



**PUBLIC MEETING
OAK LODGE WATER SERVICES
BOARD OF DIRECTORS
November 12, 2024 at 4:00 PM**

1. Call to Order
2. Call for Public Comment
3. Consent Agenda
 - a. September 2024 Financial Report
 - b. Approval of October 8, 2024 Board Meeting Minutes
4. Items for Presentation
 - a. Presentation of State and Federal Government Relations Update
 - b. Presentation of FY 2021 Financial Audit by Moss Adams
5. Items for Consideration
 - a. Consideration of Adoption of Plan of Action for FY 2021 Financial Audit
 - b. Presentation of Quarterly Capital Projects Report
 - c. Consideration of Intergovernmental Agreement with Clackamas Water Environmental Services (WES) for Mercury Testing Services
 - d. Consideration of Task Order with WSC for Flow Monitoring in the Lift Station 2 and 6 Basins
6. Business from the Board
7. Department Reports
 - a. Administration
 - b. Finance
 - c. Public Works
 - d. Plant Operations
8. Other Items
9. Adjourn Meeting



AGENDA ITEM

Title: Call to Order

Item No. 1.

Summary

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

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

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



AGENDA ITEM

Title: Call for Public Comment

Item No. 2.

Summary

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

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

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

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



AGENDA ITEM

Title: Consent Agenda

Item No. 3.

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. **September Financial Report**
- b. **Approval of October 8, 2024 Board Meeting Minutes**

Options for Consideration

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

Recommendation

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

Suggested Board Motion

"I move to approve the Consent Agenda."

Approved By _____

Date _____



AGENDA ITEM

To Board of Directors
From Sebastian Rodrigues, Interim Finance Director
Title September 2024 Financial Report
Item No 3.a.
Date November 12, 2024

Summary

FY 2024-25 September 2024

This report summarizes the revenues and expenditures for September 2024. Also incorporated in this report are account balances, including all cash and investment activity as well as checks and withdrawals.

Cash and Investments

| Account Balances As of: | | |
|--------------------------------|---------------|----------------------|
| September 30, 2024 | Interest Rate | Balance |
| Account | - | - |
| Wells Fargo Bank Checking-3552 | | \$ 26,693 |
| Wells Fargo Bank Checking-9966 | | \$ 1,865,064 |
| LGIP | 5.30% | \$ 13,476,648 |
| Total | | \$ 15,368,405 |

The OLWS' checks, electronic withdrawals, and bank drafts total \$ 1.1 million for September 2024.

Services Revenue

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

| GL Account | Service Charge | Budget Estimate | Period Amount | Year-to-Date Amount | Percentage of Budget |
|-------------------|-----------------------|------------------------|----------------------|----------------------------|-----------------------------|
| 10-00-4211 | Water sales | \$ 6,146,000 | \$ 600,710 | \$ 1,888,670 | 30.7% |
| 20-00-4212 | Wastewater charges | 12,781,000 | 1,083,398 | 3,254,564 | 25.5% |
| 30-00-4213 | Watershed protection | 1,995,000 | 165,477 | 496,394 | 24.9% |
| | | \$ | \$ | | |
| | Subtotal | 20,922,000 | 1,847,584 | \$ 3,790,044 | 27.0% |

With respect to revenues, water and wastewater revenues are above the budget, while watershed protection services' is below the budget. Total variance through September is positive \$409,128 or 2.0%.

Expenses by Budget Category

The table below provides YTD expenditures excluding Debt Service and Transfers. The 10.7% is lower than the actual YTD expenditures.

| Expense Category | FY 2025 Adopted Budget | Expense YTD Sep 30, 2024 | YTD % |
|-------------------------|-------------------------------|---------------------------------|--------------|
| Personnel | \$ | | |
| Services | 6,238,000 | \$ 1,240,257 | 19.9% |
| Materials & Services | \$ 5,975,900 | 1,211,160 | 20.3% |
| Capital Outlay | \$ 15,727,000 | 545,062 | 3.5% |
| | <u>27,940,900</u> | <u>\$ 2,996,480</u> | <u>10.7%</u> |

Attachments

1. Budget Report by Division Category
2. Account Roll up expenses by Account

General Ledger
Budget to Actual



User: sebastian.rodrigues@olws.org
Printed: 11/6/2024 8:53:32 AM
Period 01 - 03
Fiscal Year 2025

