** incurred up to the time of such refusal; and
2. fifty percent (50%) of **claim expenses** incurred after such settlement was refused by **you**, plus fifty percent (50%) of **damages** and **regulatory penalties** in excess of the amount such **claim** could have settled under such settlement.

In this event, **we** will have the right to withdraw from the further defense of such **claim** or **regulatory proceeding** by tendering control of the defense thereof to **you**. The operation of this paragraph will be subject to the Limits of Liability and Retention provisions of this Policy.

SETTLEMENT WITHIN  
RETENTION

**We** agree that **you** may settle any **claim** where the total **loss, damages, regulatory penalties, PCI fines and assessments**, and **claim expenses** do not exceed the applicable Retention, provided the entire **claim** is resolved and **you** obtain a full release from all claimants.

## PROOF OF LOSS

With respect to **business interruption loss** and **extra expenses, you** must complete and sign a written, detailed, and affirmed proof of loss within 90 days after **your** discovery of the **computer systems** failure (unless such period has been extended by the underwriters in writing) which will include, at a minimum, the following information:

1. a full description of the circumstances, including, without limitation, the time, place, and cause of the **loss**;
2. a detailed calculation of any **business interruption loss** and **extra expenses**; and all underlying documents and materials that reasonably relate to or form part of the basis of the proof of such **business interruption loss** and **extra expenses**.

Any costs incurred by **you** in connection with establishing or proving **business interruption loss** or **extra expenses**, including preparing a proof of loss, will be **your** obligation and is not covered under this Policy.

Solely with respect to verification of **business interruption loss, you** agree to allow **us** to examine and audit **your** books and records that relate to this Policy at any time during the **policy period** and up to 12 months following a **loss**.

## SECTION VI

### LIMITS OF LIABILITY AND RETENTION

#### LIMITS OF LIABILITY

The Aggregate Limit of Liability set forth in Item 4. of the Declarations is the maximum amount we will be liable to pay for all **damages, loss, PCI fines and assessments, regulatory penalties, claim expenses**, and other amounts under this Policy, regardless of the number of **claims, incidents, or insureds**.

The Limits of Liability set forth in Item 5. of the Declarations is the maximum amount we will be liable to pay for all **damages, loss, PCI fines and assessments, regulatory penalties, claim expenses**, and other amounts under each Insuring Agreement, regardless of the number of **claims, incidents, or insureds**. Such Limits of Liability are part of, and not in addition to, the Aggregate Limit of Liability. The reference to applicable Limits of Liability herein refers to each participating Insurer's individual Quota Share Limit of Liability as stated in Item 7. of the Declarations.

**Our** Limits of Liability for an Optional Extended Reporting Period, if applicable, will be part of, and not in addition to the Aggregate Limit of Liability set forth in Item 4. of the Declarations.

## RETENTION

**We** will only be liable for those amounts payable under this Policy which are in excess of the applicable Retention(s). Such Retention(s) must be paid by **you** and cannot be insured.

In the event that **damages, PCI fines and assessments, regulatory penalties, claim expenses, breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, restoration costs**, or other amounts arising out of a **claim** or **incident** are subject to more than one Retention, the applicable Retention amount will apply to such **damages, PCI fines and assessments, regulatory penalties, claim expenses, breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, restoration costs**, or other amounts, provided that the sum of such Retention amounts will not exceed the largest applicable Retention amount.

## SECTION VII

### CANCELLATION AND OPTIONAL EXTENDED REPORTING PERIOD

## CANCELLATION AND NON-RENEWAL

**We** may cancel or elect not to renew this Policy by mailing to the **named insured** at the address shown in Item 1. of the Declarations, written notice stating when the cancellation or non-renewal will be effective. Where permitted by applicable law, we may provide such written notice of cancellation or non-renewal by electronic transmission. Such cancellation or non-renewal will not be less than sixty (60) days after such notice is mailed (or ten (10) days thereafter when cancellation is due to non-payment of premium or fraud or material misrepresentation). The mailing of such notice as aforesaid will be sufficient proof of notice and this Policy will terminate at the date and hour specified in such notice.

This Policy may be cancelled by **us** for non-payment of premium, or by fraud or material misrepresentation by **you** in the **application** or other information provided to induce **us** to issue this Policy; or fraud by **you** in connection with the submission of any **claim** or **incident** for coverage under this Policy.

This Policy may be cancelled by the **named insured** by surrender of this Policy to **us** or by giving written notice to **us** stating when thereafter such cancellation will be effective.

If this Policy is cancelled in accordance with the paragraphs above, the earned premium will be computed pro rata, but the premium will be deemed fully earned if any **claim, incident**, or any circumstance that could reasonably be expected to give rise to a **claim**, is reported to **us** on or before the date of cancellation.

If **we** elect not to renew this Policy, **we** shall mail to **you** written notice thereof at least sixty (60) days prior to the expiration of the **policy period**.

**We** have no obligation to renew this Policy.

OPTIONAL EXTENDED  
REPORTING PERIOD

In the event of cancellation or non-renewal of this Policy, by either the **named insured** or **us**, for reasons other than fraud or material misrepresentation in the **application** for this Policy, or non-payment of premium or Retention, the **named insured** will have the right, upon payment in full of an additional premium, to purchase an Optional Extended Reporting Period under this Policy, subject to all terms, conditions, limitations of, and any endorsements to this Policy, for a period of either:

- a. one year for an additional premium of 100% of the total annual premium; or
- b. two years for an additional premium of 150% of the total annual premium; or
- c. three years for an additional premium of 200% of the total annual premium

following the effective date of such cancellation or non-renewal.

Such Optional Extended Reporting Period applies only to a **claim** first made against you during the Optional Extended Reporting Period arising out of any act, error, or omission committed on or after the **retroactive date** and before the end of the **policy period**, subject to the Retention, Limits of Liability, exclusions, conditions, and other terms of this Policy. The offer of renewal terms, conditions, Limits of Liability, and/or premiums different from those of this Policy will not constitute a cancellation or refusal to renew.

The Optional Extended Reporting Period will terminate on the effective date and hour of any other insurance issued to the **named insured** or the **named insured's** successor that replaces in whole or in part the coverage afforded by the Optional Extended Reporting Period.

The **named insured's** right to purchase the Optional Extended Reporting Period must be exercised in writing no later than sixty (60) days following the cancellation or non-renewal date of this Policy, and must include payment of premium for the applicable Optional Extended Reporting Period as well as payment of all premiums due to **us**. If such written notice is not given to **us**, the **named insured** will not, at a later date, be able to exercise such right.

At the commencement of any Optional Extended Reporting Period, the entire premium thereafter will be deemed earned and in the event the **named insured** terminates the Optional Extended Reporting Period before its expiring date, **we** will not be liable to return any portion of the premium for the Optional Extended Reporting Period.

The fact that the time to report **claims** under this Policy may be extended by virtue of an Optional Extended Reporting Period will not in any way increase the Limits of Liability, and any amounts incurred during the Optional Extended Reporting Period will be part of, and not in addition to

the Limits of Liability as stated in the Declarations. The Optional Extended Reporting Period will be renewable at **our** sole option.

## SECTION VIII

### SANCTIONS

This Policy does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit **us** from providing insurance, including but not limited to payment of **claims**.

## SECTION IX

### DEFINITIONS

Words and phrases that appear in lowercase bold in this Policy have the meanings set forth below:

#### Application

means all applications, including any attachments thereto and supplemental information, submitted by or on behalf of the **named insured to us** in connection with the request for or underwriting of this Policy, or any prior policy issued by **us** of which this Policy is a renewal thereof.

#### Breach notice law

means any statute or regulation, including from the United States, European Union, or other country that requires: (i) notice to persons whose **personally identifiable information** was, or reasonably considered likely to have been, accessed or acquired by an unauthorized person; or (ii) notice to regulatory agencies of such incident.



#### Breach response costs

means the following reasonable and necessary costs **you** incur with **our** prior written consent in response to an actual or suspected **security failure** or **data breach**:

1. computer forensic professional fees and expenses to determine the cause and extent of a **security failure**;
2. costs to notify individuals affected or reasonably believed to be affected by such **security failure** or **data breach**, including printing costs, publishing costs, postage expenses, call center costs, and costs of notification via phone or e-mail;
3. costs to provide government mandated public notices related to such **security failure** or **data breach**;
4. legal fees and expenses to advise **you** in connection with **your** investigation of a **security failure** or **data breach** and to determine whether **you** are legally obligated under a **breach notice law** to notify applicable regulatory agencies or individuals affected or reasonably believed to be affected by such **security failure** or **data breach**;
5. legal fees and expenses to advise **you** in complying with Payment Card Industry ("PCI") operating regulation requirements for responding to a **security failure** or **data breach** compromising payment card data, and the related requirements under a **merchant services agreement** (this clause does not include any fees or expenses incurred in any legal proceeding, arbitration, or mediation, for any advice in complying with any PCI rules or regulations other than for assessment of **PCI fines and assessments** for a covered **security failure** or **data breach**, or to remediate the breached **computer systems**); and
6. costs to provide up to one year (or longer if required by law) of a credit or identity monitoring program to individuals affected by such **security failure** or **data breach**.

**Breach response costs** must be incurred within one year of **your** discovery of an actual or suspected **security failure** or **data breach**. **You** have **our** prior consent to incur **breach response costs** in the form of computer forensic fees under paragraph 1. and legal fees under paragraphs 4. and 5. with any vendor on **our** list of Panel Providers.

#### Business interruption loss

means:

1. the net profit that would have been earned before income taxes, or net loss that would not have been incurred, directly due to the partial or complete interruption of **computer systems**; and
2. continuing normal operating expenses, including payroll.

Provided, however, that **business interruption loss** shall not include net profit that would likely have been earned as a result of an increase in volume due to favorable business conditions caused by the impact of network security failures impacting other businesses, loss of market, or any other consequential loss.

## Claim

means:

1. a written demand for money or services, including the service of a suit or institution of arbitration proceedings;
2. with respect to coverage provided under Section II.B, REGULATORY DEFENSE AND PENALTIES, a **regulatory proceeding**; and
3. a written request or agreement to toll or waive a statute of limitations relating to a potential **claim** described in paragraph 1 above.

All **claims** that have a common nexus of fact, circumstance, situation, event, transaction, or cause, or a series of related facts, circumstances, situations, events, transactions, or causes will be considered a single **claim** made against **you** on the date the first such **claim** was made.

## Claim expenses

means:

1. reasonable and necessary fees charged by an attorney to which **we** have agreed to defend a **claim**;
2. all other fees, costs, and charges for the investigation, defense, and appeal of a **claim**, if incurred by **us** or by **you** with **our** prior written consent; and
3. premiums on appeal bonds, provided that **we** will not be obligated to apply for or furnish such appeal bonds.

**Claim expenses** do not include salary, charges, wages, or expenses of any **senior executive** or **employee**, or costs to comply with any court or regulatory orders, settlements, or judgments.

## Computer systems

means:

1. computers and related peripheral components, including Internet of Things (IoT) devices;
2. systems and applications software;
3. terminal devices;
4. related communications networks;
5. mobile devices (handheld and other wireless computing devices); and
6. storage and back-up devices

by which electronic data is collected, transmitted, processed, stored, backed up, retrieved, and operated by **you** on **your** own behalf. **Computer systems** includes items 1. to 6. above that are operated by a third party vendor, but only for providing hosted computer application services to **you** pursuant to a written contract.

## Continuity date

means the date specified in Item 10. of the Declarations. Provided, if a **subsidiary** is acquired during the **policy period**, the **continuity date** for such **subsidiary** will be the date the **named insured** acquired such **subsidiary**.

#### Crisis management costs

means the following reasonable fees or expenses agreed to in advance by **us**, in **our** discretion to mitigate covered **damages** or **loss** due to a **public relations event**:

1. a public relations or crisis management consultant;
2. media purchasing, or for printing or mailing materials intended to inform the general public about the **public relations event**;
3. providing notifications to individuals where such notifications are not required by **breach notice law**, including notices to **your** non-affected customers, employees, or clients; and
4. other costs approved in advance by **us**.

#### Cyber extortion

means any threat made by an individual or organization against **you** expressing the intent to:

1. transfer, pay, or deliver any funds or property belonging to **you**, or held by **you** on behalf of others, using a **computer system** without **your** permission, authorization, or consent;
2. access, acquire, sell, or disclose non-public information in **your** care, custody, or control, provided such information is stored in an electronic medium in a **computer system** and is retrievable in a perceivable form;
3. alter, damage, or destroy any computer program, software, or other electronic data that is stored within a **computer system**;
4. maliciously or fraudulently introduce **malicious code** or **ransomware** into a **computer system**; or
5. initiate a **denial of service attack** on a **computer system**;

where such threat is made for the purpose of demanding payment of money, securities, Bitcoin, or other virtual currencies from **you**.

#### Cyber extortion expenses

means the following reasonable and necessary costs incurred with **our** prior written consent:

1. money, securities, Bitcoin, or other virtual currencies paid at the direction and demand of any person committing **cyber extortion** and costs incurred solely in, and directly from, the process of making or attempting to make such a payment; and
2. reasonable and necessary costs, fees, and expenses to respond to a **cyber extortion**.

The value of **cyber extortion expenses** will be determined as of the date such **cyber extortion expenses** are paid.

#### Cyber terrorism

means the premeditated use, or threatened use, of disruptive activities against **computer systems** by any person, group, or organization, committed with the intention to harm or intimidate **you** to further social, ideological, religious, or political objectives. However, **cyber terrorism** does not include any activity which is part of or in support of any military action, war, or war-like operation.

## Damages

means a monetary judgment, award that **you** are legally obligated to pay, or settlement agreed to by **you** and **us**. **Damages** does not mean the following:

1. future profits, restitution, disgorgement of profits, or unjust enrichment, or the costs of complying with orders granting injunctive or equitable relief;
2. return or offset of fees, charges, or commissions charged by or owed to **you** for goods or services already provided or contracted to be provided;
3. civil or criminal fines or penalties, civil or criminal sanctions, liquidated damages, payroll or other taxes, or loss of tax benefits, or amounts or relief uninsurable under applicable law;
4. any damages which are a multiple of compensatory damages, or punitive or exemplary damages, unless insurable by law in any applicable jurisdiction that most favors coverage for such punitive or exemplary damages;
5. discounts, coupons, prizes, awards, or other incentives offered by **you**;
6. fines, costs, assessments, or other amounts **you** are responsible to pay under a **merchant services agreement**; or
7. any amounts for which **you** are not liable, or for which there is no legal recourse against **you**.

## Data breach

means the acquisition, access, theft, or disclosure of **personally identifiable information** by a person or entity, or in a manner, that is unauthorized by **you**.

## Denial of service attack

means a deliberate or malicious attack that makes a **computer system** unavailable to its intended users by temporarily or indefinitely disrupting services of a host that **you** use.

## Digital asset

means any of **your** electronic data or computer software. **Digital assets** do not include computer hardware of any kind.

## Employee

means any past, present, or future:

1. person employed by the **named insured** or **subsidiary** as a permanent, part-time, seasonal, leased, or temporary employee, or any volunteer; and
2. **senior executive**;

but only while acting on behalf of the **named insured** or **subsidiary** and in the scope of the business operations of the **named insured** or **subsidiary**.

#### Extra expenses

means **your** reasonable and necessary extra expenses incurred to avoid or minimize a **business interruption loss**, including:

1. the reasonable and necessary additional costs of sourcing **your** products or services from alternative sources in order to meet contractual obligations to supply **your** customers and clients;
2. the reasonable and necessary additional costs of employing contract staff or overtime costs for **employees**, including **your** internal IT department, in order to continue **your** business operations which would otherwise have been handled in whole or in part by the **computer systems** or **service provider**; and
3. the reasonable and necessary additional costs of employing specialist consultants, including IT forensic consultants, in order to diagnose and fix the **security failure** or **systems failure**.

Provided, however, that such expenses do not exceed the amount of loss that otherwise would have been payable as **business interruption loss**.

**Extra expenses** does not mean and will not include costs for better computer systems or services than **you** had before the **security failure** or **systems failure**, including upgrades, enhancements, and improvements. However, this shall not apply if the cost for the most current version of a computer system is substantially equivalent to (or less than) the original cost of the **computer system you** had before the **security failure** or **systems failure** took place.

#### Funds transfer fraud

means a fraudulent instruction transmitted by electronic means, including through social engineering, to **you** or **your** financial institution directing **you**, or the financial institution, to debit an account of the **named insured** or **subsidiary** and to transfer, pay, or deliver money or securities from such account, which instruction purports to have been transmitted by an **insured** and impersonates **you** or **your** vendors, business partners, or clients, but was transmitted by someone other than **you**, and without **your** knowledge or consent. The financial institution does not include any such entity, institution, or organization that is an **insured**.

#### Funds transfer loss

means:

1. loss of money or securities directly resulting from **funds transfer fraud**; and
2. reasonable and necessary costs, fees, and expenses to respond to **funds transfer fraud**.

**Funds transfer loss** does not mean and will not include the loss of personal money or securities of **your employees**.

Incident	<p>means <b>cyber extortion, data breach, funds transfer fraud, public relations event, security failure, or systems failure.</b></p> <p>All <b>incidents</b> that have a common nexus of fact, circumstance, situation, event, transaction, or cause, or series of related facts, circumstances, situations, events, transactions, or causes will be considered a single <b>incident</b> occurring on the date the first such <b>incident</b> occurred.</p>
Indemnity period	<p>means the time period that:</p> <ol style="list-style-type: none"><li>1. begins on the date and time that the partial or complete interruption of <b>computer systems</b> first occurred; and</li><li>2. ends on the earlier of the date and time that the interruption to <b>your</b> business operations resulting from such interruption of <b>computer systems</b>: (i) ends; or (ii) could have ended if <b>you</b> had acted with due diligence and dispatch.</li></ol> <p>However, in no event shall the <b>indemnity period</b> exceed 180 days.</p>
Insured, you, or your	<p>means the <b>named insured, a subsidiary, senior executives, and employees.</b></p>
Loss	<p>means <b>breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, and restoration costs.</b></p>
Malicious code	<p>means any software program, code, or script specifically designed to create system vulnerabilities and destroy, alter, steal, contaminate, or degrade the integrity, quality, or performance of:</p> <ol style="list-style-type: none"><li>1. electronic data used or stored in any computer system or network; or</li><li>2. a computer network, any computer application software, or computer operating system or related network.</li></ol>
Media content	<p>means any data, text, sounds, numbers, images, graphics, videos, streaming content, webcasts, podcasts, or blogs but does not mean computer software or the actual goods, products, or services described, referenced, illustrated, or displayed in such <b>media content.</b></p>
Merchant service agreement	<p>means any agreement between the <b>you</b> and a financial institution, payment card company, payment card processor, or independent service operator, that enables <b>you</b> to accept credit cards, debit cards, prepaid cards, or other payment cards for payments or donations.</p>

Multimedia wrongful act

means any of the following actually or allegedly committed by **you** in the ordinary course of **your** business in gathering, communicating, reproducing, publishing, disseminating, displaying, releasing, transmitting, or disclosing **media content**, including social media authorized by **you**:

1. defamation, libel, slander, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
2. violation of the rights of privacy of an individual, including false light and public disclosure of private facts;
3. invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice, or likeness;
4. plagiarism, piracy, or misappropriation of ideas under implied contract;
5. infringement of copyright, domain name, trademark, trade name, trade dress, logo, title, metatag, slogan, service mark, or service name; or
6. improper deep-linking or framing within electronic content.