| Account Number | Description | Budget | Period Amt | Year to Date | Encumbered | % of Budget |
|----------------|--------------------------------------|---------------------|------------------|-------------------|-------------|--------------|
| 05 | Administrative Services | | | | | |
| | NonDivisional | | | | | |
| | <i>Beginning Fund Balance</i> | | | | | |
| 05-00-3500 | Fund Balance | 1,209,778.00 | 0.00 | 123,870.45 | 0.00 | 10.24 |
| | <i>Beginning Fund Balance</i> | <i>1,209,778.00</i> | <i>0.00</i> | <i>123,870.45</i> | <i>0.00</i> | <i>10.24</i> |
| | NonDivisional | 1,209,778.00 | 0.00 | 123,870.45 | 0.00 | 10.24 |
| | Fund Balance | 1,209,778.00 | 0.00 | 123,870.45 | 0.00 | 10.24 |
| | NonDivisional | | | | | |
| | <i>Revenue</i> | | | | | |
| 05-00-4227 | System Development-Compliance | 1,000.00 | 972.00 | 4,216.00 | 0.00 | 421.60 |
| 05-00-4230 | Contracted Services | 60,000.00 | 0.00 | 13,400.00 | 0.00 | 22.33 |
| 05-00-4610 | Investment Revenue | 10,000.00 | 0.00 | 6,538.12 | 0.00 | 65.38 |
| 05-00-4630 | Miscellaneous Revenues | 10,000.00 | 0.00 | 2,666.00 | 0.00 | 26.66 |
| | <i>Revenue</i> | <i>81,000.00</i> | <i>972.00</i> | <i>26,820.12</i> | <i>0.00</i> | <i>33.11</i> |
| | NonDivisional | 81,000.00 | 972.00 | 26,820.12 | 0.00 | 33.11 |
| | Transfers & Contingencies | | | | | |
| | <i>Revenue</i> | | | | | |
| 05-29-4910 | Transfer In from Fund 10 | 1,100,000.00 | 0.00 | 183,326.00 | 0.00 | 16.67 |
| 05-29-4920 | Transfer In from Fund 20 | 2,200,000.00 | 0.00 | 366,674.00 | 0.00 | 16.67 |
| 05-29-4930 | Transfer In from Fund 30 | 1,100,000.00 | 0.00 | 183,326.00 | 0.00 | 16.67 |
| | <i>Revenue</i> | <i>4,400,000.00</i> | <i>0.00</i> | <i>733,326.00</i> | <i>0.00</i> | <i>16.67</i> |
| | Transfers & Contingencies | 4,400,000.00 | 0.00 | 733,326.00 | 0.00 | 16.67 |
| | Revenue | 4,481,000.00 | 972.00 | 760,146.12 | 0.00 | 16.96 |
| | AdminFinance | | | | | |
| | <i>Personnel Services</i> | | | | | |
| 05-01-5110 | Regular Employees | 897,000.00 | 55,229.20 | 194,669.01 | 0.00 | 21.70 |
| 05-01-5120 | Temporary Seasonal Employees | 0.00 | 1,525.00 | 2,023.21 | 0.00 | 0.00 |
| 05-01-5130 | Overtime | 10,000.00 | 788.76 | 1,909.10 | 0.00 | 19.09 |
| 05-01-5210 | HealthDental Insurance | 149,000.00 | 9,601.14 | 34,069.40 | 0.00 | 22.87 |
| 05-01-5230 | Social Security | 70,000.00 | 4,337.50 | 14,982.66 | 0.00 | 21.40 |
| 05-01-5240 | Retirement | 178,000.00 | 11,024.37 | 33,158.47 | 0.00 | 18.63 |
| 05-01-5250 | TrimetWBFPaid Leave OR | 24,000.00 | 695.71 | 2,122.19 | 0.00 | 8.84 |
| 05-01-5270 | Workers Compensation | 1,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <i>Personnel Services</i> | <i>1,329,000.00</i> | <i>83,201.68</i> | <i>282,934.04</i> | <i>0.00</i> | <i>21.29</i> |
| | <i>Materials & Services</i> | | | | | |
| 05-01-6110 | Legal Services | 300,000.00 | 17,523.00 | 81,422.12 | 0.00 | 27.14 |
| 05-01-6120 | Accounting and Audit Services | 75,000.00 | 0.00 | 17,850.00 | 0.00 | 23.80 |
| 05-01-6155 | Contracted Services | 232,000.00 | 29,880.70 | 98,052.85 | 126,300.00 | 42.26 |
| 05-01-6180 | Dues and Subscriptions | 46,000.00 | 0.00 | -34.00 | 0.00 | -0.07 |
| 05-01-6220 | Electricity | 22,000.00 | 1,444.97 | 4,673.16 | 16,488.00 | 21.24 |
| 05-01-6240 | Natural Gas | 5,500.00 | 118.58 | 329.21 | 4,125.01 | 5.99 |

| Account Number | Description | Budget | Period Amt | Year to Date | Encumbered | % of Budget |
|----------------|---|--------------------------|--------------------|---------------------|--------------------|---------------|
| 05-01-6290 | Other Utilities | 5,500.00 | 233.96 | 689.54 | 1,994.58 | 12.54 |
| 05-01-6310 | Janitorial Services | 25,000.00 | 1,769.79 | 5,309.37 | 8,848.95 | 21.24 |
| 05-01-6320 | Buildings & Ground Maintenance | 40,000.00 | 1,685.92 | 3,935.79 | 8,439.05 | 9.84 |
| 05-01-6410 | Mileage | 1,000.00 | 0.00 | 18.76 | 0.00 | 1.88 |
| 05-01-6420 | Staff Training | 16,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-01-6510 | Office Supplies | 35,000.00 | 1,379.07 | 4,848.86 | 8,100.00 | 13.85 |
| 05-01-6730 | Communications | 1,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-01-6760 | Equipment Rental | 3,000.00 | 0.00 | 278.64 | 835.92 | 9.29 |
| 05-01-6770 | Bank Charges | 200,000.00 | 20,504.15 | 57,473.74 | 150,400.00 | 28.74 |
| 05-01-6780 | Taxes, Fees, Permits <i>Materials & Services</i> | 2,000.00 1,009,000.00 | 0.00 74,540.14 | 0.00 274,848.04 | 0.00 325,531.51 | 0.00 27.24 |
| | AdminFinance | 2,338,000.00 | 157,741.82 | 557,782.08 | 325,531.51 | 23.86 |
| | Human Resources | | | | | |
| | <i>Personnel Services</i> | | | | | |
| 05-02-5110 | Regular Employees | 227,000.00 | 22,990.40 | 61,508.11 | 0.00 | 27.10 |
| 05-02-5120 | TemporarySeasonal Employees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-02-5130 | Overtime | 5,000.00 | 0.00 | 163.98 | 0.00 | 3.28 |
| 05-02-5210 | HealthDental Insurance | 31,000.00 | 5,464.12 | 16,392.36 | 0.00 | 52.88 |
| 05-02-5230 | Social Security | 18,000.00 | 1,710.74 | 4,589.27 | 0.00 | 25.50 |
| 05-02-5240 | Retirement | 43,000.00 | 1,419.12 | 3,796.39 | 0.00 | 8.83 |
| 05-02-5250 | TrimetWBFPaid Leave OR | 3,000.00 | 282.96 | 759.50 | 0.00 | 25.32 |
| 05-02-5260 | Unemployment | 5,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-02-5270 | Workers Compensation | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-02-5290 | Other Employee Benefits <i>Personnel Services</i> | 15,000.00 347,500.00 | 51.36 31,918.70 | 400.93 87,610.54 | 0.00 0.00 | 2.67 25.21 |
| | <i>Materials & Services</i> | | | | | |
| 05-02-6155 | Contracted Services | 45,500.00 | 4,165.38 | 5,383.18 | 17,800.04 | 11.83 |
| 05-02-6175 | Records Management | 4,000.00 | 0.00 | 862.09 | 0.00 | 21.55 |
| 05-02-6230 | Telephone | 60,000.00 | 4,113.41 | 10,745.16 | 38,872.25 | 17.91 |
| 05-02-6410 | Mileage | 1,000.00 | 297.48 | 297.48 | 0.00 | 29.75 |
| 05-02-6420 | Staff Training | 20,000.00 | 216.00 | 216.00 | 0.00 | 1.08 |
| 05-02-6440 | Board Expense | 5,000.00 | 1,758.53 | 1,758.53 | 0.00 | 35.17 |
| 05-02-6510 | Office Supplies | 1,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-02-6540 | Safety Supplies | 2,000.00 | 0.00 | 31.96 | 0.00 | 1.60 |
| 05-02-6560 | Uniforms | 10,500.00 | 0.00 | 1,671.31 | 0.00 | 15.92 |
| 05-02-6610 | Board Compensation | 2,500.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-02-6620 | Election Costs | 5,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-02-6720 | Insurance-General | 247,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-02-6730 | Communications | 2,500.00 | 0.00 | 300.00 | 0.00 | 12.00 |
| 05-02-6740 | Advertising <i>Materials & Services</i> | 7,000.00 413,000.00 | 0.00 10,550.80 | 0.00 21,265.71 | 0.00 56,672.29 | 0.00 5.15 |
| | Human Resources | 760,500.00 | 42,469.50 | 108,876.25 | 56,672.29 | 14.32 |
| | Technical Services | | | | | |
| | <i>Personnel Services</i> | | | | | |
| 05-03-5110 | Regular Employees | 814,000.00 | 60,051.93 | 146,771.21 | 0.00 | 18.03 |
| 05-03-5130 | Overtime | 5,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-03-5210 | HealthDental Insurance | 150,000.00 | 7,300.60 | 21,901.80 | 0.00 | 14.60 |
| 05-03-5230 | Social Security | 64,000.00 | 4,545.16 | 11,097.23 | 0.00 | 17.34 |
| 05-03-5240 | Retirement | 156,000.00 | 11,515.17 | 28,207.16 | 0.00 | 18.08 |
| 05-03-5250 | TrimetWBFPaid Leave OR | 11,000.00 | 736.98 | 1,802.63 | 0.00 | 16.39 |
| 05-03-5270 | Workers Compensation <i>Personnel Services</i> | 1,000.00 1,201,000.00 | 0.00 84,149.84 | 0.00 209,780.03 | 0.00 0.00 | 0.00 17.47 |
| | <i>Materials & Services</i> | | | | | |
| 05-03-6155 | Contracted Services | 335,000.00 | 37,903.31 | 77,176.23 | 143,372.52 | 23.04 |
| 05-03-6350 | Computer Maintenance | 418,000.00 | 15,215.23 | 81,137.47 | 81,804.45 | 19.41 |
| 05-03-6410 | Mileage | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-03-6420 | Staff Training | 10,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-03-6430 | Certifications | 2,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-03-6530 | Small Tools & Equipment | 1,000.00 | 33.98 | 33.98 | 0.00 | 3.40 |

| Account Number | Description | Budget | Period Amt | Year to Date | Encumbered | % of Budget |
|----------------|--|---------------------|--------------------|---------------------|--------------------|--------------|
| 05-03-6540 | Safety Supplies | 3,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05-03-6550 | Operational Supplies | 3,000.00 | 0.00 | 55.92 | 0.00 | 1.86 |
| 05-03-6730 | Communications | 52,000.00 | 0.00 | 60.00 | 0.00 | 0.12 |
| | <i>Materials & Services</i> | <i>824,500.00</i> | <i>53,152.52</i> | <i>158,463.60</i> | <i>225,176.97</i> | <i>19.22</i> |
| | Technical Services | 2,025,500.00 | 137,302.36 | 368,243.63 | 225,176.97 | 18.18 |
| | Vehicle Services | | | | | |
| | <i>Materials & Services</i> | | | | | |
| 05-04-6330 | VehicleEquipment | 80,000.00 | 851.43 | 10,907.47 | 0.00 | 13.63 |
| | Maintenance | | | | | |
| 05-04-6520 | Fuels & Oils | 50,000.00 | 3,187.04 | 9,034.25 | 0.00 | 18.07 |
| | <i>Materials & Services</i> | <i>130,000.00</i> | <i>4,038.47</i> | <i>19,941.72</i> | <i>0.00</i> | <i>15.34</i> |
| | Vehicle Services | 130,000.00 | 4,038.47 | 19,941.72 | 0.00 | 15.34 |
| | Transfers & Contingencies | | | | | |
| | <i>Transfers & Contingencies</i> | | | | | |
| 05-29-9000 | Contingency | 436,778.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <i>Transfers & Contingencies</i> | <i>436,778.00</i> | <i>0.00</i> | <i>0.00</i> | <i>0.00</i> | <i>0.00</i> |
| | Transfers & Contingencies | 436,778.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 05 | Expense | 5,690,778.00 | 341,552.15 | 1,054,843.68 | 607,380.77 | 18.54 |
| | Administrative Services | 0.00 | -340,580.15 | -170,827.11 | -607,380.77 | 0.00 |
| 10 | Drinking Water NonDivisional | | | | | |
| | <i>Beginning Fund Balance</i> | | | | | |
| 10-00-3500 | Fund Balance | 950,061.00 | 0.00 | 405,679.79 | 0.00 | 42.70 |
| | <i>Beginning Fund Balance</i> | <i>950,061.00</i> | <i>0.00</i> | <i>405,679.79</i> | <i>0.00</i> | <i>42.70</i> |
| | NonDivisional | 950,061.00 | 0.00 | 405,679.79 | 0.00 | 42.70 |
| | Fund Balance | 950,061.00 | 0.00 | 405,679.79 | 0.00 | 42.70 |
| | NonDivisional Revenue | | | | | |
| 10-00-4210 | Wholesale Water Sales | 40,000.00 | 0.00 | 12,548.68 | 0.00 | 31.37 |
| 10-00-4211 | Drinking Water Charges | 6,146,000.00 | 600,709.52 | 1,888,669.83 | 0.00 | 30.73 |
| 10-00-4215 | Penalties & Late Charges | 14,000.00 | 1,052.30 | 4,013.22 | 0.00 | 28.67 |
| 10-00-4240 | Service Installations | 10,000.00 | 17,700.00 | 50,380.00 | 0.00 | 503.80 |
| 10-00-4280 | Rents & Leases | 180,000.00 | 0.00 | 16,808.46 | 0.00 | 9.34 |
| 10-00-4290 | Other Charges for Services | 10,000.00 | 4,062.00 | 15,652.50 | 0.00 | 156.53 |
| 10-00-4610 | Investment Revenue | 5,000.00 | 0.00 | 2,915.73 | 0.00 | 58.31 |
| 10-00-4630 | Miscellaneous Revenues | 25,000.00 | 265.00 | 1,810.46 | 0.00 | 7.24 |
| | <i>Revenue</i> | <i>6,430,000.00</i> | <i>623,788.82</i> | <i>1,992,798.88</i> | <i>0.00</i> | <i>30.99</i> |
| | NonDivisional | 6,430,000.00 | 623,788.82 | 1,992,798.88 | 0.00 | 30.99 |
| | Revenue | 6,430,000.00 | 623,788.82 | 1,992,798.88 | 0.00 | 30.99 |
| | Drinking Water Personnel Services | | | | | |
| 10-20-5110 | Regular Employees | 723,000.00 | 52,469.15 | 140,284.62 | 0.00 | 19.40 |
| 10-20-5130 | Overtime | 42,000.00 | 3,010.58 | 11,363.38 | 0.00 | 27.06 |
| 10-20-5210 | HealthDental Insurance | 133,000.00 | 8,012.98 | 24,038.94 | 0.00 | 18.07 |
| 10-20-5230 | Social Security | 57,000.00 | 4,215.94 | 11,525.36 | 0.00 | 20.22 |
| 10-20-5240 | Retirement | 139,000.00 | 10,690.17 | 29,239.56 | 0.00 | 21.04 |
| 10-20-5250 | TrimetWBFPaid Leave OR | 9,000.00 | 682.69 | 1,866.70 | 0.00 | 20.74 |
| 10-20-5270 | Workers Compensation | 15,000.00 | 2,400.00 | 2,400.00 | 0.00 | 16.00 |
| | <i>Personnel Services</i> | <i>1,118,000.00</i> | <i>81,481.51</i> | <i>220,718.56</i> | <i>0.00</i> | <i>19.74</i> |
| | <i>Materials & Services</i> | | | | | |
| 10-20-6155 | Contracted Services | 292,000.00 | 26,626.98 | 32,126.83 | 122,322.02 | 11.00 |
| 10-20-6220 | Electricity | 51,000.00 | 4,218.97 | 13,140.08 | 38,250.00 | 25.76 |