Named insured

means the individual, partnership, entity, or corporation designated as such in Item 1. of the Declarations, or by endorsement to this Policy.

PCI fines and assessments

means the direct monetary fines and assessments for fraud recovery, operational expenses including card reissuance fees and notification of cardholders, and case management fees owed by **you** under the terms of a **merchant services agreement**, but only where such fines or assessments result from a **security failure**. **PCI fines and assessments** will not include any charge backs, interchange fees, discount fees, or other services related fees, rates, or charges.

Personally identifiable information

means any information about an individual that is required by any local, state, federal, or foreign law or regulation to be protected from unauthorized access, acquisition, or public disclosure.

Policy period

means the period of time between the inception date shown in the Declarations and the effective date of termination, expiration, or cancellation of this Policy and specifically excludes any Optional Extended Reporting Period.

## Pollutants

means any solid, liquid, gaseous, or thermal irritant or contaminant exhibiting hazardous characteristics as is or may be identified on any list of hazardous substance issued by the United States Environmental Protection Agency, or any state, local, or foreign counterpart, including gas, acids, alkalis, chemicals, odors, noise, lead, petroleum or petroleum-containing products, heat, smoke, vapor, soot, fumes, radiation, asbestos or asbestos-containing products, waste (including material to be recycled, reconditioned, or reclaimed), electric, magnetic, or electromagnetic field of any frequency, as well as any air emission, wastewater, sewage, infectious medical waste, nuclear materials, nuclear waste, mold, mildew, fungus, bacterial matter, mycotoxins, spores, scents or by-products and any non-fungal micro-organism, or non-fungal colony form organism that causes infection or disease.

## Privacy liability

means:

1. **your** actual or alleged failure to timely disclose a **security failure** or **data breach** resulting in a violation of any **breach notice law**;
2. **your** failure to comply with those provisions in **your privacy policy** that:
  - a. mandate procedures to prevent the loss of **personally identifiable information**;
  - b. prohibit or restrict disclosure, sharing, or selling of an individual's **personally identifiable information**; or
  - c. require **you** to give access to **personally identifiable information** or to amend or change **personally identifiable information** after a request is made by the concerning individual;provided that no **senior executive** knew of or had reason to know of any such conduct; or
3. **your** failure to administer an identity theft prevention program or an information disposal program pursuant to 15 U.S.C. 1681, as amended, or any similar state or federal law.

## Privacy policy

means any public written statements that set forth **your** policies, standards, and procedures for the collection, use, disclosure, sharing, dissemination, and correction or supplementation of, and access to, **personally identifiable information**.

## Public relations event

means:

1. the publication or imminent publication in a newspaper (or other general circulation print publication), on radio or television, or electronic news website (but not including social media) of a covered **claim** under this Policy; or
2. a **security failure** or **data breach** that results in covered **breach response costs** under this Policy or which reasonably may result in a covered **claim** under the Policy.



Ransomware	means any <b>malicious code</b> designated to block <b>your</b> access to <b>computer systems</b> or <b>digital assets</b> , delete or otherwise harm the <b>computer system</b> or <b>digital assets</b> , or cause a <b>security failure</b> , until a sum of money is paid.
Regulatory penalties	means monetary fines and penalties imposed in a <b>regulatory proceeding</b> to the extent insurable under applicable law.  <b>Regulatory penalties</b> will not mean any: <ol style="list-style-type: none"><li>1. costs to comply with injunctive relief;</li><li>2. costs to establish or improve privacy or security practices; or</li><li>3. audit, reporting, or compliance costs.</li></ol>
Regulatory proceeding	means a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of the Federal Trade Commission, Federal Communications Commission, or any federal, state, local, or foreign governmental entity in such entity's regulatory or official capacity in connection with such proceeding.  <b>Regulatory proceeding</b> does not include the Security and Exchange Commission (SEC) and similar federal, state, local, or foreign governmental entity.
Restoration costs	means the reasonable and necessary costs <b>you</b> incur to replace, restore, or recreate <b>digital assets</b> to the level or condition at which they existed prior to a <b>security failure</b> . If such <b>digital assets</b> cannot be replaced, restored, or recreated, then <b>restoration costs</b> will be limited to the actual, reasonable, and necessary costs <b>you</b> incur to reach this determination. <b>Restoration costs</b> do not include: <ol style="list-style-type: none"><li>1. any costs or expenses incurred to update, upgrade, replace, restore, repair, recall, or otherwise improve the <b>digital assets</b> to a level beyond that which existed prior to the <b>security failure</b>;</li><li>2. any costs or expenses incurred to identify, remove, or remediate computer program errors or vulnerabilities, or costs to update, upgrade, replace, restore, maintain, or otherwise improve any <b>computer system</b>; or</li><li>3. the economic or market value of any <b>digital assets</b>, including trade secrets, or the costs to re-perform any work product contained within any <b>digital assets</b>.</li></ol> <b>Restoration costs</b> does not mean and will not include costs for better computer systems or services than <b>you</b> had before the <b>security failure</b> , including upgrades, enhancements, and improvements. However, this shall not apply if the cost for the most current version of a computer system is substantially equivalent to (or less than) the original cost of the <b>computer system</b> you had before the <b>security failure</b> took place.
Retroactive date	means the date specified in Item 9. of the Declarations.

Security failure

means the failure of security of **computer systems** which results in:

1. acquisition, access, theft, or disclosure of **personally identifiable information** or **third party corporate information** in **your** care, custody, or control and for which **you** are legally liable;
2. loss, alteration, corruption, or damage to software, applications, or electronic data existing in **computer systems**;
3. transmission of **malicious code** from **computer systems** to third party computer systems that are not owned, operated, or controlled by the **named insured** or **subsidiary**; or
4. a **denial of service attack** on the **named insured's** or **subsidiary's computer systems**; or
5. access to or use of **computer systems** in a manner that is not authorized by **you**, including when resulting from the theft of a password.

**Security failure** does not mean and will not include any failure of computers, related peripheral components, or mobile devices that are owned or leased by an **employee** and not used for the business operations of the **named insured** or **subsidiary**.

Senior executive

means any partner, principal, director, executive board member, in-house counsel, risk manager, chief information officer, chief information security officer, chief privacy officer, chief financial officer, chief executive officer, chief operating officer, or functional equivalent, but only while acting on **your** behalf in the scope of **your** business operations.

Service provider

means any third party that is responsible for the processing, maintenance, protection, or storage of **digital assets** pursuant to a written contract.

## Subsidiary

means any organization in which the **named insured**:

1. owns either directly or indirectly 50% or more of the outstanding voting stock; or
2. has recognized the revenues in the **application**.

An organization ceases to be a **subsidiary** on the date, during the **policy period**, that the **named insured's** ownership, either directly or indirectly, ceases to be 50% of the outstanding voting stock.

The **named insured** will give written notice to **us** of any acquisition or creation of an organization with ownership interest greater than 50%, no later than sixty (60) days after the effective date of such acquisition or creation. Automatic coverage of such organization is granted until the end of the **policy period** or for 90 days, whichever is the earlier, subject to the following criteria:

1. the newly created or acquired **subsidiary** has substantially similar business operations;
2. the new **subsidiary's** gross revenue is equal to or less than 10% of the total gross revenue the **named insured** has listed on the **application**; and
3. prior to the effective date of such acquisition or creation, no **senior executive** of the **named insured** or of the acquired or created organization, knew or could have reasonably expected that a **claim** would be made or coverage triggered under any Insuring Agreement in Section II, WHAT WE COVER.

Upon receipt of such acquisition or creation, **we** may, at **our** sole option, agree to appropriately endorse this Policy subject to additional premium and/or change terms and conditions. If the **named insured** does not agree to the additional premium and/or changed terms and conditions, if any, coverage otherwise afforded under this provision for such acquired or created organization will terminate ninety (90) days after the effective date of such acquisition or creation, or at the end of the **policy period**, whichever is the earlier.

Systems failure

means any:

1. unintentional, unplanned, or unexpected **computer system** disruption, damage, or failure where the proximate cause is not a **security failure**, loss of or damage to any physical equipment or property, or planned or scheduled outage or maintenance of **computer systems** or a third party's computer systems (including downtime that is the result of a planned outage lasting longer than initially expected); or
2. disruption of **computer systems** by **you**, with **our** written prior consent, in order to mitigate covered **loss** under this Policy.

**Systems failure** does not include any:

1. failure of a third party technology or cloud service provider that results in an outage that extends beyond **your computer systems**;
2. failure or termination of any core element of internet, telecommunications, or GPS infrastructure that results in a regional, countrywide, or global outage of such infrastructure;
3. suspension, cancellation, revocation, or failure to renew any domain names or uniform resource locators;
4. failure of power supply and other utilities unless the provision of power and other utility services is under the **named insured's** direct control;
5. failure to adequately anticipate or capacity plan for normal and above operational demand for **computer systems** except where this demand is a **denial of service attack**;
6. government shutdown of systems or services;
7. ordinary wear and tear or gradual deterioration of the physical components of **computer systems**; or
8. failure or defect in the design, architecture, or configuration of **computer systems**.

Third party corporate information

means any information of a third party held by **you** which is not available to the general public and is provided to **you** subject to a mutually executed written confidentiality agreement between **you** and the third party or which you are legally required to maintain in confidence. However, **third party corporate information** does not include **personally identifiable information**.

Waiting period

means the number of hours set forth in Item 5. of the Declarations

We, us, or our

means the Company providing this Policy.

## SECTION X

### OTHER PROVISIONS



OTHER INSURANCE

This Policy will apply excess of any other valid and collectible insurance available to **you**, including the self-insured retention or deductible portion of that insurance, unless such is written only as specific excess insurance to this Policy, without contribution by this Policy.

CHOICE OF LAW

Any disputes involving this Policy will be resolved applying the law designated in Item 12. of the Declarations, without reference to that jurisdiction's choice of law principles.

NO ASSIGNMENT

No change in, modification of, or assignment of interest under this Policy will be effective except when made by written endorsement signed by **us**.

## Notice of Available Panel Providers

Coalition policyholders may engage the following Panel Providers upon written notice of a claim or incident. Notice of a claim or incident can be provided to [claims@thecoalition.com](mailto:claims@thecoalition.com), at 1.833.866.1337, or through the report a claim button at [www.thecoalition.com/claims](http://www.thecoalition.com/claims). Panel Providers available to Coalition policyholders are subject to change. The current list is available at [www.thecoalition.com/panel](http://www.thecoalition.com/panel).

<b>Data Breach response – U.S. (recommended attorney in brackets)</b>	Mendes & Mount (Peggy Reetz) Lewis Brisbois (Sean Hoar) Mullen Coughlin (Jennifer Coughlin)
<b>Data Breach response – E.U. (recommended attorney in brackets)</b>	Pinsent Mason (Ian Birdsey)
<b>Litigation</b>	Lewis Brisbois Winget Spadafora & Schwartzberg Dentons BakerHostetler
<b>Media Claims</b>	Leopold Petrick & Smith (Louis Petrich) Lewis Brisbois (Elior Shiloh) Duane Morris (Cynthia Counts)
<b>Notification</b>	Epiq Experian
<b>Forensics / Incident Response</b>	Coalition Incident Response Kivu Consulting Crypsis Mandiant Charles River Associates
<b>PR &amp; Crisis Management</b>	Infinite Global Edelman APCO Worldwide
<b>Forensic Accounting</b>	Baker Tilly (formerly RGL)
<b>DDoS Mitigation providers</b>	Cloudflare ( <a href="http://cloudflare.com">cloudflare.com</a> ) Incapsula ( <a href="http://incapsula.com">incapsula.com</a> ) Google Project Shield ( <a href="http://projectshield.withgoogle.com">projectshield.withgoogle.com</a> ) Akamai ( <a href="http://akamai.com">akamai.com</a> ) Fastly ( <a href="http://fastly.com">fastly.com</a> )

Coalition policyholders may engage with the following additional vendors with our prior written approval. Coalition policyholders may also engage vendors not listed with our prior written approval.

Notification	AllClear ID
Forensics/Incident Response	CrowdStrike



**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022  
**ENDT. NO.:** 01

**QUOTA SHARE ENDORSEMENT**

Form Number	SP 15 629 0218
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

This Policy is issued on a quota share basis. Each insurer will be responsible for payment of a certain percentage share of the Limits of Liability as specified in the Declarations for this Policy as follows:

Quota Share Percentage of each insurer:  
North American Capacity Insurance Company 51.0%  
Arch Specialty Insurance Company 49.0%

Each quota share insurers' obligations to you under this Policy are several and not joint and are limited solely to the extent of their individual quota share percentage. The quota share insurers are not responsible for the obligations of any quota share insurer who for any reason does not satisfy all or part of its obligations. None of the quota share insurers has a duty to pay before any of the other quota share insurers. **Claim expenses** are part of and not in addition to the Limits of Liability.

Provided that:

1. The collective liability of the insurers shall not exceed the Aggregate Policy Limit of Liability as specified in Item 4. of the Declarations.
2. The Limit of Liability of each of the insurers individually shall be limited to the pro rata percentage of liability set opposite its name.

All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.





**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022

**ENDT. NO.:** 02

**SERVICE OF SUIT ENDORSEMENT**

Form Number	SP 14 927 0219
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

It is understood and agreed that in the event **we** fail to pay any amount claimed to be due hereunder, **we**, at the request of the **named insured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America. The foregoing shall not constitute a waiver of the right by **us** to remove, remand, or transfer such suit to any other court of competent jurisdiction in accordance with the applicable statutes of the state of United States pertinent hereto. In any suit instituted against **us** upon this contract, **we** will abide by the final decision of such court or of any appellate court in the event of an appeal.

It is further agreed that service of process in such suit may be made upon the Superintendent, Commissioner, or Director of Insurance or other person specified for that purpose in the Statute or his successor or successors in office as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the **named insured** or any beneficiary hereunder arising out of this contract of insurance.

**We** hereby designate the President of North American Capacity Insurance Company, 1200 Main Street, Suite 800, Kansas City, MO, USA 64105, as the person to who the said Superintendent, Commissioner, or Director of Insurance is authorized to mail such process or a true copy thereof, in compliance with the applicable statutes governing said service of process in the state or jurisdiction in which a cause of action under this contract of insurance arises.

All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022  
**ENDT. NO.:** 03

**COMPUTER REPLACEMENT ENDORSEMENT**

Form Number	SP 17 514 0419
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

- Item 5. of the Declarations is amended to include the following:

<b>Insuring Agreement</b>	<b>Limit/Sub-Limit</b>	<b>Retention/Sub-Retention</b>
CR. COMPUTER REPLACEMENT	\$1,000,000	\$5,000

- Section II, FIRST PARTY COVERAGES is amended by the addition of the following insuring agreement:

CR. COMPUTER REPLACEMENT	We will pay on <b>your</b> behalf <b>computer replacement costs</b> that <b>you</b> incur as a result of the loss of integrity in the firmware of any <b>computer systems you</b> own or lease due to a <b>security failure</b> first discovered by <b>you</b> during the <b>policy period</b> .
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- Section IX, DEFINITIONS is amended by the addition of the following definition:

Computer replacement costs	means the reasonable and necessary costs <b>you</b> incur, with <b>our</b> prior written consent, to restore or replace those <b>computer systems</b> directly impacted by a <b>security failure</b> .  <b>Computer replacement costs</b> do not include <b>breach responses costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, or restoration costs.</b>
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4. For purposes of the coverage provided under this Endorsement only, the definitions of "Computer systems" and "Loss" in Section IX, DEFINITIONS are deleted and replaced with the following:

Computer systems	means:  <ol style="list-style-type: none"><li>1. computers and related peripheral components, including Internet of Things (IoT) devices;</li><li>2. systems and applications software;</li><li>3. terminal devices;</li><li>4. related communications networks;</li><li>5. mobile devices (handheld and other wireless computing devices); and</li><li>6. storage and back-up devices</li></ol> by which electronic data is collected, transmitted, processed, stored, backed up, retrieved, and which are owned by <b>you</b> .
Loss	means <b>breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, restoration costs, and computer replacement costs.</b>

5. Paragraph T. TANGIBLE PROPERTY, under Section III, EXCLUSIONS – WHAT IS NOT COVERED, is deleted for purposes of the coverage provided under Insuring Agreement, CR. COMPUTER REPLACEMENT.

All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022  
**ENDT. NO.:** 04

**REPUTATION REPAIR ENDORSEMENT**

Form Number	SP 14 802 1117
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

The definition of "**Crisis management costs**" under Section IX, DEFINITIONS is deleted and replaced with the following:

Crisis management costs	<p>means the following reasonable fees or expenses agreed to in advance by <b>us</b>, in <b>our</b> discretion (such agreement not to be unreasonably withheld) to mitigate harm to <b>your</b> reputation or to a covered <b>loss</b> due to a <b>public relations event</b>:</p> <ol style="list-style-type: none"> <li>1. a public relations or crisis management consultant;</li> <li>2. media purchasing or for printing or mailing materials intended to inform the general public about the <b>public relations event</b>;</li> <li>3. providing notifications to individuals where such notifications are not required by <b>breach notice law</b>, including notices to <b>your</b> non-affected customers, employees, or clients;</li> <li>4. other costs approved in advance by <b>us</b>;</li> </ol> <p>Provided that any <b>crisis management costs</b> to mitigate harm to <b>your</b> reputation must be incurred within twelve months after the first publication of such <b>public relations event</b>.</p>
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All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022  
**ENDT. NO.:** 05

**REPUTATIONAL HARM LOSS**

Form Number	SP 16 383 0718
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

- Item 5. of the Declarations is amended to include the following:

<b>Insuring Agreement</b>	<b>Limit/Sublimit</b>	<b>Retention</b>
RHL. REPUTATIONAL HARM LOSS	\$1,000,000	Waiting period: 14 days

- Section II, FIRST PARTY COVERAGES is amended by the addition of the following Insuring Agreement:

<b>REPUTATIONAL HARM LOSS</b>	<p>We will pay <b>reputational harm loss</b> that <b>you</b> incur during the <b>indemnity period</b> solely and directly resulting from an <b>adverse publication</b> first published during the <b>policy period</b> specifically concerning a <b>security failure, data breach, or cyber extortion</b> first discovered by <b>you</b> and reported to <b>us</b> during the <b>policy period</b>.</p> <p>The <b>waiting period</b> for any <b>reputational harm loss</b> will be the period of time set forth in Item 5. above.</p>
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- For purposes of the coverage provided under Insuring Agreement, RHL. REPUTATIONAL HARM LOSS only, Section IV, YOUR OBLIGATIONS AS AN INSURED, WHEN THERE IS A **CLAIM OR INCIDENT** is amended to include the following:

Notice of any **adverse publication** will include complete details of the **adverse publication** and the date **you** first became aware of such **adverse publication, you** must immediately record the specifics of any **reputational harm loss** resulting therefrom.