| Account Number | Description | Budget | Period Amt | Year to Date | Encumbered | % of Budget |
|----------------|---|----------------------|---------------------|---------------------|----------------------|---------------|
| 10-20-6240 | Natural Gas | 3,000.00 | 199.83 | 599.49 | 2,250.00 | 19.98 |
| 10-20-6290 | Other Utilities | 6,000.00 | 377.80 | 1,133.40 | 3,755.54 | 18.89 |
| 10-20-6320 | Buildings & Grounds | 5,000.00 | 936.67 | 1,422.86 | 0.00 | 28.46 |
| 10-20-6340 | System Maintenance | 200,000.00 | 36,280.27 | 67,196.41 | 47,070.84 | 33.60 |
| 10-20-6410 | Mileage | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10-20-6420 | Staff Training | 10,000.00 | 0.00 | 1,930.98 | 0.00 | 19.31 |
| 10-20-6430 | Certifications | 2,000.00 | 0.00 | 106.00 | 0.00 | 5.30 |
| 10-20-6530 | Small Tools & Equipment | 10,000.00 | 1,790.21 | 4,484.41 | 0.00 | 44.84 |
| 10-20-6540 | Safety Supplies | 15,000.00 | 3,064.86 | 5,571.34 | 4,237.09 | 37.14 |
| 10-20-6550 | Operational Supplies | 10,000.00 | 609.90 | 3,191.62 | 0.00 | 31.92 |
| 10-20-6560 | Uniforms | 0.00 | 288.75 | 632.88 | 0.00 | 0.00 |
| 10-20-6710 | Purchased Water | 1,250,000.00 | 0.00 | 271,835.28 | 928,164.72 | 21.75 |
| 10-20-6715 | Water Quality Program | 35,000.00 | 5,460.00 | 8,403.13 | 0.00 | 24.01 |
| 10-20-6760 | Equipment Rental | 8,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10-20-6780 | Taxes, Fees, Permits | 20,000.00 | 0.00 | 800.61 | 3,750.00 | 4.00 |
| | <i>Materials & Services</i> | <i>1,917,500.00</i> | <i>79,854.24</i> | <i>412,575.32</i> | <i>1,149,800.21</i> | <i>21.52</i> |
| | Drinking Water | 3,035,500.00 | 161,335.75 | 633,293.88 | 1,149,800.21 | 20.86 |
| | Debt Service | | | | | |
| | <i>Materials & Services</i> | | | | | |
| 10-24-6815 | Zions Bank Loan-Principal | 198,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10-24-6825 | Zions Bank Loan-Interest | 11,000.00 | 0.00 | 5,406.90 | 0.00 | 49.15 |
| | <i>Materials & Services</i> | <i>209,000.00</i> | <i>0.00</i> | <i>5,406.90</i> | <i>0.00</i> | <i>2.59</i> |
| | Debt Service | 209,000.00 | 0.00 | 5,406.90 | 0.00 | 2.59 |
| | Transfers & Contingencies | | | | | |
| | <i>Transfers & Contingencies</i> | | | | | |
| 10-29-8105 | Transfers Out to Fund 05 | 1,100,000.00 | 0.00 | 183,326.00 | 0.00 | 16.67 |
| 10-29-8171 | Transfers Out to Fund 71 | 2,200,000.00 | 0.00 | 366,670.00 | 0.00 | 16.67 |
| 10-29-9000 | Contingency | 835,561.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <i>Transfers & Contingencies</i> | <i>4,135,561.00</i> | <i>0.00</i> | <i>549,996.00</i> | <i>0.00</i> | <i>13.30</i> |
| | Transfers & Contingencies | 4,135,561.00 | 0.00 | 549,996.00 | 0.00 | 13.30 |
| 10 | Expense | 7,380,061.00 | 161,335.75 | 1,188,696.78 | 1,149,800.21 | 16.11 |
| | Drinking Water | 0.00 | 462,453.07 | 1,209,781.89 | -1,149,800.21 | 0.00 |
| 20 | Wastewater Reclam. NonDivisional | | | | | |
| | <i>Beginning Fund Balance</i> | | | | | |
| 20-00-3500 | Fund Balance | 742,904.00 | 0.00 | -278,898.04 | 0.00 | -37.54 |
| | <i>Beginning Fund Balance</i> | <i>742,904.00</i> | <i>0.00</i> | <i>-278,898.04</i> | <i>0.00</i> | <i>-37.54</i> |
| | NonDivisional | 742,904.00 | 0.00 | -278,898.04 | 0.00 | -37.54 |
| | Fund Balance | 742,904.00 | 0.00 | -278,898.04 | 0.00 | -37.54 |
| | NonDivisional Revenue | | | | | |
| 20-00-4212 | Wastewater Charges | 12,781,000.00 | 1,083,397.73 | 3,254,564.15 | 0.00 | 25.46 |
| 20-00-4215 | Penalties & Late Charges | 7,000.00 | 182.01 | 1,483.32 | 0.00 | 21.19 |
| 20-00-4290 | Other Charges for Services | 10,000.00 | 2,545.00 | 5,911.00 | 0.00 | 59.11 |
| 20-00-4610 | Investment Revenue | 1,000.00 | 0.00 | 0.11 | 0.00 | 0.01 |
| 20-00-4630 | Miscellaneous Revenues | 2,000.00 | 79.20 | 480.65 | 0.00 | 24.03 |
| | <i>Revenue</i> | <i>12,801,000.00</i> | <i>1,086,203.94</i> | <i>3,262,439.23</i> | <i>0.00</i> | <i>25.49</i> |
| | NonDivisional | 12,801,000.00 | 1,086,203.94 | 3,262,439.23 | 0.00 | 25.49 |
| | Transfers & Contingencies | | | | | |
| | <i>Revenue</i> | | | | | |
| 20-29-4930 | Transfer In from Fund 30 | 164,500.00 | 0.00 | 27,416.00 | 0.00 | 16.67 |
| | <i>Revenue</i> | <i>164,500.00</i> | <i>0.00</i> | <i>27,416.00</i> | <i>0.00</i> | <i>16.67</i> |