4. For purposes of the coverage provided under Insuring Agreement, RHL. REPUTATIONAL HARM LOSS only, SECTION V, CLAIMS PROCESS, PROOF OF LOSS is deleted and replaced with the following:

<p>PROOF OF LOSS</p>	<p>With respect to <b>reputational harm loss</b>, <b>you</b> must complete and sign written, detailed, and affirmed proof of loss within 90 days after the <b>adverse publication</b> (unless such period has been extended by the underwriters in writing) which will include, at a minimum, the following information:</p> <ul style="list-style-type: none"> <li>(a) a full description of the circumstances, including, without limitation, the time and place of the <b>adverse publication</b>;</li> <li>(b) a full description of the circumstances, including, without limitation, the time, place, and cause of the underlying <b>security failure, data breach, or cyber extortion</b> as well as the date of first notice to <b>us</b>; and</li> <li>(c) a detailed calculation of any <b>reputational harm loss</b>; and all underlying documents and materials that reasonably relate to or form part of the basis of the proof of such <b>reputational harm loss</b>.</li> </ul> <p>Any costs incurred by <b>you</b> in connection with establishing or proving <b>reputational harm loss</b>, including preparing a proof of loss, will be <b>your</b> obligation and is not covered under this Policy.</p> <p>Solely with respect to verification of <b>reputational harm loss</b>, <b>you</b> agree to allow <b>us</b> to examine and audit <b>your</b> books and records that relate to this Policy at any time during the <b>policy period</b> and up to 12 months following a <b>loss</b>.</p>
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5. For purposes of the coverage provided under Insuring Agreement, RHL. REPUTATIONAL HARM LOSS only, Section IX, DEFINITIONS is amended by the addition of the following:

<p>Adverse publication</p>	<p>means any report or communication to the public through any media channel including, but not limited to television, print media, radio, the internet, or electronic mail, of information that was previously unavailable to the public, specifically concerning a <b>security failure, data breach, or cyber extortion</b> that affects any of <b>your</b> customers or clients. All <b>adverse publications</b> relating to the same <b>security failure, data breach or cyber extortion</b> will be deemed to have occurred on the date of the first <b>adverse publication</b> for the purposes of determining the applicable <b>waiting period</b> and <b>indemnity period</b>.</p>
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<p>Reputational harm loss</p>	<p>means the net profit that would have been earned before income taxes, or net loss that would not have been incurred solely and directly as the result of any <b>adverse publication</b>.</p> <p><b>Reputational harm loss</b> does not include any:</p> <ul style="list-style-type: none"> <li>(a) costs to rehabilitate <b>your</b> reputation, including legal costs or expenses;</li> <li>(b) <b>breach response costs</b>;</li> <li>(c) <b>crisis management costs</b>;</li> <li>(d) costs directly caused by an <b>adverse publication</b> of any occurrence other than a covered <b>security failure, data breach, or cyber extortion</b>.</li> <li>(e) <b>loss</b> arising out of, based upon, or attributable to any publicity that refers or relates to the security or privacy of other entities in the same or similar business or industry as <b>you</b>, including any of <b>your</b> competitors; or</li> <li>(f) any <b>loss</b> resulting from partial or complete interruption of <b>computer systems</b> caused by a <b>security failure</b>.</li> </ul> <p><b>Reputational harm loss</b> will not include net profit that would likely have been earned before income taxes as a result of an increase in volume due to favorable business conditions caused by the impact of security failures, data breaches, or cyber extortion impacting other businesses, loss of market, or any other consequential loss. Further, due consideration shall be given to the following when <b>calculating reputational harm loss</b>:</p> <ul style="list-style-type: none"> <li>(a) the experience of <b>your</b> business before the <b>adverse publication</b> and probable experience thereafter during the <b>indemnity period</b> had there been no <b>adverse publication</b> and to the continuation of normal charges and expenses that would have existed has no <b>adverse publication</b> occurred; and</li> <li>(b) any <b>reputational harm loss</b> made up during, or within a reasonable time after the end of, the <b>indemnity period</b>.</li> </ul>
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6. For purposes of the coverage provided under Insuring Agreement, RHL. REPUTATIONAL HARM LOSS only, the definitions of "**Indemnity period**", "**Incident**" "**Loss**", and "**Waiting period**" under Section IX, DEFINITIONS are deleted and replaced with the following:

<p>Indemnity period</p>	<p>means the one hundred and eighty (180) day period that begins at the conclusion of the <b>waiting period</b>.</p>
<p>Incident</p>	<p>means <b>cyber extortion, data breach, funds transfer fraud, public relations event, security failure, systems failure or adverse publication</b>.</p>



Loss	means <b>breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, restoration costs, and reputational harm loss.</b>
Waiting period	means the amount of time set forth in Item 5. above that must elapse after the date upon which the <b>adverse publication</b> was first disseminated.

All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.





**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022  
**ENDT. NO.:** 06

**SERVICE FRAUD ENDORSEMENT**

Form Number	SP 16 183 0518
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

- Item 5. FIRST PARTY COVERAGES of the Declarations is amended to include the following:

<b>Insuring Agreement</b>	<b>Limit/Sub-Limit</b>	<b>Retention/Sub-Retention</b>
SF. SERVICE FRAUD	\$100,000	\$5,000

- Section II, FIRST PARTY COVERAGES is amended by the addition of the following insuring agreement:

SF. SERVICE FRAUD	<b>We</b> we will reimburse <b>you</b> for direct financial loss that <b>you</b> incur as the result of <b>you</b> being charged for the fraudulent use of <b>business services</b> resulting from a <b>security failure</b> , provided that such direct financial loss is first discovered by <b>you</b> and incurred by <b>you</b> during the <b>policy period</b> .
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- For purposes of the coverage provided under Insuring Agreement, SF. Service Fraud only, the following definition under Section IX, DEFINITIONS is added:

Business services	<p>means the information technology and telephony <b>business services</b> shown in the Schedule below provided that:</p> <p>(a) <b>you</b> use such service regularly in the normal course of <b>your</b> business;</p> <p>(b) <b>you</b> are charged a fee on a regular periodic basis, no less frequently than on a semi-annual basis; and</p> <p>(c) such services are provided in accordance with the terms and conditions of a written contract between <b>you</b> and the business service provider.</p> <p style="text-align: center;">Schedule</p> <p>Software as a Service;  Platform as a Service;  Network as a Service;  Infrastructure as a Service;  Voice over Internet Protocol; and  Telephony Services.</p>
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All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022  
**ENDT. NO.:** 07

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

Form Number	SP 17 252 0219
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that the following is added:

<p>CERTIFIED ACTS OF TERRORISM</p>	<p>If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and <b>we</b> have met <b>our</b> insurer deductible under the Terrorism Risk Insurance Act, <b>we</b> will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.</p> <p><b>Certified act of terrorism</b> means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a <b>certified act of terrorism</b> include the following:</p> <ol style="list-style-type: none"> <li>1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and</li> <li>2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.</li> </ol> <p>The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for <b>damages or loss</b> that is otherwise excluded under this Policy.</p>
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All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022  
**ENDT. NO.:** 08

**DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT**

Form Number	SP 17 255 0220
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that the following is added:

DISCLOSURE OF TERRORISM RISK INSURANCE ACT PREMIUM	<p>In accordance with the federal Terrorism Risk Insurance Act, <b>we</b> are required to provide <b>you</b> with a notice disclosing the portion of <b>your</b> premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of <b>your</b> premium attributable to such coverage is shown in the Policy Declarations.</p> <p>The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage as follows of that portion 80% of the amount of such insured losses that exceeds the applicable insurer retention</p> <p>However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury will not make any payment for any portion of the amount of such losses that exceeds \$100 billion.</p> <p>If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and <b>we</b> have met <b>our</b> insurer deductible under the Terrorism Risk Insurance Act, <b>we</b> will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.</p>
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All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022  
**ENDT. NO.:** 09

**MISCELLANEOUS AMENDMENTS (BROWN & BROWN) ENDORSEMENT**

Form Number	SP 17 923 1019
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

1. The following exclusions under SECTION III, EXCLUSIONS – WHAT IS NOT COVERED, are deleted and replaced with the following:

A. BODILY INJURY	Any physical injury, sickness, disease, mental anguish, emotional distress, or death of any person, provided, however, that this exclusion will not apply to any <b>claim</b> for mental anguish or emotional distress under Section II.A, NETWORK AND INFORMATION SECURITY LIABILITY and under Section II.C, MULTIMEDIA CONTENT LIABILITY.
D. DIRECTOR & OFFICERS LIABILITY	Any act, error, omission, or breach of duty by any director or officer in the discharge of his or her duty if the <b>claim</b> is brought by or on behalf of the <b>named insured</b> , a <b>subsidiary</b> , or any principals, directors, officers, stockholders, members, or <b>employees</b> of the <b>named insured</b> or a <b>subsidiary</b> . However, this exclusion will not apply to a <b>claim</b> brought by a current or former <b>employee</b> under Section II.A, NETWORK AND INFORMATION SECURITY LIABILITY.
E. DISCRIMINATION	Any discrimination of any kind. However, this exclusion will not apply to Section II.C, MULTIMEDIA CONTENT LIABILITY, for an otherwise covered <b>claim</b> for a <b>multimedia wrongful act</b> .

<p>J. INSURED VERSUS INSURED</p>	<p>Any <b>claim</b> made by or on behalf of:</p> <ol style="list-style-type: none"> <li>1. an <b>insured</b> under this Policy; however, this exclusion will not apply to an otherwise covered <b>claim</b> made by:             <ol style="list-style-type: none"> <li>a. an <b>employee</b> arising from a <b>security failure</b> or <b>data breach</b>; or</li> <li>b. an additional insured;</li> </ol> </li> <li>2. any business enterprise in which <b>you</b> have greater than a twenty percent (20%) ownership interest; or</li> <li>3. any parent company or other entity that owns more than twenty percent (20%) of an <b>insured</b>.</li> </ol>
<p>K. INTELLECTUAL PROPERTY</p>	<p>Violation or infringement of any intellectual property right or obligation, including:</p> <ol style="list-style-type: none"> <li>1. infringement of copyright of software, firmware, or hardware;</li> <li>2. misappropriation, misuse, infringement, or violation of any patent or trade secret;</li> <li>3. distribution or sale of, or offer to distribute to sell, any goods, products, or services; or</li> <li>4. other use of any goods, products, or services that infringes or violates any intellectual property law or right relating to the appearance, design, or function of any goods, products, or services;</li> </ol> <p>however, this exclusion will not apply to:</p> <ol style="list-style-type: none"> <li>1. an otherwise covered <b>claim</b> arising from the acquisition, access, theft, or disclosure of a trade secret that qualifies as <b>third party corporate information</b> resulting from a <b>security failure</b>; or</li> <li>2. Section II.C, MULTIMEDIA CONTENT LIABILITY, for an otherwise covered <b>claim</b> for a <b>multimedia wrongful act</b>, provided that, this exception to exclusion K. INTELLECTUAL PROPERTY shall not apply to any violation or infringement of any intellectual property right or obligation described in items 1. and 2. above.</li> </ol>

2. Section III, EXCLUSIONS – WHAT IS NOT COVERED, Paragraph W. VIOLATION OF ACTS/LAWS is amended by the addition of the following language:

However, this exclusion shall not apply to a **claim** against **you** alleging a **data breach** or **privacy liability** in violation of regulation S-P (17 C.F.R. § 248).

3. SECTION IV, YOUR OBLIGATIONS AS AN INSURED, WHEN THERE IS A **CLAIM** OR **INCIDENT** is deleted and replaced with the following:

WHEN THERE IS A <b>CLAIM</b> OR <b>INCIDENT</b>	<b>You</b> must provide <b>us</b> written notice of a <b>claim</b> or <b>incident</b> through the persons named in Item 8. of the Declarations as soon as practicable once such <b>claim</b> or <b>incident</b> is known to a <b>senior executive</b> . In no event will such notice to <b>us</b> be later than: (i) the end of the <b>policy period</b> ; (ii) or 90 days after the end of the <b>policy period</b> for <b>claims</b> made against <b>you</b> or <b>incidents</b> discovered by <b>you</b> in the last 60 days of the <b>policy period</b> .
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4. SECTION IV, YOUR OBLIGATIONS AS AN INSURED, OBLIGATION TO PRESERVE OUR RIGHT OF SUBROGATION is deleted and replaced with the following:

OBLIGATION TO PRESERVE OUR RIGHT OF SUBROGATION	<p>In the event of any payment by <b>us</b> under this Policy, <b>we</b> will be subrogated to all of <b>your</b> rights of recovery. <b>You</b> will do everything necessary to secure and preserve such subrogation rights, including the execution of any documents necessary to enable <b>us</b> to bring suit in <b>your</b> name. <b>You</b> will not do anything after an <b>incident</b> or event giving rise to a <b>claim</b> or <b>loss</b> to prejudice such subrogation rights without first obtaining <b>our</b> consent.</p> <p>This obligation does not apply to the extent that the right to subrogate is waived by <b>you</b> under a written contract with that person or organization, prior to the <b>incident</b> or event giving rise to the <b>claim</b> or <b>loss</b>.</p>
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5. SECTION V, CLAIMS PROCESS, DEFENSE is amended to include the following:

DEFENSE	If <b>we</b> request <b>your</b> presence at a trial, hearing, deposition, mediation, or arbitration relating to the defense of any <b>claim</b> , <b>we</b> will pay reasonable costs and expenses of attendance up to a maximum amount of \$500.00 a day per person, subject to a maximum amount of \$25,000 per <b>policy period</b> . Such amounts are part of and not in addition to the Limits of Liability of this Policy.
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6. SECTION V, CLAIMS PROCESS, SETTLEMENT is deleted and replaced with the following:

SETTLEMENT	<p>If <b>you</b> refuse to consent to any settlement or compromise recommended by <b>us</b> and acceptable to the claimant, <b>our</b> liability for such <b>claim</b> will not exceed:</p> <ol style="list-style-type: none"> <li>1. the amount for which such <b>claim</b> could have been settled, less the retention, plus <b>claim expenses</b> incurred up to the time of such refusal; and</li> <li>2. eighty percent (80%) of <b>claim expenses</b> incurred after such settlement was refused by <b>you</b>, plus eighty percent (80%) of <b>damages</b> and <b>regulatory penalties</b> in excess of the amount such <b>claim</b> could have settled under such settlement.</li> </ol> <p>In this event, <b>we</b> will have the right to withdraw from the further defense of such <b>claim</b> or <b>regulatory proceeding</b> by tendering control of the defense thereof to <b>you</b>. The operation of this paragraph will be subject to the Limits of Liability and Retention provisions of this Policy.</p>
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7. The following definitions under Section IX, DEFINITIONS is deleted and replaced with the following:

<p>Breach response costs</p>	<p>means the following reasonable and necessary costs <b>you</b> incur with <b>our</b> prior written consent in response to an actual or suspected <b>security failure</b> or <b>data breach</b>:</p> <ol style="list-style-type: none"> <li>1. computer forensic professional fees and expenses to determine the cause and extent of a <b>security failure</b>;</li> <li>2. costs to notify individuals affected or reasonably believed to be affected by such <b>security failure</b> or <b>data breach</b>, including printing costs, publishing costs, postage expenses, call center costs, and costs of notification via phone or e-mail;</li> <li>3. costs to provide government mandated public notices related to such <b>security failure</b> or <b>data breach</b>;</li> <li>4. legal fees and expenses to advise <b>you</b> in connection with <b>your</b> investigation of a <b>security failure</b> or <b>data breach</b> and to determine whether <b>you</b> are legally obligated under a breach notice law to notify applicable regulatory agencies or individuals affected or reasonably believed to be affected by such <b>security failure</b> or <b>data breach</b>;</li> <li>5. legal fees and expenses to advise <b>you</b> in complying with Payment Card Industry ("PCI") operating regulation requirements for responding to a <b>security failure</b> or <b>data breach</b> compromising payment card data, and the related requirements under a <b>merchant services agreement</b> (this clause does not include any fees or expenses incurred in any legal proceeding, arbitration, or mediation, for any advice in complying with any PCI rules or regulations other than for assessment of <b>PCI fines and assessments</b> for a covered <b>security failure</b> or <b>data breach</b>, or to remediate the breached <b>computer systems</b>); and</li> <li>6. costs to provide up to one year (or longer if required by law or where required by a regulatory agency) of a credit or identity monitoring program to individuals affected by such <b>security failure</b> or <b>data breach</b>.</li> </ol> <p><b>Breach response</b> costs must be incurred within one year of <b>your</b> discovery of an actual or suspected <b>security failure</b> or <b>data breach</b>. <b>You</b> have <b>our</b> prior consent to incur <b>breach response costs</b> in the form of computer forensic fees under paragraph 1. and legal fees under paragraphs 4. and 5. with any vendor on <b>our</b> list of Panel Providers.</p>
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<p>Extra expenses</p>	<p>means <b>your</b> reasonable and necessary <b>extra expenses</b> incurred to avoid or minimize a <b>business interruption loss</b>, including:</p> <ol style="list-style-type: none"> <li>1. the reasonable and necessary additional costs of sourcing <b>your</b> products or services from alternative sources in order to meet contractual obligations to supply <b>your</b> customers and clients;</li> <li>2. the reasonable and necessary additional costs of employing contract staff or overtime costs for <b>employees</b>, including <b>your</b> internal IT department, in order to continue <b>your</b> business operations which would otherwise have been handled in whole or in part by the <b>computer systems</b> or <b>service provider</b>; and</li> <li>3. the reasonable and necessary additional costs of employing specialist consultants, including IT forensic consultants, in order to diagnose and fix a <b>security failure</b> or <b>systems failure</b>.</li> </ol> <p>Provided, however, that such expenses do not exceed the amount of loss that otherwise would have been payable as <b>business interruption loss</b>. <b>Extra expenses</b> does not mean and will not include costs for better <b>computer systems</b> or services than <b>you</b> had before a <b>security failure</b> or <b>system failure</b>, including upgrades, enhancements and improvements. However, this will not apply if the cost for a more current or secure version of <b>computer systems</b> is:</p> <ol style="list-style-type: none"> <li>1. no more than 25% greater than the cost that would have been incurred to repair or replace the <b>computer system you</b> had before a <b>security failure</b>; or</li> <li>2. substantially equivalent to (or less than) the cost to repair or replace the <b>computer system you</b> had before a system failure took place.</li> </ol> <p>Under no circumstances will <b>we</b> pay costs of acquiring or installing <b>computer systems</b> which did not form a part of <b>your computer systems</b> immediately prior to the <b>security failure</b>.</p>
<p>Insured, you, or your</p>	<p>means:</p> <ol style="list-style-type: none"> <li>1. the <b>named insured</b>;</li> <li>2. a <b>subsidiary</b>;</li> <li>3. <b>senior executives</b> and <b>employees</b>;</li> <li>4. person who is an independent contractor, but only while acting under the direct supervision of, and on behalf of, the <b>named insured</b>; and</li> <li>5. with respect to Section II.A, NETWORK AND INFORMATION SECURITY LIABILITY and Section II.B, REGULATORY DEFENSE AND PENALTIES, any person or entity <b>you</b> have agreed in a written contract or agreement to add as an additional insured to a policy providing the type of coverage afforded by this Policy, provided such contract or agreement is in effect or becomes effective during the <b>policy period</b>, and solely for such person's or entity's liability arising out of the <b>named insured's</b> or <b>subsidiary's</b> acts (hereafter an additional insured).</li> </ol>

Regulatory proceeding	<p>means a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of the Federal Trade Commission, Federal Communications Commission, Security and Exchange Commission (SEC) arising only from S-P (17 C.F.R. § 248), or any federal, state, local, or foreign governmental entity in such entity’s regulatory or official capacity in connection with such proceeding.</p> <p>Other than the foregoing, <b>regulatory proceeding</b> does not include the Security and Exchange Commission (SEC) and similar federal, state, local, or foreign governmental entity.</p>
Senior executive	<p>means any in-house counsel, risk manager, chief information officer, chief information security officer, chief privacy officer, chief financial officer, chief executive officer, chief operating officer, or functional equivalent, but only while acting on <b>your</b> behalf in the scope of <b>your</b> business operations.</p>
Subsidiary	<p>means any organization in which the <b>named insured</b>:</p> <ol style="list-style-type: none"> <li>1. owns either directly or indirectly 50% or more of the outstanding voting stock; or</li> <li>2. has recognized the revenues in the <b>application</b>.</li> </ol> <p>An organization ceases to be a <b>subsidiary</b> on the date, during the <b>policy period</b>, that the <b>named insured’s</b> ownership, either directly or indirectly, ceases to be 50% of the outstanding voting stock.</p> <p>The <b>named insured</b> will give written notice to <b>us</b> of any acquisition or creation of an organization with ownership interest greater than 50%, no later than ninety (90) days after the effective date of such acquisition or creation. Automatic coverage of such organization is granted until the end of the <b>policy period</b> or for 90 days, whichever is the earlier, subject to the following criteria</p> <ol style="list-style-type: none"> <li>1. the newly created or acquired <b>subsidiary</b> has substantially similar business operations;</li> <li>2. the new <b>subsidiary’s</b> gross revenue is equal to or less than 23% of the total gross revenue the <b>named insured</b> has listed on the <b>application</b>, such amount not to exceed \$45 million; and</li> <li>3. prior to the effective date of such acquisition or creation, no <b>senior executive</b> of the <b>named insured</b> or of the acquired or created organization, knew or could have reasonably expected that a <b>claim</b> would be made or coverage triggered under any Insuring Agreement in Section II, WHAT WE COVER.</li> </ol>



	Upon receipt of notice of such acquisition or creation, <b>we</b> may, at <b>our</b> sole option, agree to appropriately endorse this Policy subject to additional premium and/or change terms and conditions. If the <b>named insured</b> does not agree to the additional premium and/or changed terms and conditions, if any, coverage otherwise afforded under this provision for such acquired or created organization will terminate ninety (90) days after the effective date of such acquisition or creation, or at the end of the <b>policy period</b> , whichever is the earlier.
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All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022  
**ENDT. NO.:** 10

**BREACH RESPONSE SEPARATE LIMIT ENDORSEMENT**

Form Number	SP 16 296 0618
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

- Item 4. of the Declarations is amended to include the following:

**BREACH RESPONSE LIMIT OF LIABILITY** **\$1,000,000**

- Section VI, LIMITS OF LIABILITY AND RETENTION, LIMITS OF LIABILITY is deleted and replaced by the following:

LIMITS OF LIABILITY	<p><u>Aggregate Limit of Liability &amp; Limits of Liability for All Amounts Other than Breach Response Costs</u></p> <p>The Aggregate Limit of Liability set forth in Item 4. of the Declarations is the maximum amount <b>we</b> will be liable to pay for all <b>damages, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, restoration costs, PCI fines and assessments, regulatory penalties and claim expenses</b>, regardless of the number of <b>claims, incidents, or insureds</b>.</p> <p>The Limits of Liability set forth in Item 5. of the Declarations is the maximum amount <b>we</b> will be liable to pay for all <b>damages, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, restoration costs, PCI fines and assessments, regulatory penalties and claim expenses</b> under each Insuring Agreement, regardless of the number of <b>claims, incidents, or insureds</b>. Such Limits of Liability are part of, and not in addition to, the Aggregate Limit of Liability. The reference to applicable Limits of Liability herein refers to each participating Insurer's individual Quota Share Limit of Liability as stated in Item 7. of the Declarations.</p>
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	<p><b>Our</b> Limits of Liability for an Optional Extended Reporting Period, if applicable, will be part of, and not in addition to the Aggregate Limit of Liability set forth in Item 4. of the Declarations.</p> <p><u>Limit of Liability for Breach Response Costs</u></p> <p>The Breach Response Limit of Liability set forth in Item 4. of the Declarations is the maximum amount <b>we</b> will be liable to pay for all <b>breach response costs</b>, regardless of the number of <b>security failures, data breaches, or insureds</b>. The Breach Response Limit of Liability is in addition to the Aggregate Limit of Liability. Upon exhaustion of the Breach Response Limit of Liability, there will be no further coverage under this Policy for any <b>breach response costs</b>.</p>
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All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022

**ENDT. NO.:** 11

**REGULATORY COVERAGE ENHANCEMENT ENDORSEMENT – CCPA AND GDPR**

Form Number	SP 17 147 1119
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

- SECTION II, WHAT WE COVER – OUR INSURING AGREEMENTS, THIRD PARTY LIABILITY COVERAGES, paragraph B is deleted and replaced with the following:

<b>B. REGULATORY DEFENSE AND PENALTIES</b>	<b>We will pay on your behalf claim expenses and regulatory penalties that you become legally obligated to pay resulting from a claim against you in the form of a regulatory proceeding.</b>
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- The definition of “Regulatory proceeding” under SECTION IX, DEFINITIONS is deleted and replaced with the following:

Regulatory proceeding	<p>means a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding:</p> <ol style="list-style-type: none"> <li>brought by or on behalf of the Federal Trade Commission, Federal Communications Commission, Securities and Exchange Commission (SEC) arising only from S-P (17 C.F.R. § 248), or any federal, state, local, or foreign governmental entity in such entity’s regulatory or official capacity, in connection with such proceeding arising from a <b>security failure</b> or a <b>data breach</b>; or</li> <li>brought for a violation of the General Data Protection Regulation (GDPR), California Consumer Privacy Act (CCPA), or any similar federal, state, local, or foreign regulation arising from a <b>privacy liability</b>.</li> </ol> <p>Other than the foregoing, <b>regulatory proceeding</b> does not include a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding brought by the Securities and Exchange Commission (SEC) and similar federal, state, local, or foreign governmental entities.</p>
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All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.





**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022

**ENDT. NO.:** 12

**COURT ATTENDANCE COST REIMBURSEMENT ENDORSEMENT**

Form Number	SP 16 777 0918
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

SECTION V, CLAIMS PROCESS, DEFENSE is amended to include the following:

DEFENSE	If <b>we</b> request <b>your</b> presence at a trial, hearing, deposition, mediation, or arbitration relating to the defense of any <b>claim, we</b> will pay reasonable costs and expenses of attendance up to a maximum amount of \$250.00 a day per person, subject to a maximum amount of \$25,000 per <b>policy period</b> . Such amounts are part of and not in addition to the Limits of Liability of this Policy.
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All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022  
**ENDT. NO.:** 13

**CRIMINAL REWARD COVERAGE**

Form Number	SP 16 670 0818
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

- Item 5. FIRST PARTY COVERAGES of the Declarations is amended to include the following:

Insuring Agreement	Limit/Sublimit	Retention
CR. CRIMINAL REWARD COVERAGE	\$25,000	\$0

- Section II, FIRST PARTY COVERAGES is amended by the addition of the following Insuring Agreement:

<b>CR. CRIMINAL REWARD COVERAGE</b>	<b>We will indemnify the named insured criminal reward costs. No Retention will apply to this insuring agreement.</b>
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- Section IX, DEFINITIONS is amended by the addition of the following definition:

Criminal reward costs	means any amount offered and paid by <b>us</b> for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to any coverage under this Policy. <b>Criminal reward costs</b> does not include and this Policy will not cover any amount offered and paid for information provided by <b>you, your</b> auditors, whether internal or external, any individual hired or retained to investigate the aforementioned illegal acts, or any other individuals with responsibilities for the supervision or management of the aforementioned individuals.
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All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022

**ENDT. NO.:** 14

**DUTY TO COOPERATE ENDORSEMENT**

Form Number	SP 17 274 0219
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

SECTION IV, YOUR OBLIGATIONS AS AN INSURED, DUTY TO COOPERATE is deleted and replaced with the following:

DUTY TO COOPERATE	<b>We</b> will have the right to make any investigation <b>we</b> deem necessary to adjust any claim, and <b>you</b> will cooperate with <b>us</b> in all investigations, respond to reasonable requests for information, and execute all papers and render all assistance as requested by <b>us</b> . <b>You</b> will also cooperate with counsel in the defense of all <b>claims</b> and response to all <b>incidents</b> and provide all information necessary for appropriate and effective representation.
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All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022  
**ENDT. NO.:** 15

**INVOICE MANIPULATION ENDORSEMENT**

Form Number	SP 17 813 0819
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

- Item 5. of the Declarations is amended to include the following:

<b>Insuring Agreement</b>	<b>Limit / Sublimit</b>	<b>Retention</b>
IM. INVOICE MANIPULATION	\$250,000	\$5,000

- Section II, FIRST PARTY COVERAGES is amended by the addition of the following insuring agreement:

<b>IM. INVOICE MANIPULATION</b>	<b>We will pay you invoice manipulation loss that you incur directly resulting from any invoice manipulation first discovered by you during the policy period.</b>
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- Section IX, DEFINITIONS is amended by the addition of the following definitions:

Invoice Manipulation	means the release or distribution of any fraudulent invoice or payment instruction to a third party as a direct result of a <b>security failure</b> .
Invoice Manipulation Loss	means <b>your</b> direct net costs, excluding any profit, to provide goods, products, or services to a third party for which <b>you</b> are unable to collect payment after transfer of such goods, products, or services to a third party as a direct result of an <b>invoice manipulation</b> .

- For purposes of the coverage provided under this Endorsement only, the following definitions under Section IX, DEFINITIONS is deleted and replaced with the following:



Incident	means <b>cyber extortion, data breach, funds transfer fraud, invoice manipulation, public relations event, security failure, or systems failure.</b>  All <b>incidents</b> that have a common nexus of fact, circumstance, situation, event, transaction, or cause, or series of related facts, circumstances, situations, events, transactions, or causes will be considered a single <b>incident</b> occurring on the date the first such <b>incident</b> occurred.
Loss	means <b>breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, invoice manipulation loss, and restoration costs.</b>

All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

MULTI-FACTOR AUTHENTICATION (MFA) RETENTION REDUCTION

Form Number	SP 17 814 0819
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

COALITION CYBER POLICY

- Section VI, LIMITS AND RETENTION, RETENTION is deleted and replaced with the following:

Retention	<p><b>We</b> will only be liable for those amounts payable under this Policy which are in excess of the applicable Retention(s). Such Retention(s) must be paid by <b>you</b> and cannot be insured.</p> <p>In the event that <b>damages, PCI fines and assessments, regulatory penalties, claim expenses, breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, restoration costs</b>, or other amounts arising out of a <b>claim</b> or <b>incident</b> are subject to more than one Retention, the applicable Retention amount will apply to such <b>damages, PCI fines and assessments, regulatory penalties, claim expenses, breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, restoration costs</b>, or other amounts, provided that the sum of such Retention amounts will not exceed the largest applicable Retention amount.</p> <p>In the event that <b>damages, PCI fines and assessments, regulatory penalties, claim expenses, breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, restoration costs</b>, or other amounts arise out of a <b>claim</b> or <b>incident</b> that is the direct of a <b>business email compromise</b>, the largest applicable Retention amount will be reduced by 50% subject to a maximum reduction of \$10,000, provided that <b>multi-factor authentication</b> was enabled and required at</p>
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	the time of the applicable <b>incident</b> .
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2. Section IX, DEFINITIONS is amended by the addition of the following definitions:

Business email compromise	means any access to or use of <b>your</b> email system in a manner that is not authorized by <b>you</b> .
Multi-factor authentication	means, in addition to the use of a user ID and password to validate access to <b>your</b> email system, the use of at least one of the following methods of authentication: <ul style="list-style-type: none"> <li>a. a hardware or software token or access card;</li> <li>b. third party authentication applications providing time bound, one-time codes, by a method other than text messaging; or</li> <li>c. <b>text messaging authentication</b>.</li> </ul>
Text messaging authentication	The use or receipt of a unique one-time passcode received by text message to a pre-established mobile number linked to the email account on <b>your</b> email system that is being accessed in order to validate access to <b>your</b> email system.

All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



**FILING POLICY NO.:** C-4LWN-129213-CYBER-2022  
**ENDT. NO.:** 17

**YOUR OBLIGATIONS AS AN INSURED ENDORSEMENT**

Form Number	SP 17 275 0219
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Policy Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

SECTION IV, YOUR OBLIGATIONS AS AN INSURED, WHEN THERE IS A CLAIM OR INCIDENT is deleted and replaced with the following:

<b>WHEN THERE IS A CLAIM OR INCIDENT</b>	You must provide <b>us</b> written notice of a <b>claim</b> or <b>incident</b> through the persons named in Item 8. of the Declarations as soon as practicable once such <b>claim</b> or <b>incident</b> is known to a <b>senior executive</b> . In no event will such notice to <b>us</b> be later than: (i) the end of the <b>policy period</b> ; (ii) or 90 days after the end of the <b>policy period</b> for <b>claims</b> made against you or <b>incidents</b> discovered by <b>you</b> in the last 60 days of the <b>policy period</b> .
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All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.





FILING POLICY: C-4LWN-129213-CYBER-2022  
ENDT NO.: 18

**PHISHING (IMPERSONATION) AND PROOF OF LOSS PREPARATION EXPENSE ENDORSEMENT**

Endorsement Number	SP 18 435 0720
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

This endorsement modifies insurance provided under the following:

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

- Item 5 of the Declarations is amended to include the following

<b>Insuring Agreement</b>	<b>Limit / Sub-Limit</b>	<b>Retention / Sub-Retention</b>
PH – Phishing (Impersonation)	\$50,000	\$5,000
PL – Proof of Loss Preparation Expenses	\$50,000	\$5,000

- Section II, WHAT WE COVER – OUR INSURING AGREEMENTS, is amend by the addition of the following:

PH – PHISHING (IMPERSONATION)	<b>We will pay on <i>your</i> behalf <b>phishing response services</b> that <i>you</i> incur resulting from a <b>phishing attack</b> first discovered by <i>you</i> during the <b>policy period</b>.</b>
PL - PROOF OF LOSS PREPARATION EXPENSES	We will pay on your behalf <b>proof of loss preparation expenses.</b>

3. SECTION VI, LIMITS OF LIABILITY AND RETENTION, RETENTION, is deleted and replaced with the following:

Retention	<p><b>We</b> will only be liable for those amounts payable under this Policy which are in excess of the applicable Retention(s). Such Retention(s) must be paid by <b>you</b> and cannot be insured.</p> <p>In the event that <b>damages, PCI fines and assessments, regulatory penalties, claim expenses, breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, phishing, response services, proof of loss preparation expenses, restoration costs</b>, or other amounts arising out of a <b>claim</b> or <b>incident</b> are subject to more than one Retention, the applicable Retention amount will apply to such <b>damages, PCI fines and assessments, regulatory penalties, claim expenses, breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, phishing, response services, proof of loss preparation expenses, restoration costs</b>, or other amounts, provided that the sum of such Retention amounts will not exceed the largest applicable Retention amount.</p>
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4. SECTION IX, DEFINITIONS LOSS is deleted and replaced with the following:

Loss	<p>means <b>breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, phishing response services, proof of loss preparation expenses, and restoration costs</b></p>
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5. The following definition is added to Section IX, definitions:

Phishing response services	<p>means:</p> <ol style="list-style-type: none"> <li>1. the cost of retaining a law firm and public relations firm incurred by <b>you</b> to create and publish a press release or establish a website to advise <b>your</b> customers and prospective customers of a <b>phishing attack</b>; and</li> <li>2. the cost of reimbursing <b>your</b> existing customers for their loss of money or <b>tangible property</b> directly resulting from a <b>phishing attack</b>; and</li> <li>3. the cost of retaining a third party for the removal of websites designed to impersonate <b>you</b>.</li> </ol>
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Phishing attack	means fraudulent electronic communications or websites designed to impersonate <b>you</b> or any of <b>your</b> products provided that such fraudulent communications or websites do not arise out of or result from any <b>security failure</b> .
Proof of loss preparation expenses	means the reasonable and necessary costs <b>you</b> incur with <b>our</b> prior written consent for a third-party forensic accounting firm to assist you with preparing a proof of loss as required by Section V. CLAIMS PROCESSES, PROOF OF LOSS with respect to <b>business interruption loss</b> or <b>extra expenses</b> covered under this Policy.
Tangible property	means items or objects that can be felt or touched. <b>Tangible property</b> does not include: <ul style="list-style-type: none"> <li>1. <b>digital assets</b>;</li> <li>2. any form of intellectual property, including trade secrets; or</li> <li>3. money, securities or digital currencies.</li> </ul>

All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

WRONGFUL COLLECTION EXCLUSION

Form Number	SP 18 324 0521
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

COALITION CYBER POLICY

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

SECTION III, EXCLUSIONS - WHAT IS NOT COVERED is amended by the addition of the following:

WRONGFUL COLLECTION	<p>Any collection, processing, storage, sharing or sale of <b>personally identifiable information</b> that is:</p> <ol style="list-style-type: none"><li>1. Performed without the knowledge and consent of the individuals whose <b>personally identifiable information</b> is collected, stored, processed, shared or sold; or,</li><li>2. In violation of any state, federal or foreign privacy regulation.</li></ol> <p>However, this exclusion shall not apply to claims under SECTION II, B. REGULATORY DEFENSE AND PENALTIES for claims arising from a <b>privacy liability</b>.</p>
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All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



FILING POLICY: C-4LWN-129213-CYBER-2022  
ENDT NO.: 20

**\$0 RETENTION FOR SERVICES FROM COALITION INCIDENT RESPONSE**

Form Number	SP 18 395 0620
Effective Date of Endorsement	January 01, 2022
Named Insured	Oak Lodge Water Services District
Filing Number	C-4LWN-129213-CYBER-2022
Issued by (Name of Insurance Company)	North American Capacity Insurance Company, Arch Specialty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

This endorsement modifies insurance provided under the following:

**COALITION CYBER POLICY**

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

Section VI, LIMITS OF LIABILITY AND RETENTION, RETENTION is deleted and replaced with the following:

RETENTION

**We** will only be liable for those amounts payable under this Policy which are in excess of the applicable Retention(s). Such Retention(s) must be paid by **you** and cannot be insured.