| Account Number | Description | Budget | Period Amt | Year to Date | Encumbered | % of Budget |
|----------------|--------------------------------------|---------------------|-------------------|-------------------|-------------------|--------------|
| | Transfers & Contingencies | 164,500.00 | 0.00 | 27,416.00 | 0.00 | 16.67 |
| | Revenue | 12,965,500.00 | 1,086,203.94 | 3,289,855.23 | 0.00 | 25.37 |
| | Wastewater-Plant | | | | | |
| | <i>Personnel Services</i> | | | | | |
| 20-21-5110 | Regular Employees | 754,000.00 | 58,426.64 | 155,489.14 | 0.00 | 20.62 |
| 20-21-5130 | Overtime | 53,000.00 | 2,666.30 | 8,025.93 | 0.00 | 15.14 |
| 20-21-5210 | HealthDental Insurance | 177,000.00 | 13,528.99 | 40,586.97 | 0.00 | 22.93 |
| 20-21-5230 | Social Security | 59,000.00 | 4,611.74 | 12,343.17 | 0.00 | 20.92 |
| 20-21-5240 | Retirement | 142,000.00 | 11,436.61 | 30,610.05 | 0.00 | 21.56 |
| 20-21-5250 | TrimetWBFPaid Leave OR | 10,000.00 | 753.08 | 2,015.07 | 0.00 | 20.15 |
| 20-21-5270 | Workers Compensation | 15,000.00 | 1,795.40 | 1,795.40 | 0.00 | 11.97 |
| | <i>Personnel Services</i> | <i>1,210,000.00</i> | <i>93,218.76</i> | <i>250,865.73</i> | <i>0.00</i> | <i>20.73</i> |
| | <i>Materials & Services</i> | | | | | |
| 20-21-6155 | Contracted Services | 191,000.00 | 20,879.00 | 75,046.65 | 163,649.96 | 39.29 |
| 20-21-6220 | Electricity | 383,000.00 | 27,646.25 | 79,846.81 | 287,235.00 | 20.85 |
| 20-21-6240 | Natural Gas | 2,000.00 | 25.83 | 77.40 | 1,500.03 | 3.87 |
| 20-21-6250 | Solid Waste Disposal | 49,000.00 | 6,846.71 | 7,304.95 | 46,160.04 | 14.91 |
| 20-21-6310 | Janitorial Services | 17,000.00 | 1,170.14 | 3,510.42 | 5,850.70 | 20.65 |
| 20-21-6320 | Buildings & Grounds | 68,000.00 | 5,465.96 | 15,046.88 | 31,825.80 | 22.13 |
| 20-21-6342 | WRF System Maintenance | 200,000.00 | 50,665.58 | 69,519.70 | 11,135.55 | 34.76 |
| 20-21-6410 | Mileage | 500.00 | 60.78 | 60.78 | 0.00 | 12.16 |
| 20-21-6420 | Staff training | 10,000.00 | 66.40 | 691.40 | 0.00 | 6.91 |
| 20-21-6430 | Certifications | 2,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 20-21-6525 | Chemicals | 77,000.00 | 6,591.67 | 18,402.97 | 62,447.03 | 23.90 |
| 20-21-6530 | Small Tools & Equipment | 18,000.00 | 0.00 | 504.33 | 0.00 | 2.80 |
| 20-21-6540 | Safety Supplies | 10,000.00 | 2,005.58 | 7,297.04 | 2,250.00 | 72.97 |
| 20-21-6550 | Operational Supplies | 5,000.00 | 0.00 | 758.64 | 0.00 | 15.17 |
| 20-21-6560 | Uniforms | 18,000.00 | 0.00 | 616.05 | 0.00 | 3.42 |
| 20-21-6760 | Equipment Rental | 10,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 20-21-6780 | Taxes, Fees, Permits | 81,000.00 | 1,103.87 | 9,239.23 | 39,940.41 | 11.41 |
| | <i>Materials & Services</i> | <i>1,141,500.00</i> | <i>122,527.77</i> | <i>287,923.25</i> | <i>651,994.52</i> | <i>25.22</i> |
| | Wastewater-Plant | 2,351,500.00 | 215,746.53 | 538,788.98 | 651,994.52 | 22.91 |
| | Wastewater-Collections | | | | | |
| | <i>Personnel Services</i> | | | | | |
| 20-22-5110 | Regular Employees | 526,000.00 | 36,884.84 | 97,431.09 | 0.00 | 18.52 |
| 20-22-5130 | Overtime | 30,000.00 | 2,496.39 | 6,069.23 | 0.00 | 20.23 |
| 20-22-5210 | HealthDental Insurance | 119,000.00 | 7,266.40 | 21,799.20 | 0.00 | 18.32 |
| 20-22-5230 | Social Security | 41,000.00 | 2,948.28 | 7,745.32 | 0.00 | 18.89 |
| 20-22-5240 | Retirement | 99,000.00 | 7,372.16 | 19,375.25 | 0.00 | 19.57 |
| 20-22-5250 | TrimetWBFPaid Leave OR | 7,000.00 | 484.97 | 1,275.42 | 0.00 | 18.22 |
| 20-22-5270 | Workers Compensation | 12,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <i>Personnel Services</i> | <i>834,000.00</i> | <i>57,453.04</i> | <i>153,695.51</i> | <i>0.00</i> | <i>18.43</i> |
| | <i>Materials & Services</i> | | | | | |
| 20-22-6155 | Contracted Services | 49,000.00 | 295.00 | 2,200.08 | 21,094.92 | 4.49 |
| 20-22-6220 | Electricity | 62,000.00 | 2,073.04 | 6,262.41 | 55,153.00 | 10.10 |
| 20-22-6290 | Other Utilities | 1,000.00 | 43.17 | 129.51 | 401.49 | 12.95 |
| 20-22-6342 | Collection System Maint. | 35,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 20-22-6410 | Mileage | 500.00 | 0.00 | 47.18 | 0.00 | 9.44 |
| 20-22-6420 | Staff Training | 10,000.00 | 0.00 | 2,995.16 | 0.00 | 29.95 |
| 20-22-6430 | Certifications | 2,000.00 | 1,240.00 | 1,340.00 | 0.00 | 67.00 |
| 20-22-6530 | Small Tools & Equipment | 15,000.00 | 0.00 | 189.46 | 7,390.00 | 1.26 |
| 20-22-6540 | Safety Supplies | 12,000.00 | 470.10 | 1,821.78 | 0.00 | 15.18 |
| 20-22-6550 | Operational Supplies | 5,000.00 | 0.00 | 1,277.72 | 0.00 | 25.55 |
| 20-22-6560 | Uniforms | 10,000.00 | 779.34 | 1,433.41 | 0.00 | 14.33 |
| 20-22-6780 | Taxes, Fees, Permits | 30,000.00 | 766.08 | 4,263.59 | 15,894.72 | 14.21 |
| | <i>Materials & Services</i> | <i>231,500.00</i> | <i>5,666.73</i> | <i>21,960.30</i> | <i>99,934.13</i> | <i>9.49</i> |
| | Wastewater-Collections | 1,065,500.00 | 63,119.77 | 175,655.81 | 99,934.13 | 16.49 |