In the event that **damages, PCI fines and assessments, regulatory penalties, claim expenses, breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, restoration costs**, or other amounts arising out of a **claim** or **incident** are subject to more than one Retention, the applicable Retention amount will apply to such **damages, PCI fines and assessments, regulatory penalties, claim expenses, breach response costs, business interruption loss, crisis management costs, cyber extortion expenses, extra expenses, funds transfer loss, restoration costs**, or other amounts, provided that the sum of such Retention amounts will not exceed the largest applicable Retention amount.

In the event that **you** choose to use Coalition Incident Response to provide services that result in **breach response costs, claim expenses, cyber extortion expenses**, or **restoration costs**, the fees, costs and expenses of Coalition Incident Response covered under the terms and conditions of this policy will not be subject to any retention.



All other terms and conditions of this Policy remain unchanged.

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.



## STAFF REPORT

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**To** Board of Directors  
**From** Gail Stevens, Finance Director  
**Title** Finance Department Monthly Report  
**Item No.** 8b  
**Date** January 6, 2022 for January 18, 2022 Meeting

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### Summary

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

### Highlights of the Month

- Accounts Receivable balance shows continued improvement in several areas: a decrease of (3.8%) and average delinquent balance increase of \$8; however, the number of delinquent accounts decreased by 25.
- Utility bill payments exceeded December 1 billed amounts by \$65,533.
- The ECAP assisted 4 residential and 0 commercial accounts in December.

### Accounts Receivable Review

The Accounts Receivable (A/R) balances as of December 31 compared to November 30 decreased by (3.8%). These are the findings:

1. A/R Balance owed to OLWSD has decreased by \$52,489, after accounting for the delta between billing cycles.

A/R Balance	10/31/2021	11/30/2021	12/31/2021
Bi-Monthly Residential	\$ 1,121,437	\$ 900,162	\$1,016,880
Large Meters	499,646	481,553	466,328
<b>Total</b>	<b>1,621,083</b>	<b>1,381,715</b>	<b>1,483,217</b>
Variance	80,746	(239,368)	101,503
Variance due to Cycles	(89,873)	230,699	(153,992)
<b>Change in A/R</b>	<b>\$ (9,127)</b>	<b>(8,669)</b>	<b>\$ (52,489)</b>
	<b>(0.59%)</b>	<b>(0.53%)</b>	<b>(3.80%)</b>

- The total number of delinquent accounts decreased by 25 accounts as of December 31, compared to November 30, 2021. However, the average balance per account increased by 1.9% or \$8.

Delinquent Accounts	10/31/2021	11/30/2021	12/31/2021
Over 60 Days	\$ 256,213	\$ 243,593	\$ 238,370
Number of Accounts	612	624	599
Average Balance per Acct.	\$ 419	\$ 390	\$ 398
% Change in Ave. Balance	(4.1%)	(6.8%)	1.9%

- The percentage of accounts that are current, accounts paid in full within 30 days, has increased by 1.27% compared to prior month. The shift is from all balance categories.

Account %	10/31/2021	11/30/2021	12/31/2021
Current	82.32%	83.40%	84.67%
30-60 Day Grace	6.49%	5.26%	4.40%
Delinquent	6.66%	6.79%	6.56%
Credit Balance	4.54%	4.56%	4.37%

The District returned to hanging red tags for accounts in delinquent status, over 60 days past due. To focus on the accounts with the higher balances, accounts with delinquent balances over \$250 received a red tag starting in August. The red tag process allows 7 days for the customer to provide payment. If payment is not received, water is then shut off.

	Sep. 2021	Oct. 2021	Nov. 2021	Dec 2021
Cycle	Cycle 1	Cycle 2	Cycle 1	Cycle
# Red Tags	142	144	92	98
Minimum Delinquent Balance	\$ 250	\$ 250	\$ 250	\$ 250
# Shut off Service Requests	9	6	8	4

### Billing Payment Rate

In December, the District received \$65,553 more in payments than was billed on December 1, 2021.

	Sept 2021	Oct 2021	Nov 2021	Dec 2021
Utility Billing Sales	\$ 1,386,855	\$ 1,211,545	\$ 1,301,417	\$1,070,719
Cash Receipts	1,402,760	1,246,563	1,312,391	1,136,252
% Collected	101.1%	102.9%	100.8%	106.1%

### Emergency Customer Assistance Program (ECAP)

In FY 2019-20, the Board approved \$97,000 for Emergency COVID Assistance Program. Since June 2020, the District has provided assistance to residential and commercial accounts that have been financially impacted by COVID-19. This program has continued through FY 2020-21 and into FY 2021-22.



	<u>Monthly Assistance</u>	<u>Balance</u>
Beginning Balance		\$97,000
June 2020	2,644	94,356
July 2020	687	93,669
August 2020	813	92,856
September 2020	1,114	91,742
October 2020	-0-	91,742
November 2020	991	90,751
December 2020	598	90,153
January 2021	1,472	88,681
February 2021	3,304	85,377
March 2021	3,134	82,243
April 2021	2,260	79,983
May 2021	2,741	77,242
June 2021	5,397	71,845
July 2021	3,591	68,254
August 2021	6,407	61,847
September 2021	2,829	59,018
October 2021	2,982	56,036
November 2021	893	55,143
December 2021	724	54,419
Total Assistance Provided to Date	\$ 42,582	

In December 2021, five (5) residential accounts and no commercial account received assistance.

### **Attachments**

1. Checks by Date Report for December 2021

Bank Reconciliation  
 Checks by Date  
 User: Gail  
 Printed: 01/06/2022 - 1:19PM  
 Cleared and Not Cleared Checks  
 Print Void Checks

**ACH Disbursement Activity**

<u>Check No.</u>	<u>Check Date</u>	<u>Name</u>	<u>Comment</u>	<u>Module</u>	<u>Void</u>	<u>Amount</u>
0	12/3/2021	Internal Revenue Service		AP		27,829.97
0	12/3/2021	State of Oregon		AP		734.75
0	12/3/2021	VALIC c/o JP Morgan Chase		AP		6,203.78
0	12/3/2021	Nationwide Retirement Solutions		AP		1,955.01
0	12/3/2021	Oregon Department Of Revenue		AP		8,538.59
0	12/3/2021	Payroll Direct Deposit		PR		72,820.19
0	12/13/2021	Wells Fargo Bank		AP		1,896.32
0	12/17/2021	Internal Revenue Service		AP		27,035.60
0	12/17/2021	VALIC c/o JP Morgan Chase		AP		6,114.64
0	12/17/2021	Oregon Department Of Revenue		AP		7,925.85
0	12/17/2021	Nationwide Retirement Solutions		AP		1,955.01
0	12/17/2021	State of Oregon		AP		441.68
0	12/17/2021	Payroll Direct Deposit		PR		67,719.08
0	12/23/2021	Wells Fargo Remittance Center		AP		6,506.75
0	12/30/2021	Nationwide Retirement Solutions		AP		360.00
0	12/30/2021	VALIC c/o JP Morgan Chase		AP		3,022.43
0	12/30/2021	Oregon Department Of Revenue		AP		8,418.14
0	12/30/2021	Internal Revenue Service		AP		28,318.72
0	12/30/2021	State of Oregon		AP		441.68
0	12/30/2021	Payroll Direct Deposit		PR		72,368.23
ACH Disbursement Activity Subtotal						350,606.42
Voided ACH Activity						0.00
Adjusted ACH Disbursement Activity Subtotal						350,606.42

**Paper Check Disbursement Activity**

<u>Check No.</u>	<u>Check Date</u>	<u>Name</u>	<u>Comment</u>	<u>Module</u>	<u>Void</u>	<u>Amount</u>
40267	11/2/2017	Customer Refund		AP	Void	8.49
41241	6/29/2018	Customer Refund		AP	Void	3.27
43581	1/28/2020	Customer Refund		AP	Void	24.58
46480	11/19/2021	Perma-Type Rubber Co		AP	Void	1,628.72
46517	12/1/2021	Oregon DEQ		AP		160.00
46518	12/3/2021	Employee Paycheck		PR		2,038.31
46519	12/3/2021	AFLAC		AP		810.16
46520	12/3/2021	AFSCME Council 75		AP		780.56
46521	12/3/2021	AnswerNet		AP		700.92
46522	12/3/2021	Apex Labs		AP		5,912.00
46523	12/3/2021	Brown and Caldwell		AP		6,159.25
46524	12/3/2021	Cintas Corporation		AP		99.00
46525	12/3/2021	City Of Gladstone		AP		231.98
46526	12/3/2021	Consolidated Supply Co.		AP		1,149.26
46527	12/3/2021	Contractor Supply, Inc.		AP		79.80
46528	12/3/2021	Customer Refund		AP		1.72
46529	12/3/2021	Fackler Construction Company		AP		66,025.00
46530	12/3/2021	HD Supply Facilities Maintenance LTD		AP		342.07
46531	12/3/2021	IntelliCorp Records, Inc.		AP		132.60
46532	12/3/2021	Customer Refund		AP		116.85
46533	12/3/2021	Moss Adams LLP		AP		1,470.00
46534	12/3/2021	murraysmith		AP		12,968.04
46535	12/3/2021	Napa Auto Parts		AP		43.62
46536	12/3/2021	North Coast Electric Company		AP		4,526.78
46537	12/3/2021	Northwest Natural		AP		26.35
46538	12/3/2021	Portland Engineering Inc		AP		2,610.00
46539	12/3/2021	Portland General Electric		AP		2,782.39
46540	12/3/2021	Robert HalfTalent Solutions		AP		1,883.69
46541	12/3/2021	Seattle Ace Hardware		AP		385.93
46542	12/3/2021	Security Signs, Inc		AP		2,465.00
46543	12/3/2021	Unifirst Corporation		AP		602.31
46544	12/3/2021	United Fire, Health, & Safety		AP		508.89

Bank Reconciliation  
 Checks by Date  
 User: Gail  
 Printed: 01/06/2022 - 1:19PM  
 Cleared and Not Cleared Checks  
 Print Void Checks

46545	12/3/2021	Verizon Wireless	AP	2,226.96
46546	12/3/2021	Wallis Engineering PLLC	AP	26,867.76
46547	12/3/2021	Water Systems Consulting, Inc.	AP	1,380.00
46548	12/8/2021	AFLAC	AP	810.16
46549	12/8/2021	Aks Engineering & Forestry	AP	15,242.50
46550	12/8/2021	Brown and Caldwell	AP	8,557.50
46551	12/8/2021	Cascadia Backflow	AP	659.90
46552	12/8/2021	CDR Labor Law, LLC	AP	7,831.50
46553	12/8/2021	Clackamas County	AP	6,598.03
46554	12/8/2021	Horner Enterprises, Inc.	AP	23,291.36
46555	12/8/2021	Industrial Software Solutions	AP	13,085.00
46556	12/8/2021	Northwest Natural	AP	198.65
46557	12/8/2021	Portland Engineering Inc	AP	1,850.00
46558	12/8/2021	Portland General Electric	AP	2,227.29
46559	12/8/2021	Unifirst Corporation	AP	2,289.68
46560	12/8/2021	Water Systems Consulting, Inc.	AP	66,660.36
46561	12/10/2021	A Worksafe Service, Inc.	AP	63.00
46562	12/10/2021	AFSCME Council 75	AP	780.56
46563	12/10/2021	Brown and Caldwell	AP	2,627.50
46564	12/10/2021	Byrne Software Technologies, Inc	AP	625.00
46565	12/10/2021	Cable Huston LLP	AP	15,019.50
46566	12/10/2021	Convergence Networks	AP	43.90
46567	12/10/2021	Craig Blackman Trucking	AP	1,397.98
46568	12/10/2021	Customer Refund	AP	341.67
46569	12/10/2021	H.D. Fowler Company	AP	1,690.20
46570	12/10/2021	Hach Company	AP	4,168.00
46571	12/10/2021	Landmark Ford	AP	35,947.23
46572	12/10/2021	Customer Refund	AP	19.02
46573	12/10/2021	Customer Refund	AP	108.18
46574	12/10/2021	Metro Overhead Door, Inc.	AP	266.00
46575	12/10/2021	Northstar Chemical, Inc.	AP	653.60
46576	12/10/2021	OHA-Drinking Water Services	AP	210.00
46577	12/10/2021	Owens Pump & Equipment	AP	195.00
46578	12/10/2021	Portland General Electric	AP	27,098.30
46579	12/10/2021	Customer Refund	AP	264.05
46580	12/10/2021	Relay Resources	AP	6,577.67
46581	12/10/2021	Customer Refund	AP	601.53
46582	12/10/2021	SDIS	AP	37,954.09
46583	12/10/2021	Seattle Ace Hardware	AP	55.31
46584	12/10/2021	Tritech Software Systems	AP	4,200.00
46585	12/10/2021	Waste Management Of Oregon	AP	210.37
46586	12/10/2021	Western Exterminator Company	AP	133.75
46587	12/10/2021	City Of Milwaukie	AP	1,781.11
46588	12/10/2021	Northwest Natural	AP	258.13
46589	12/10/2021	Portland General Electric	AP	1,142.17
46590	12/17/2021	Employee Paycheck	PR	2,037.79
46591	12/17/2021	AFLAC	AP	810.16
46592	12/17/2021	AFSCME Council 75	AP	747.89
46593	12/17/2021	ALFA Laval Inc.	AP	1,421.91
46594	12/17/2021	BMS Technologies	AP	4,071.80
46595	12/17/2021	Byrne Software Technologies, Inc	AP	312.50
46596	12/17/2021	Cintas Corporation - 463	AP	70.66
46597	12/17/2021	City Of Gladstone	AP	11,706.16
46598	12/17/2021	Comcast	AP	1,280.25
46599	12/17/2021	Contractor Supply, Inc.	AP	144.00
46600	12/17/2021	Customer Refund	AP	55.91
46601	12/17/2021	H.D. Fowler Company	AP	1,866.50
46602	12/17/2021	J. Thayer Company	AP	463.62
46603	12/17/2021	Kaiser Permanente	AP	17,756.71
46604	12/17/2021	Customer Refund	AP	166.77
46605	12/17/2021	League Of Oregon Cities	AP	80.00
46606	12/17/2021	Customer Refund	AP	19.02

Bank Reconciliation

Checks by Date

User: Gail

Printed: 01/06/2022 - 1:19PM

Cleared and Not Cleared Checks

Print Void Checks

46607	12/17/2021	Moss Adams LLP	AP	14,175.00
46608	12/17/2021	Municipal Code Corporation	AP	3,200.00
46609	12/17/2021	Net Assets Corporation	AP	630.00
46610	12/17/2021	Northstar Chemical, Inc.	AP	689.00
46611	12/17/2021	Northwest Biosolids	AP	924.00
46612	12/17/2021	Olson Bros. Service, Inc.	AP	2,119.09
46613	12/17/2021	One Call Concepts, Inc.	AP	488.04
46614	12/17/2021	Oregon DEQ	AP	160.00
46615	12/17/2021	Pacific Power Group	AP	2,094.62
46616	12/17/2021	Paramount Supply	AP	2,297.55
46617	12/17/2021	Portland Engineering Inc	AP	120.00
46618	12/17/2021	Quadient Leasing USA, Inc.	AP	599.43
46619	12/17/2021	Robert HalfTalent Solutions	AP	4,489.65
46620	12/17/2021	Seattle Ace Hardware	AP	336.92
46621	12/17/2021	Springbrook Holding Company LLC	AP	28,826.71
46622	12/17/2021	Stein Oil Co Inc	AP	102.07
46623	12/17/2021	Verizon Wireless	AP	50.04
46624	12/17/2021	Waste Management Of Oregon	AP	205.47
46625	12/22/2021	Convergence Networks	AP	5,793.00
46626	12/30/2021	Employee Paycheck	PR	2,081.15
46627	12/30/2021	A Worksafe Service, Inc.	AP	1,140.00
46628	12/30/2021	AFSCME Council 75	AP	717.27
46629	12/30/2021	AnswerNet	AP	585.92
46630	12/30/2021	Brown and Caldwell	AP	2,847.75
46631	12/30/2021	BTL Northwest	AP	223.98
46632	12/30/2021	Cascadia Backflow	AP	2,485.00
46633	12/30/2021	CenturyLink	AP	452.68
46634	12/30/2021	CenturyLink	AP	87.48
46635	12/30/2021	Cintas Corporation	AP	191.31
46636	12/30/2021	Convergence Networks	AP	7,252.00
46637	12/30/2021	Customer Refund	AP	50.32
46638	12/30/2021	Fackler Construction Company	AP	94,525.00
46639	12/30/2021	Customer Refund	AP	52.43
46640	12/30/2021	Government Ethics Commission	AP	768.36
46641	12/30/2021	J. Thayer Company	AP	454.34
46642	12/30/2021	Kaiser Permanente	AP	17,756.71
46643	12/30/2021	Customer Refund	AP	166.82
46644	12/30/2021	Madison Biosolids, Inc.	AP	4,385.76
46645	12/30/2021	Customer Refund	AP	120.56
46646	12/30/2021	Customer Refund	AP	94.99
46647	12/30/2021	murraysmith	AP	8,860.12
46648	12/30/2021	Customer Refund	AP	21.14
46649	12/30/2021	Oregon Association of Water Utilities	AP	610.00
46650	12/30/2021	O'Reilly Auto Parts	AP	48.84
46651	12/30/2021	Pacific Power Group	AP	559.42
46652	12/30/2021	Pamplin Media Group	AP	57.92
46653	12/30/2021	R & L Services Inc.	AP	772.12
46654	12/30/2021	Robert HalfTalent Solutions	AP	9,920.62
46655	12/30/2021	Customer Refund	AP	332.16
46656	12/30/2021	Seattle Ace Hardware	AP	347.67
46657	12/30/2021	Springbrook Holding Company LLC	AP	42.25
46658	12/30/2021	Customer Refund	AP	1.20
46659	12/30/2021	Stein Oil Co Inc	AP	29.19
46660	12/30/2021	Customer Refund	AP	7.73
46661	12/30/2021	Unifirst Corporation	AP	2,265.67
46662	12/30/2021	United Fire, Health, & Safety	AP	2,939.46
46663	12/30/2021	VeloDyne	AP	75,000.00
46664	12/30/2021	Wallis Engineering PLLC	AP	19,285.01
46665	12/30/2021	Employee Business Expense Reimbursement	AP	235.00
46666	12/30/2021	Xerox Corporation	AP	34.05

Paper Check Disbursement Activity Subtotal

809,008.65

Bank Reconciliation  
Checks by Date  
User: Gail  
Printed: 01/06/2022 - 1:19PM  
Cleared and Not Cleared Checks  
Print Void Checks

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Voided Paper Check Disbursement Activity	1,665.06
Adjusted Paper Check Disbursement Activity Subtotal	807,343.59

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Total Void Check Count:	4
Total Void Check Amount:	1,665.06
Total Valid Check Count:	172
Total Valid Check Amount:	1,157,950.01
Total Check Count:	176
Total Check Amount:	1,159,615.07

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## STAFF REPORT

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**To** Board of Directors  
**From** Jason Rice, District Engineer  
**Title** Technical Services Monthly Report  
**Item No.** 8c  
**Date** January 4, 2022 for January 18, 2022 Board Meeting

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### Summary

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

### Highlights

- Coordination and participation in various Authority Meetings.
- Reconstruction of Sewage Lift Station 5 continues.
- Partridge Circle Waterline Replacement nears completion.
- Preparing Aldercrest Waterline Replacement for bidding in late January.
- Staff received and is now reviewing the Water Reclamation Facility's Draft NPDES Permit.

### Education and Outreach

The District is partnering with the Clackamas Community College Environmental Learning Center (ELC) in facilitating a webinar series called Wildlife and Water Friendly Gardens. The overarching theme is successful gardening in times of climate change.

This is for anyone interested in home gardening for wildlife and water quality with a focus on adapting to our changing climate. Learn how to garden with less water, choose temperature resilient trees, and more. Each class will take place on Thursdays from 12:00 p.m. - 12:45 p.m. on Zoom. Here is an overview of the class topics:

January 21 – Garden with Less Water  
January 28 – Birds in Your Garden  
February 4 – Healthy Trees  
February 11 – Non-Chemical Pest Control  
February 18 – Scrumptious Soil for Watershed Wellness  
February 25 – Permeable Hardscapes  
March 4 – Non-Chemical Weed Control

Register here: <https://bit.ly/3clYRc4>

## Communications

In the November/December Customer Newsletter information about fats, oil, and grease (FOG) was highlighted. In the winter, cold weather comfort foods can have more fats and oils in them. It's important to remember to dispose of excess cooking fats, oils, and grease in the garbage — or scrape them into a can and freeze it. 14 customers requested a free FOG scraper from the District.

The Board has two upcoming Community Conversation sessions about reorganizing the District as an Authority.

- Monday, January 24 at 6:00 p.m.  
Register here: <https://tinyurl.com/acc-jan24>
- Saturday, January 29 at 1:00 p.m.  
Register here: <https://tinyurl.com/acc-jan29>

Information has been shared with customers by mail, newsletter, email, website, social media and community partners.

## Stormwater Program

At the writing of this report, winter storms had caused a number of customers to contact Oak Lodge about catch basin clogging, water issues on private property, and requests for sandbags. Oak Lodge staff responded with inspections, catch basin cleanings, and technical assistance – sometimes in partnership with Clackamas County.

In addition, staff removed debris and blockages from nutria and beaver dams.

Customers calls continue, most often requesting drainage evaluations on private property and about how their drainage interfaces with the right-of-way. Staff have responded to one-off requests to clean catch basins as needed.

Erosion control inspections are ongoing even amid the rainy season, as work continues through the rain and colder temperatures. A new larger development is beginning on Courtney Avenue. Oak Lodge staff will be keeping close watch on the project to prevent erosion from leaving the site. The project is a good opportunity to provide outreach and education to the contractors, some of whom are newer in the field of construction and erosion prevention.



**Common Site Clearing of a sub-division**



**A properly constructed construction entrance**

Meetings to work on the 2020-2021 MS4 Permit requirements with co-permittees in the Clackamas Group will begin in January. Oak Lodge staff are also working in partnership with Brown and Caldwell to begin the steps required to fulfill the permit updates.

**Permit Activity – December 2021**

<b>FY2021-2022</b>	<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>
<b>Pre-applications Conferences</b>	1	0	7	3	9
<b>New Erosion Control Permits</b>	4	0	14	3	44
<b>New Development Permits</b>	5	0	12	5	9
<b>New Utility Permits</b>	3	2	26	5	48
<b>Wastewater Connections</b>	3	0	9	8	30
<b>Sanitary SDC Fees Received</b>	\$15,495	\$0	\$46,485	\$41,320	\$258,507
<b>Water SDC Fees Received</b>	\$10,608	\$0	\$123,145	\$26,179	\$197,890
<b>Plan Review Fees Received</b>	\$5,901	\$0	\$14,284	\$20,461	\$69,780
<b>Inspection Fees Received</b>	\$6,031	\$0	\$12,974	\$2,350	\$28,888

**Attachments**

1. Development Tracker



- 2. Capital Project Tracker
- 3. Social Media Content Calendar

<i>Project Status</i>	<i>Address</i>	<i>Type of Development</i>	<i>Notes</i>	<i>Last Updated</i>
Warranty Period	4410 SE Pinehurst Ave.	Residential: 17-lot Subdivision	Oak Lodge warranty expires October 2021	1/3/22
Under Construction	13505 SE River Rd.	Residential: Rose Villa Phase 4 Medical Building and Replace Dwelling Units	Oak Lodge permits expire July 2021	1/3/22
Under Construction	1901 SE Oak Grove Blvd.	Redevelopment: Replace a portion of existing New Urban School (eastern structure and gym)	Oak Lodge permits expire July 2021	1/3/22
Under Construction	4828 SE View Acres Rd.	Redevelopment: View Acres Elementary School	Oak Lodge permits expire July 2021	1/3/22
Under Construction	19315 SE River Rd.	Residential: 2-lot Partition	Current OLWSD Review	1/3/22
Under Construction	16303 SE River Rd.	Redevelopment: Riverside Elementary School	Oak Lodge permits expire July 2021	1/3/22
Under Construction	1901 SE Oak Grove Blvd.	Redevelopment: Replace a portion of existing New Urban School Annex (western structure)	Oak Lodge permits expire July 2021	1/3/22
Under Construction	5901 SE Hull Ave.	Redevelopment: Candy Lane Elementary School	Oak Lodge permits expire July 2021	1/3/22
Under Construction	18521 SE River Rd.	Redevelopment: Jennings Lodge School	Oak Lodge permits expire July 2021	1/3/22
Under Construction	15603 SE Ruby Dr.	Residential: 3-lot Partition	Current OLWSD review	1/3/22
Under Construction	6364 SE McNary Rd.	Residential: 15-lot Partition	Current OLWSD review: water utility only	1/3/22
Under Construction	2316 SE Courtney Ave.	Residential: 14 rowhomes or 14 apartments	Current OLWSD Review	1/3/22
Plan Review	3870 SE Hillside Dr.	Residential: Modification of previously approved 13-lot subdivision	Current OLWSD Review	1/3/22
Plan Review	SE Jennings Ave., SE Oatfield Rd. to SE McLoughlin Blvd.	Capital Improvement: CC DTD Jennings Ave Roadway expansion and regional stormwater treatment	Current OLWSD review	1/3/22
Plan Review	3552 SE Westview Ave	Residential: Add One Dwelling Unit	Current OLWSD review	1/3/22
Plan Review	4322 SE Pinehurst Ave.	Residential: 7-lot subdivision	Current OLWSD Review	1/3/22
Plan Review	15515 SE Wallace Rd.	Residential: 2-lot Partition	Current OLWSD review	1/3/22
Plan Review	3111 SE Chestnut St	Residential: Add One Duplex Dwelling Unit	Current OLWSD Review	1/3/22
Plan Review	3421 SE Vineyard Rd.	Residential: Two tri-plexes and one duplex.	Current OLWSD Review	1/3/22
Plan Review	21E11AB01100 (SE River Rd. @ SE Maple St)	Residential: 7-lot subdivision	Current OLWSD Review	1/3/22
Plan Review	16103 SE Southview Ave	Residential: 7-lot subdivision	Current OLWSD Review	1/3/22
Plan Review	13822 SE Oatfield Rd	Residential: 10-lot subdivision	Current OLWSD Review	1/3/22
Plan Review	SE Thiessen Area	CC DTD Paving Project	Current OLWSD Review	1/3/22
Land Use Application	3411 SE Naef Rd.	Residential: Home Occupation	Land Use comments sent to CCDDT. County land use expiration timeline.	1/3/22
Land Use Application	2268 SE Mulberry Dr	Residential: Dock to Willamette River	Land Use comments sent to CCDDT. County land use expiration timeline.	1/3/22

<i>Project Status</i>	<i>Address</i>	<i>Type of Development</i>	<i>Notes</i>	<i>Last Updated</i>
Land Use Application	13100 SE Laurie Ave.	Residential Home Occupation	Land Use comments sent to CCDTD. County land use expiration timeline.	1/3/22
Pre-Application	6609 SE Jennings Ave.	Residential: 3-lot Partition	Pre-app comments sent to CCDTD. County land use expiration timeline.	1/3/22
Pre-Application	4022 SE Aldercrest Rd.	Residential: 2-lot Partition	Pre-app comments sent to CCDTD. County land use expiration timeline.	1/3/22
Pre-Application	4309 SE Raymond St.	Residential: 3-lot Partition	Pre-app comments sent to CCDTD. County land use expiration timeline.	1/3/22
Pre-Application	15152 SE Fair Oaks Dr.	Residential: 2-lot Partition	Pre-app Comments sent to CCDTD. County land use expiration timeline.	1/3/22
Pre-Application	12718 SE 28th Avenue	Residential: 2-lot Partition	Pre-app Comments sent to CCDTD. County land use expiration timeline.	1/3/22
Pre-Application	12633 SE Oatfield Rd	Residential: 5-lot subdivision	Pre-app Comments sent to CCDTD. County land use expiration timeline.	1/3/22
Pre-Application	12718 SE 28TH AVE	Residential: 2-lot subdivision	Pre-app Comments sent to CCDTD. County land use expiration timeline.	1/3/22











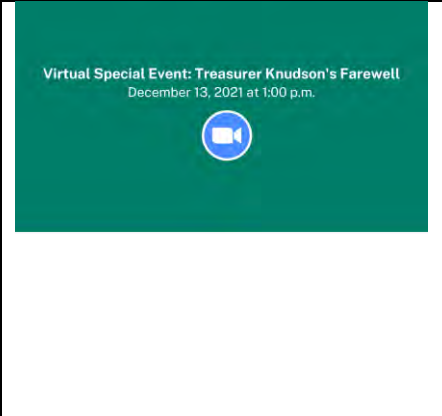
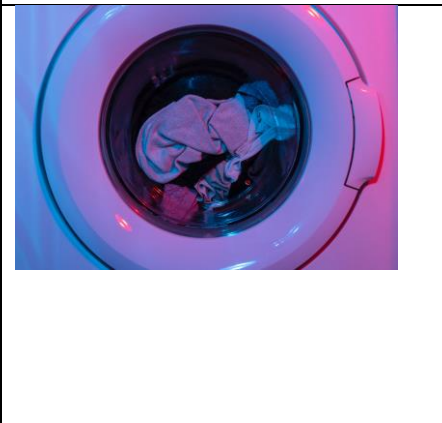
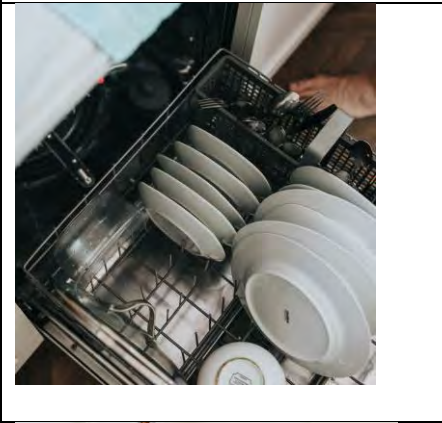
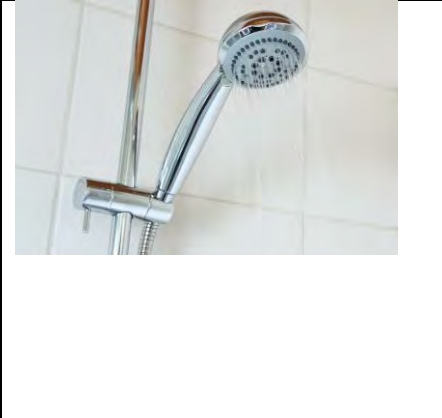
# OAK LODGE

WATER SERVICES




Social Media Calendar | December 2021

12.2	<p>We are accepting applications for a soon-to-be vacated Director position. Candidates will be interviewed and appointed by the Board of Directors. The Appointee will serve the remainder of the unexpired term and be eligible to run as the incumbent in the next election. For candidate eligibility requirements and application materials, please visit: <a href="https://bit.ly/3rp4zln">bit.ly/3rp4zln</a></p>	
12.3	<p>We are stronger and more resilient when we work together. Regional water providers make sure your water is safe and available by planning, working with neighbors, and maintaining critical infrastructure. Learn more about how we work together at <a href="https://bit.ly/our-prep-work">https://bit.ly/our-prep-work</a></p>	
12.4	<p>Join us this week to learn easy ways to save water indoors. Whether you live in a house, apartment, or condo, we've got tips to help you save water and money all year. Too excited to wait? Get 10 tips right now: <a href="https://bit.ly/10-h2o-tips">https://bit.ly/10-h2o-tips</a></p>	

<p>12.4</p>	<p>A lot of people depend on us, so we depend on each other to build a stronger, more resilient region. The District is a member of the Regional Water Providers Consortium so we can share resources and support our neighbors and the region in building more resilient water systems. Learn more about the Consortium at <a href="https://www.regionalh2o.org/about-us">https://www.regionalh2o.org/about-us</a></p>	
<p>12.5</p>	<p>We're starting off our week's tips with adding an aerator to your bathroom faucet. They usually cost less than \$5 and take less than 5 minutes to install. Plus, it can save the average family 700 gallons of water per year! Find out how it's done with this video: <a href="https://bit.ly/bath-aerator">https://bit.ly/bath-aerator</a></p>	<p>YouTube link preview.</p>
<p>12.6</p>	<p>Leaking toilets can waste 100s of gallons of water per month, leading to big water and sewer bills. Make sure your toilet is in tip-top shape by checking it for leaks regularly with these steps: <a href="https://bit.ly/toilet-h2o">https://bit.ly/toilet-h2o</a></p>	
<p>12.7</p>	<p>When it's time to replace appliances and fixtures, look for the WaterSense label. The label means that the product uses water efficiently and performs as well or better than options that use more water. Learn how you can save with WaterSense: <a href="http://epa.gov/watersense/watersense-products">http://epa.gov/watersense/watersense-products</a></p>	

<p>12.8</p>	<p>The Board of Directors will hold a virtual special event on Tuesday, December 13, 2021 at 1 p.m. to celebrate the retirement of Board Treasurer, Mark Knudson. For event information please visit: <a href="https://bit.ly/knudson-farewell">https://bit.ly/knudson-farewell</a></p>	 <p>Virtual Special Event: Treasurer Knudson's Farewell December 13, 2021 at 1:00 p.m.</p>
<p>12.8</p>	<p>Make sure your washing machine is full before running it. Your clothes will be just as clean, and it's a great way to save water. You can even sneak in some energy savings by using cold water instead of hot – plus, it'll help your clothes last longer too!</p>	 <p>A top-loading washing machine drum with clothes inside, illuminated with blue and purple light.</p>
<p>12.9</p>	<p>This is going to sound familiar, but only run the dishwasher when it's full! Bonus points if your dishwasher is Energy Star certified, using less power and water to get your dishes just as clean. Learn more ways to save water when washing dishes here: <a href="https://bit.ly/dishwasher-h2o">https://bit.ly/dishwasher-h2o</a></p>	 <p>A close-up view of a dishwasher rack filled with clean white dishes, including plates and bowls.</p>
<p>12.10</p>	<p>Taking shorter showers is an easy (and free) way to save water at home. Set a timer or make a 5-minute playlist to help you keep your showers short. Find other ways to save water while showering at <a href="https://bit.ly/shower-h2o">https://bit.ly/shower-h2o</a></p>	 <p>A close-up view of a modern showerhead mounted on a wall.</p>



<p>12.15</p>	<p>The Board of Directors will hold a regular meeting on Tuesday, December 21 at 6:00 pm. View the full agenda and information to attend the meeting:  <a href="https://www.oaklodgewaterservices.org/bc/page/olwsd-board-directors-meeting-57">https://www.oaklodgewaterservices.org/bc/page/olwsd-board-directors-meeting-57</a></p>	
<p>12.22</p>	<p>In observance of Christmas Eve and Christmas Day, we will be closed on December 23 and 24. If you have a water emergency over the holiday weekend, please call (503) 654-7765.</p>	
<p>12.30.21</p>	<p>In observance of New Year's Day, we will be closed on December 31. If you have a water emergency over the holiday weekend, please call (503) 654-7765.</p>	



## STAFF REPORT

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**To** Board of Directors  
**From** Jeff Page, Utility Operations Director  
Operations Staff  
**Title** Field Operations Monthly Report  
**Item No.** 8d  
**Date** January 7, 2022 for January 18, 2022, Meeting

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### Summary

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

### Highlights of the Month

- Collections Team Operations
- Water Team Operations
- Non-Revenue Water
- Clackamas River Flowrates

### Collections Team Operations

The Collections Team stayed busy through December, keeping storm system catch basins clear for the rainy season (Photo 1). The work is ongoing to prevent flooding and to help customers, even on Christmas Eve!