| Account Number | Description | Budget | Period Amt | Year to Date | Encumbered | % of Budget |
|----------------|--|----------------------|-------------------|---------------------|--------------------|-----------------|
| | Transfers & Contingencies | | | | | |
| | <i>Transfers & Contingencies</i> | | | | | |
| 20-29-8105 | Transfers Out to Fund 05 | 2,200,000.00 | 0.00 | 366,674.00 | 0.00 | 16.67 |
| 20-29-8150 | Transfers Out to Fund 50 | 3,467,000.00 | 0.00 | 595,414.00 | 0.00 | 17.17 |
| 20-29-8172 | Transfers Out to Fund 72 | 4,000,000.00 | 0.00 | 666,674.00 | 0.00 | 16.67 |
| 20-29-9000 | Contingency | 609,404.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <i>Transfers & Contingencies</i> | <i>10,276,404.00</i> | <i>0.00</i> | <i>1,628,762.00</i> | <i>0.00</i> | <i>15.85</i> |
| | Transfers & Contingencies | 10,276,404.00 | 0.00 | 1,628,762.00 | 0.00 | 15.85 |
| 20 | Expense | 13,693,404.00 | 278,866.30 | 2,343,206.79 | 751,928.65 | 17.11 |
| | Wastewater Reclam. | 15,000.00 | 807,337.64 | 667,750.40 | -751,928.65 | 4,451.67 |
| 30 | Watershed Protection NonDivisional | | | | | |
| | <i>Beginning Fund Balance</i> | | | | | |
| 30-00-3500 | Fund Balance | 123,126.00 | 0.00 | 159,089.90 | 0.00 | 129.21 |
| | <i>Beginning Fund Balance</i> | <i>123,126.00</i> | <i>0.00</i> | <i>159,089.90</i> | <i>0.00</i> | <i>129.21</i> |
| | NonDivisional | 123,126.00 | 0.00 | 159,089.90 | 0.00 | 129.21 |
| | Fund Balance | 123,126.00 | 0.00 | 159,089.90 | 0.00 | 129.21 |
| | NonDivisional Revenue | | | | | |
| 30-00-4213 | Watershed Protection Charges | 1,995,000.00 | 165,477.19 | 496,394.17 | 0.00 | 24.88 |
| 30-00-4215 | Penalties & Late charges | 1,000.00 | 51.13 | 389.41 | 0.00 | 38.94 |
| 30-00-4290 | Other Charges for Services | 10,000.00 | 3,361.00 | 13,262.00 | 0.00 | 132.62 |
| 30-00-4610 | Investment Revenue | 500.00 | 0.00 | 260.63 | 0.00 | 52.13 |
| | <i>Revenue</i> | <i>2,006,500.00</i> | <i>168,889.32</i> | <i>510,306.21</i> | <i>0.00</i> | <i>25.43</i> |
| | NonDivisional | 2,006,500.00 | 168,889.32 | 510,306.21 | 0.00 | 25.43 |
| | Revenue | 2,006,500.00 | 168,889.32 | 510,306.21 | 0.00 | 25.43 |
| | Watershed Protection Personnel Services | | | | | |
| 30-23-5110 | Regular Employees | 120,000.00 | 7,848.93 | 20,999.63 | 0.00 | 17.50 |
| 30-23-5130 | Overtime | 1,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 30-23-5210 | HealthDental Insurance | 41,000.00 | 2,632.99 | 7,898.97 | 0.00 | 19.27 |
| 30-23-5230 | Social Security | 10,000.00 | 584.99 | 1,565.07 | 0.00 | 15.65 |
| 30-23-5240 | Retirement | 23,000.00 | 1,469.32 | 3,931.14 | 0.00 | 17.09 |
| 30-23-5250 | TrimetWBFPaid Leave OR | 2,000.00 | 96.75 | 258.09 | 0.00 | 12.90 |
| 30-23-5270 | Workers Compensation | 1,500.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <i>Personnel Services</i> | <i>198,500.00</i> | <i>12,632.98</i> | <i>34,652.90</i> | <i>0.00</i> | <i>17.46</i> |
| | Materials & Services | | | | | |
| 30-23-6155 | Contracted Services | 174,000.00 | 333.60 | 2,284.20 | 102,740.96 | 1.31 |
| 30-23-6340 | System Maintenance | 45,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 30-23-6420 | Staff Training | 2,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 30-23-6430 | Certifications | 400.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 30-23-6530 | Small Tools & Equipment | 1,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 30-23-6540 | Safety Supplies | 1,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 30-23-6550 | Operational Supplies | 5,000.00 | 0.00 | 1,451.85 | 0.00 | 29.04 |
| 30-23-6780 | Taxes, Fees, Permits | 4,500.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <i>Materials & Services</i> | <i>232,900.00</i> | <i>333.60</i> | <i>3,736.05</i> | <i>102,740.96</i> | <i>1.60</i> |
| | Watershed Protection | 431,400.00 | 12,966.58 | 38,388.95 | 102,740.96 | 8.90 |
| | Transfers & Contingencies | | | | | |
| | <i>Transfers & Contingencies</i> | | | | | |
| 30-29-8105 | Transfers Out to Fund 05 | 1,100,000.00 | 0.00 | 183,326.00 | 0.00 | 16.67 |
| 30-29-8120 | Transfers Out to Fund 20 | 164,500.00 | 0.00 | 27,416.00 | 0.00 | 16.67 |
| 30-29-8173 | Transfers Out to Fund 73 | 250,000.00 | 0.00 | 4,170.00 | 0.00 | 1.67 |