Both Operations Teams conducted work to locate our underground facilities throughout the District. This is to avoid damage when others are digging in their vicinity. Locating pins are often used during the rainy season when spray paint cannot adhere to the asphalt (Photo 2). Anyone who has a project that includes excavating must call 811 before digging so that utilities have a chance to locate their underground infrastructure. This includes property owners. The Operations Teams each received a total of 139 locate requests for December.

The Team also conducted new sewer lateral inspections before the end of their contractor-provided 1-year warranty period (Photo 3). Most of the time, the laterals check-out okay. Occasionally though, some are found with defects that the contractor must come back to repair.

## Water Team Operations

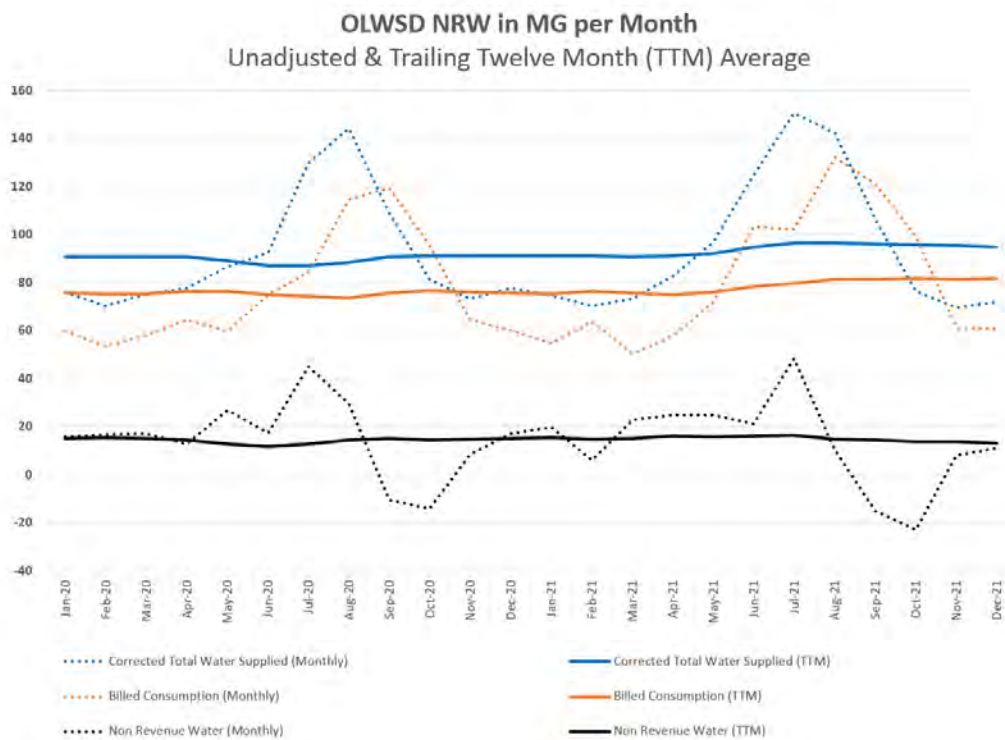
The Water Team had a busy December making repairs to the various leaks that revealed themselves. Below are the leak sites and their correlating water loss:

- Robin Road: 4-inch cast iron pipe – 14,400 gallons
- Creighton Avenue: 6-inch cast iron pipe – 36,000 gallons (Photos 4 & 5)
- 13505 River Road: Fire service – 19,250 gallons
- River Road at Oak Shore Lane: 6-inch cast iron – 90,000 gallons (Photo 6)

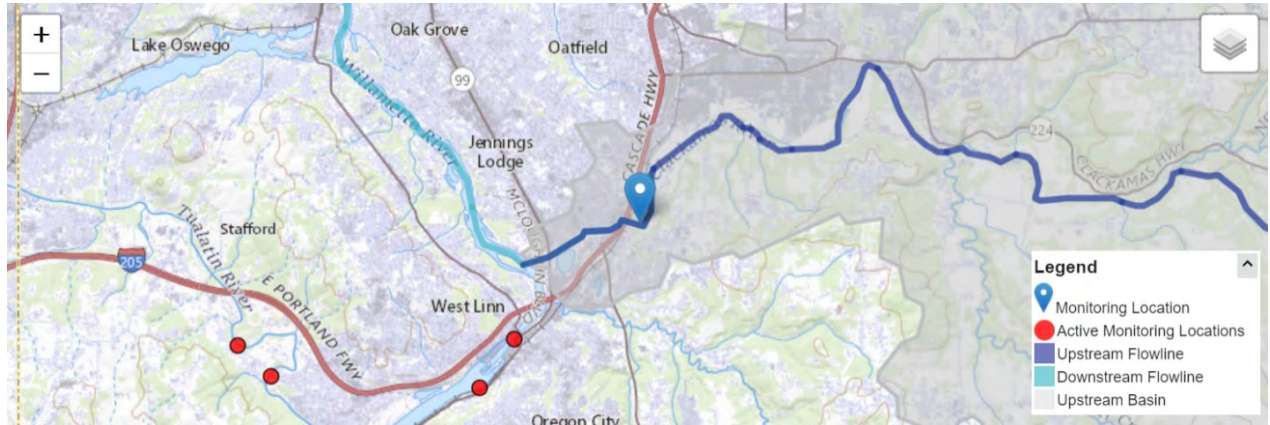
A farmer struck an unmarked waterline used for air relief and connected to the 36-inch ductile iron transmission main that provides water to our Valley View tanks from the North Clackamas County Water Commission (NCCWC). The location was in a field across the Clackamas River from the treatment plant. Resolution of the problem required a coordinated effort between OLWSD and NCCWC staff. The treatment plant was shut down momentarily, and one of the large valves was throttled back to reduce pressure and flow. This allowed the Team to get in and make the repair. Markers are now placed in the field to reduce the likelihood of another incident. An estimated 20,000 gallons were lost.

## Non-Revenue Water

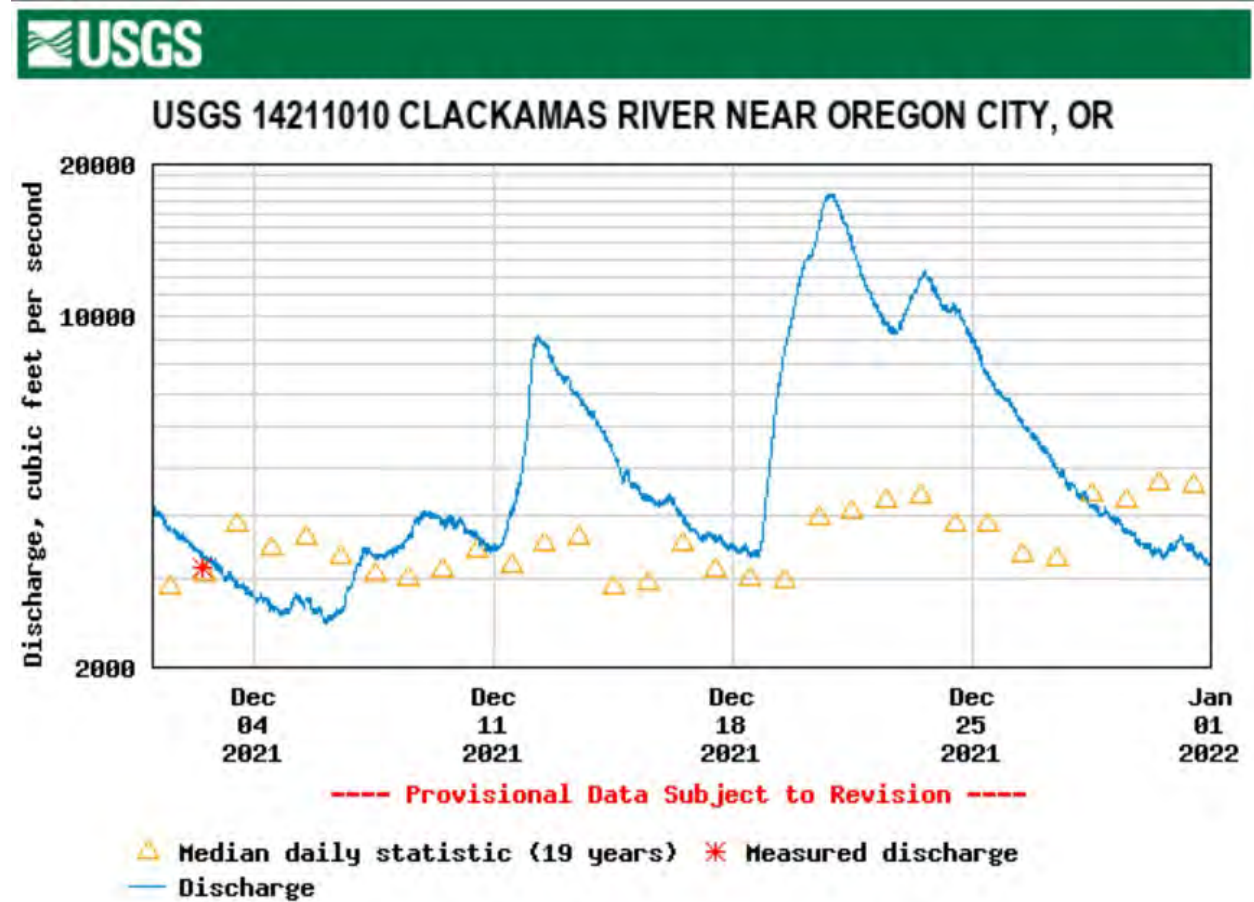
Total water purchased in December was 72.2 million gallons. Non-revenue water totaled 11.2 million gallons with 1.6 million gallons in apparent losses (“paper losses”) and 9.6 million gallons in real losses (leakage in the system).



## Clackamas River Flowrates



Location of Clackamas River flow-monitoring site.



Clackamas River daily discharge for December 2021, compared with 19-year daily median.

## **Attachments**

1. Photo Pages of December 2021 Work
2. Water Purchased Report
3. Water Services Report
4. Collections Report

Field Operations Photo Page for December 2021



Photo 1: Urgent catch basin clearing on Christmas Eve



Photo 2: Locating pin installed in asphalt



Photo 3: Sewer lateral inspection



Photos 4 & 5: Crieghton Ave. leak repair



Photo 6: River Road at Oak Shore Lane



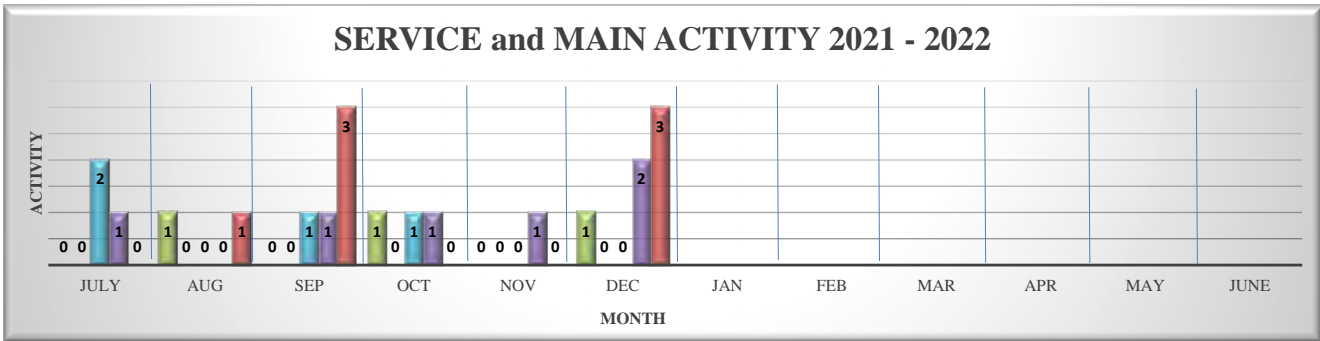
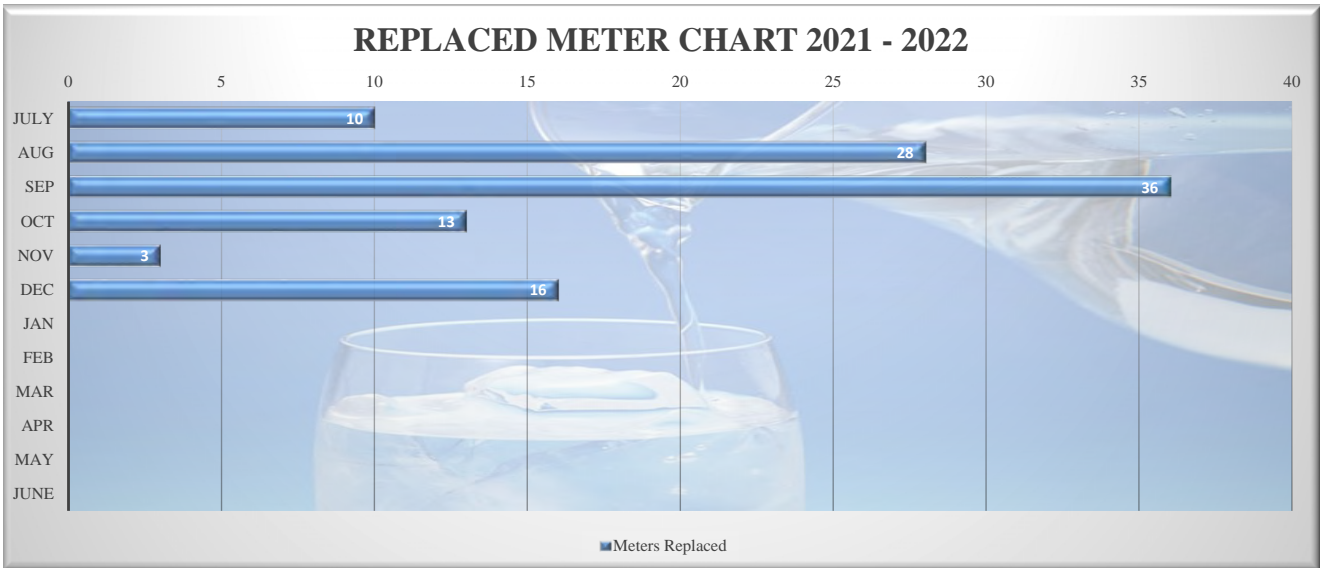
Photo 7: Air relief pipe repair on NCCWC  
36-inch main

## Water Purchased from NCCWC By Month and Year

Year	Fiscal 1st Half						Fiscal 2nd Half						Yearly Total	Percent of Average Total	Average Daily Demand
	July	August	September	October	November	December	January	February	March	April	May	June			
12/13	108,236,000	142,023,000	121,981,000	90,545,000	73,672,000	72,454,000	73,277,000	72,051,000	63,866,000	71,906,000	86,085,000	101,278,000	<b>1,077,374,000</b>	<b>97.11%</b>	<b>2.95</b>
13/14	132,837,000	144,354,000	103,403,000	75,217,000	72,624,000	73,180,000	72,052,000	74,566,000	63,886,000	72,171,000	77,889,000	97,978,000	<b>1,060,157,000</b>	<b>95.55%</b>	<b>2.90</b>
14/15	120,411,000	135,271,000	120,008,000	78,257,000	69,534,000	66,200,143	70,840,857	70,318,000	63,972,000	71,515,000	77,173,000	121,185,000	<b>1,064,685,000</b>	<b>95.96%</b>	<b>2.92</b>
15/16	151,728,000	139,696,000	105,238,000	92,781,000	83,966,000	85,368,000	93,522,000	82,637,000	76,044,000	86,443,000	90,989,000	114,745,667	<b>1,203,157,667</b>	<b>108.44%</b>	<b>3.30</b>
16/17	128,722,333	144,599,000	113,212,000	77,196,000	72,766,000	72,839,000	80,205,000	75,867,000	68,040,000	73,822,000	74,515,000	101,310,000	<b>1,083,093,333</b>	<b>97.62%</b>	<b>2.97</b>
17/18	136,262,000	154,085,000	122,113,000	79,860,000	75,718,000	73,584,000	74,389,000	73,219,000	66,754,000	74,713,000	87,263,000	115,543,000	<b>1,133,503,000</b>	<b>102.16%</b>	<b>3.11</b>
18/19	136,887,000	158,433,000	112,001,000	86,062,000	77,769,000	79,690,000	81,040,000	78,594,000	70,790,000	76,199,000	102,519,000	116,626,000	<b>1,176,610,000</b>	<b>106.05%</b>	<b>3.22</b>
19/20	120,368,000	132,181,000	105,200,000	75,825,000	76,089,000	74,759,000	75,848,000	75,918,000	70,192,000	79,173,000	80,872,000	93,438,000	<b>1,059,863,000</b>	<b>95.53%</b>	<b>2.90</b>
20/21	119,901,000	146,849,000	120,624,000	80,370,000	76,317,000	73,867,000	76,249,000	77,591,000	66,772,000	79,962,000	95,224,000	113,270,000	<b>1,126,996,000</b>	<b>101.58%</b>	<b>3.09</b>
21/22	150,066,000	148,100,000	116,597,000	76,854,000	69,797,000	72,174,000							<b>633,588,000</b>		<b>4.14</b>
	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average</b>	<b>Average Total</b>		
	<b>130,541,833</b>	<b>144,559,100</b>	<b>114,037,700</b>	<b>81,296,700</b>	<b>74,825,200</b>	<b>74,411,514</b>	<b>77,491,429</b>	<b>75,640,111</b>	<b>67,812,889</b>	<b>76,211,556</b>	<b>85,836,556</b>	<b>108,374,852</b>	<b>1,109,493,222</b>		



# Oak Lodge Water Services Water Report



Fiscal Year 2021 - 2022	Month	Meters Replaced	New Services	Iron Services Renewed	Plastic Services Renewed	Service Leaks Repaired	Main Leaks Repaired
2021	July	10	0	0	2	1	0
2021	Aug	28	1	0	0	0	1
2021	Sep	36	0	0	1	1	3
2021	Oct	13	1	0	1	1	0
2021	Nov	3	0	0	0	1	0
2021	Dec	16	1	0	0	2	3
2022	Jan						
2022	Feb						
2022	Mar						
2022	Apr						
2022	May						
2022	June						
<b>Yearly Total</b>		<b>106</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>6</b>	<b>7</b>

# Oak Lodge Water Services Collections Report

## TV Inspections



## Hydrocleaning



### 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	Current Month %	To Date Totals	Year 1 % Complete	5 Year %	Total Feet Remaining
TV Inspection	2,512	11,906	13,532	8,961	4,566	4,987	5,092	1,548	1,942	9,212	7,875	6,239		78,372	74.87%	14.97%	445,020
Hydrocleaning	6,967	8,539	13,085	10,206	4,472	2,328	4,723	513	4,906	8,953	8,638	5,367		78,697	75.18%	15.04%	444,695
Target Goal	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723		104,678	100.00%	20.00%	418,714
Actual to Goal	-3,984	1,499	4,585	860	-4,204	-5,066	-3,816	-7,693	-5,299	359	-467	-2,920		-26,144			
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	Current Month %	To Date Totals	Year 2 % Complete	5 Year %	Total Feet Remaining
TV Inspection	4,308	10,281	10,488	3,388	5,886	13,480	3,283	8,993	4,635	1,657	4,923	15,854		87,176	83.28%	31.63%	357,844
Hydrocleaning	3,619	9,456	6,197	13,307	2,636	16,171	1,124	11,765	14,542	3,289	287	0		82,393	78.71%	30.78%	362,302
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		104,678	100.00%	40.00%	314,035
Actual to Goal	-4,760	1,145	-381	-376	-4,462	6,102	-6,520	1,656	865	-6,250	-6,118	-796		-19,894			
Grease Line	3,276	4,757	3,625	3,625	3,625	2,192	5,105	3,625	2,963	10,872	4,006	3,276		50,947			

### FY 2019-2020

Month	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Current Month %	To Date Totals	Year 3 % Complete	5 Year %	Total Feet Remaining
TV Inspection	16,502	768	0	7,139	5,272	8,798	11,449	8,537	7,246	0	249	2,647		68,607	65.54%	44.74%	289,237
Hydrocleaning	21,557	0	0	7,709	9,405	9,493	11,164	0	9,414	0	0	0		68,742	65.67%	43.91%	293,560
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		104,678	100.00%	60.00%	209,357
Actual to Goal	10,306	-8,339	-8,723	-1,299	-1,385	422	2,583	-4,455	-393	-8,723	-8,599	-7,400		-36,004			
Grease Line	1,480	3,276	3,276	1,480	9,392	3,276	3,625	3,625	3,625	0	0	5,105		38,160			

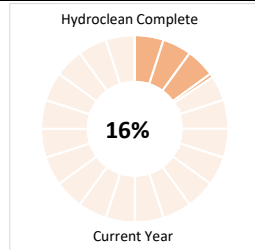
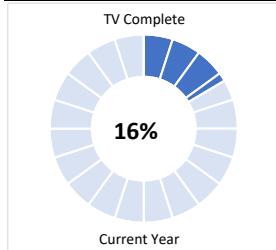
### FY 2020-2021

Month	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Current Month %	To Date Totals	Year 4 % Complete	5 Year %	Total Feet Remaining
TV Inspection	8,953	11,292	2,624	3,632	0	0	8,280	22,402	11,251	0	8,528	7,683		84,645	81%	60.91%	204,592
Hydrocleaning	4,205	11,108	2,911	0	0	0	761	0	11,066	3,410	6,003	9,365		48,829	47%	53.24%	244,731
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		104,678	100%	80.00%	104,679
Actual to Goal	-2,144	2,477	-5,956	-6,907	-8,723	-8,723	-4,203	2,478	2,435	-7,018	-1,458	-199		-37,941			
Grease Line	2,169	9,084	2,963	4,757	2,192	3,616	10,863	2,891	3,267	3,054	2,824	3,680		51,360			

### FY 2021-2022

Month	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Current Month %	To Date Totals	Year 5 % Complete	5 Year %	Total Feet Remaining	
TV Inspection	9,931	2,851	0	1,251	2,062	1,147								13%	17,242	16%	64.20%	187,350
Hydrocleaning	8,999	3,846	2,945	631	0	0								0%	16,421	16%	56.38%	228,310
Target Goal	8,723	8,723	8,723	8,723	8,723	8,723								100%	52,338	100%	100.00%	52,341
Actual to Goal	742	-5,375	-7,251	-7,782	-7,692	-8,150									-35,507			
Grease Line	1,516	3,345	1,865	3,345	7,032	2,116									19,219			

	Year 1	Year 2	Year 3	Year 4	Year 5	Remaining
Total Feet	523,392	523,392	523,392	523,392	523,392	
Target Per Year	104,678	104,678	104,678	104,678	104,678	
Target Per Month	8,723	8,723	8,723	8,723	8,723	
Actual Per Year TV	78,372	87,176	68,607	84,645	17,242	187,350
Actual Per Year Hyd	78,697	82,393	68,742	48,829	16,421	228,310
Make up	-26,144	-19,894	-36,004	-37,941	-87,847	
Percent Completed	75%	81%	66%	64%	16%	60%





## STAFF REPORT

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**To** Board of Directors  
**From** David Hawkins, Interim Plant Superintendent  
**Title** Plant Operations Monthly Report  
**Item No.** 8e  
**Date** January 18, 2022

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### Summary

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

### Highlights of the Month

- Lift Station #5 Engine Generator Repair
- Plant Generator Fuel Up
- WRF Criticality Assessment
- NPDES Draft Permit

### Water Reclamation Facility Operations and Maintenance

Back in August 2021, Operations had a close call when Lift Station #5 had a power outage due to a kamikaze squirrel, and the engine generator failed to start. After having Technicians come out to diagnose the problem, Operations got the ball rolling on repairs. Due to supply chain issues the parts were not received until November, and Pacific Power was able to get them installed the first week of December. The new parts not only included necessary fixes to ensure the generator would start and run reliably, but also upgrades to increase the longevity of the portable generator. After all work had been completed, Maintenance tested the generator, and it passed with flying colors.

In addition to the Lift Station #5 repairs, Staff also reached out to Portland General Electric (PGE) to have the Water Reclamation Facility (WRF) Engine generator topped off with Diesel. It took nearly 1,300 gallons of diesel, which should last us well through the winter. Per the agreement between the District and PGE, they pay for all fuel and maintenance costs.

For many years there has been a school of thought that due to technology and globalization, we could receive almost any piece of equipment, anywhere in the world, within 5 days. The current supply chain disruption that the world is experiencing has taught us that is not always the case. Because of this, Operations has been working on an equipment criticality list of single-point

failures at the WRF. With this list, Operations will prioritize this equipment based off cost, local availability, and how many pieces of the equipment the WRF has in use. A great example of this is an actuator that runs the effluent gate valve. This actuator is extremely critical and requires being rebuilt every 4 years. If this actuator were to fail, we would no longer be in compliance with the Department of Environmental Quality's (DEQ) redundancy requirement, and we don't have a spare. After tracking down the actuator in question and ordering it, Staff learned it has a 17-week lead time. Operations will be working closely with the Finance department this budgetary season to budget for the most critical of this equipment.

On Tuesday, December 14 the District received the much-anticipated draft National Pollutant Discharge Elimination System (NPDES) permit from the Department of Environmental Quality (DEQ). The Water Reclamation Facility has been working under an expired, and administratively extended, permit since 2009. While we are still in the draft phases and nothing is guaranteed, our permit will most likely be more stringent than previous permits, as focus shifts to cleaning up the lower Willamette River. For the most part, the WRF upgrades from a decade ago will have no problem meeting the new requirements, but there's a good chance our new Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) requirements will require tertiary filters sooner rather than later.

In the early morning hours of December 12 Lift Station #2 experienced a power outage which resulted in numerous alarms. Operator Paul Witzig received the alarms at 2:41 am and was able to assess the situation, realize that the Variable Frequency Drives (VFD) for the pumps had faulted and that an immediate response to reset them was necessary. He was able to get on-scene and had the VFD's reset and had the pumps drawing the wetwell down by 3:03 am. This 22-minute response time surely saved us from a sanitary sewer overflow. Paul's quick thinking and reaction time, while also remaining safe and in touch with the Line Crew's on call person, should be commended.

*Please note that during the editing of this report, staff had responded to additional issues at Lift Station #2. More information will be available in February's Department Report.*

## **Attachments**

1. Photo Pages of December 2021 work
2. Rainfall vs Flow Data Correlation for July 2021-December 2021
3. Plant Performance BOD-SS Graph for July 2021-December 2021
4. Work Order Summary Graph December 2021

## Plant Operations Photo Page



1. Engine generator repair.



2. Engine generator running with no problems.



3. Polymer pumps in fancy crate.

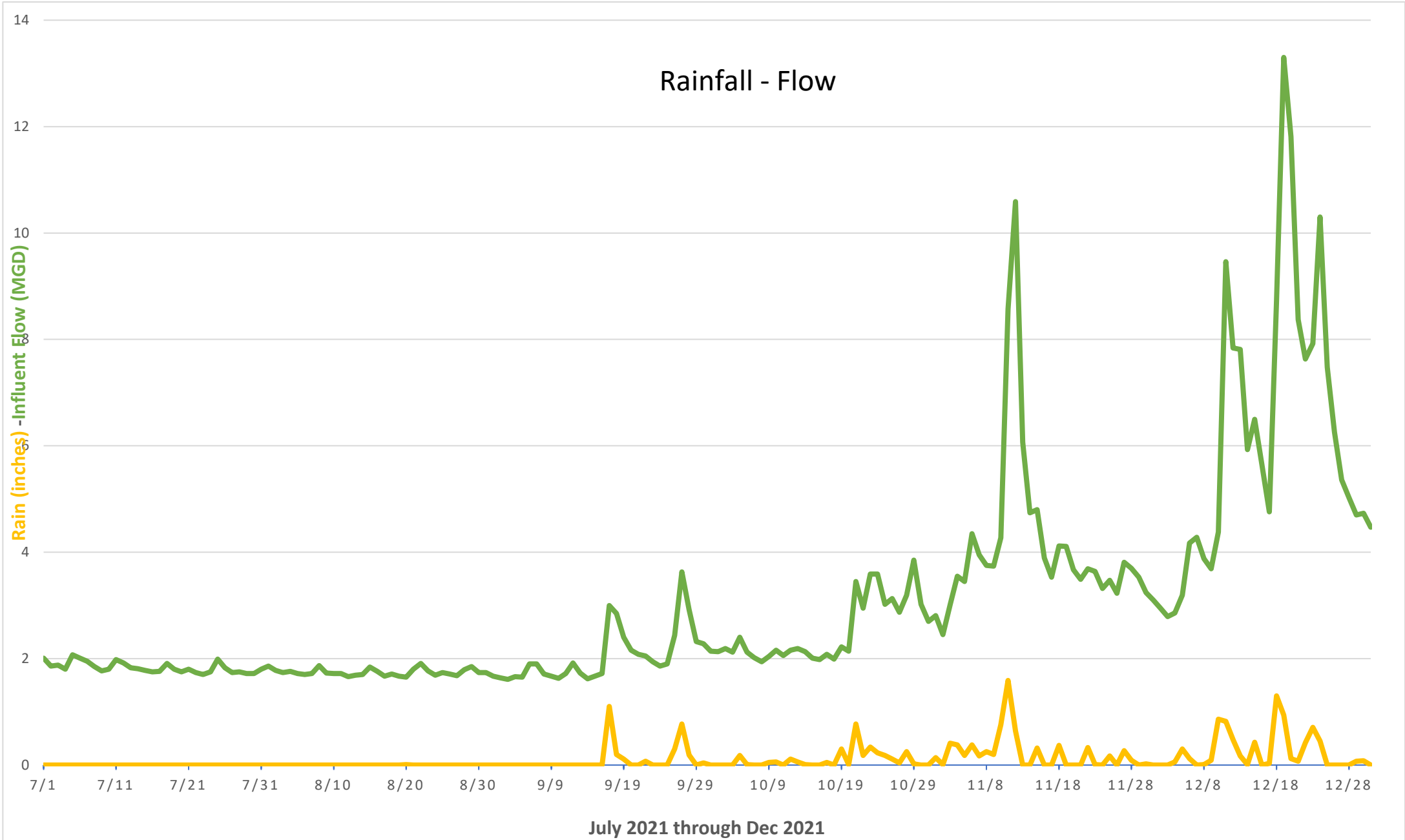


4. Brand new polymer pumps are here!

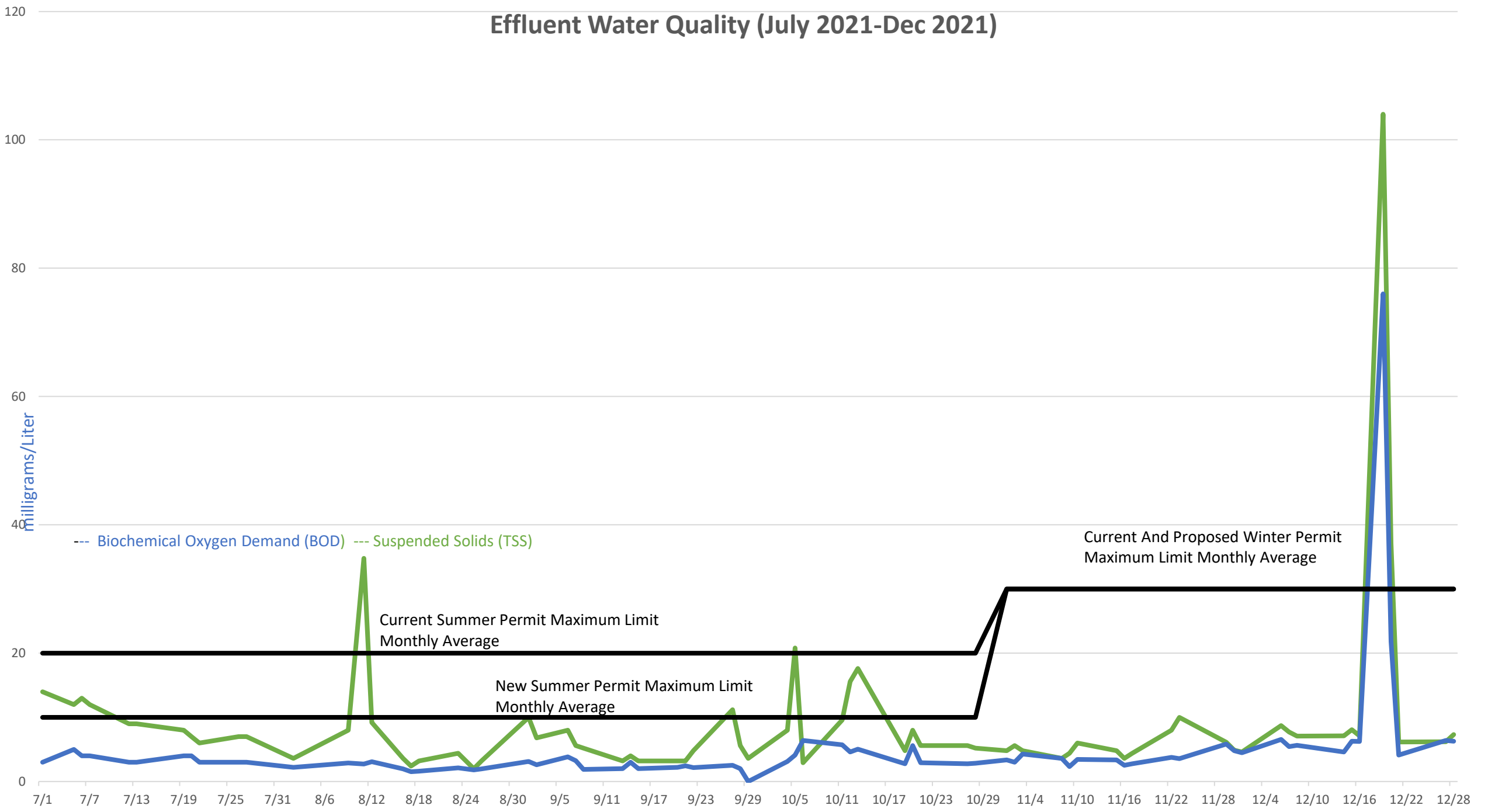


5. Dirty blower filter vs. clean blower filter.

# Rainfall - Flow

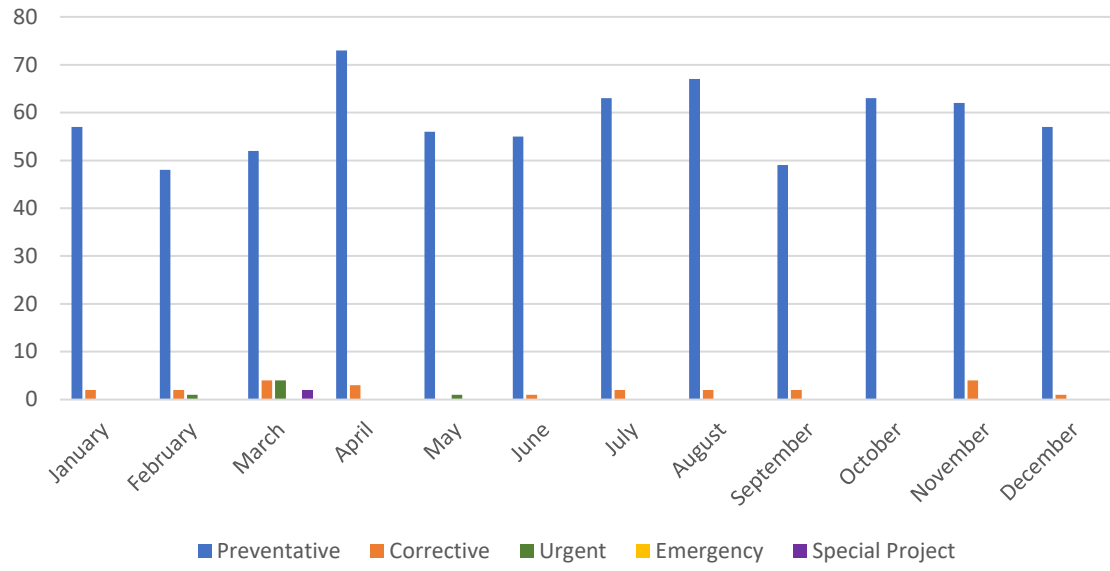


# Effluent Water Quality (July 2021-Dec 2021)





## Treatment Plant Work Order Summary 2021





## AGENDA ITEM

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<b>Title</b>	Call for Public Comment
<b>Item No.</b>	9
<b>Date</b>	January 18, 2022

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### Summary

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

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

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