| Account Number | Description | Budget | Period Amt | Year to Date | Encumbered | % of Budget |
|----------------|--------------------------------------|---------------------|-------------------|-------------------|--------------------|---------------|
| 30-29-9000 | Contingency | 122,726.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <i>Transfers & Contingencies</i> | <i>1,637,226.00</i> | <i>0.00</i> | <i>214,912.00</i> | <i>0.00</i> | <i>13.13</i> |
| | Transfers & Contingencies | 1,637,226.00 | 0.00 | 214,912.00 | 0.00 | 13.13 |
| 30 | Expense | 2,068,626.00 | 12,966.58 | 253,300.95 | 102,740.96 | 12.24 |
| | Watershed Protection | 61,000.00 | 155,922.74 | 416,095.16 | -102,740.96 | 682.12 |
| 50 | WW Revenue Bond Debt Service | | | | | |
| | NonDivisional | | | | | |
| | <i>Beginning Fund Balance</i> | | | | | |
| 50-00-3500 | Fund Balance | 666,920.00 | 0.00 | 73,599.55 | 0.00 | 11.04 |
| | <i>Beginning Fund Balance</i> | <i>666,920.00</i> | <i>0.00</i> | <i>73,599.55</i> | <i>0.00</i> | <i>11.04</i> |
| | NonDivisional | 666,920.00 | 0.00 | 73,599.55 | 0.00 | 11.04 |
| | Fund Balance | 666,920.00 | 0.00 | 73,599.55 | 0.00 | 11.04 |
| | NonDivisional | | | | | |
| | <i>Revenue</i> | | | | | |
| 50-00-4610 | Investment Revenue | 3,000.00 | 0.00 | 394.30 | 0.00 | 13.14 |
| | <i>Revenue</i> | <i>3,000.00</i> | <i>0.00</i> | <i>394.30</i> | <i>0.00</i> | <i>13.14</i> |
| | NonDivisional | 3,000.00 | 0.00 | 394.30 | 0.00 | 13.14 |
| | Transfers & Contingencies | | | | | |
| | <i>Revenue</i> | | | | | |
| 50-29-4920 | Transfer In from Fund 20 | 3,467,000.00 | 0.00 | 595,414.00 | 0.00 | 17.17 |
| | <i>Revenue</i> | <i>3,467,000.00</i> | <i>0.00</i> | <i>595,414.00</i> | <i>0.00</i> | <i>17.17</i> |
| | Transfers & Contingencies | 3,467,000.00 | 0.00 | 595,414.00 | 0.00 | 17.17 |
| | Revenue | 3,470,000.00 | 0.00 | 595,808.30 | 0.00 | 17.17 |
| | Debt Service | | | | | |
| | <i>Materials & Services</i> | | | | | |
| 50-24-6810 | 2010 SRF Loan Principal | 984,000.00 | 0.00 | 489,536.00 | 0.00 | 49.75 |
| 50-24-6811 | 2021 IFA Loan Principal | 336,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 50-24-6813 | JPM Bank Loan Principal | 1,490,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 50-24-6820 | 2010 SRF Loan Interest | 236,000.00 | 0.00 | 97,462.00 | 0.00 | 41.30 |
| 50-24-6822 | 2021 IFA Loan Interest | 138,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 50-24-6823 | JPM Bank Loan Interest | 235,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <i>Materials & Services</i> | <i>3,419,000.00</i> | <i>0.00</i> | <i>586,998.00</i> | <i>0.00</i> | <i>17.17</i> |
| | Debt Service | 3,419,000.00 | 0.00 | 586,998.00 | 0.00 | 17.17 |
| | Expense | 3,419,000.00 | 0.00 | 586,998.00 | 0.00 | 17.17 |
| 50 | WW Revenue Bond Debt Service | 717,920.00 | 0.00 | 82,409.85 | 0.00 | 11.48 |
| 71 | Drinking Water Capital | | | | | |
| | NonDivisional | | | | | |
| | <i>Beginning Fund Balance</i> | | | | | |
| 71-00-3500 | Fund Balance | 3,654,753.00 | 0.00 | 424,853.00 | 0.00 | 11.62 |
| | <i>Beginning Fund Balance</i> | <i>3,654,753.00</i> | <i>0.00</i> | <i>424,853.00</i> | <i>0.00</i> | <i>11.62</i> |
| | NonDivisional | 3,654,753.00 | 0.00 | 424,853.00 | 0.00 | 11.62 |
| | Fund Balance | 3,654,753.00 | 0.00 | 424,853.00 | 0.00 | 11.62 |
| | NonDivisional | | | | | |
| | <i>Revenue</i> | | | | | |
| 71-00-4221 | System | 50,000.00 | 38,715.00 | 167,626.00 | 0.00 | 335.25 |
| | Development-Reimburse | | | | | |
| 71-00-4225 | System | 50,000.00 | 35,965.00 | 155,726.00 | 0.00 | 311.45 |

| Account Number | Description | Budget | Period Amt | Year to Date | Encumbered | % of Budget |
|----------------|---|-------------------------------------|------------------------------|-----------------------------------|----------------------------------|----------------------|
| 71-00-4610 | Development-Improvement Investment Revenue <i>Revenue</i> | 50,000.00 150,000.00 | 0.00 74,680.00 | 19,606.23 342,958.23 | 0.00 0.00 | 39.21 228.64 |
| | NonDivisional | 150,000.00 | 74,680.00 | 342,958.23 | 0.00 | 228.64 |
| | Transfers & Contingencies | | | | | |
| 71-29-4910 | <i>Revenue</i> Transfer In from Fund 10 <i>Revenue</i> | 2,200,000.00 2,200,000.00 | 0.00 0.00 | 366,670.00 366,670.00 | 0.00 0.00 | 16.67 16.67 |
| | Transfers & Contingencies | 2,200,000.00 | 0.00 | 366,670.00 | 0.00 | 16.67 |
| | Revenue | 2,350,000.00 | 74,680.00 | 709,628.23 | 0.00 | 30.20 |
| | Drinking Water | | | | | |
| | <i>Capital Outlay</i> | | | | | |
| 71-20-7200 | Infrastructure | 316,000.00 | 508.89 | 70,412.51 | 0.00 | 22.28 |
| 71-20-7300 | Buildings & Improvements | 210,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 71-20-7400 | Improvement Other than Bldgs | 30,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 71-20-7520 | Equipment | 346,000.00 | 0.00 | 0.00 | 314,545.76 | 0.00 |
| 71-20-7530 | Information Technology | 50,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 71-20-7540 | Vehicles | 67,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 71-20-7600 | Capital Improvement Projects <i>Capital Outlay</i> | 2,025,000.00 3,044,000.00 | 3,577.50 4,086.39 | 50,426.74 120,839.25 | 228,273.48 542,819.24 | 2.49 3.97 |
| | Drinking Water | 3,044,000.00 | 4,086.39 | 120,839.25 | 542,819.24 | 3.97 |
| | Transfers & Contingencies | | | | | |
| | <i>Transfers & Contingencies</i> | | | | | |
| 71-29-9000 | Contingency <i>Transfers & Contingencies</i> | 400,000.00 400,000.00 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 |
| | Transfers & Contingencies | 400,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 71 | Expense Drinking Water Capital | 3,444,000.00 2,560,753.00 | 4,086.39 70,593.61 | 120,839.25 1,013,641.98 | 542,819.24 -542,819.24 | 3.51 39.58 |
| 72 | Wastewater Reclamation Capital | | | | | |
| | NonDivisional | | | | | |
| | <i>Beginning Fund Balance</i> | | | | | |
| 72-00-3500 | Fund Balance <i>Beginning Fund Balance</i> | 2,595,944.00 2,595,944.00 | 0.00 0.00 | -233,791.69 -233,791.69 | 0.00 0.00 | -9.01 -9.01 |
| | NonDivisional | 2,595,944.00 | 0.00 | -233,791.69 | 0.00 | -9.01 |
| | Fund Balance NonDivisional | 2,595,944.00 | 0.00 | -233,791.69 | 0.00 | -9.01 |
| | <i>Revenue</i> | | | | | |
| 72-00-4220 | System Development Charges | 100,000.00 | 61,980.00 | 118,795.00 | 0.00 | 118.80 |
| 72-00-4320 | State Grants | 3,000,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 72-00-4610 | Investment Revenue | 30,000.00 | 0.00 | 12,020.10 | 0.00 | 40.07 |
| 72-00-4650 | Proceeds From Borrowing <i>Revenue</i> | 5,615,000.00 8,745,000.00 | 0.00 61,980.00 | 0.00 130,815.10 | 0.00 0.00 | 0.00 1.50 |
| | NonDivisional | 8,745,000.00 | 61,980.00 | 130,815.10 | 0.00 | 1.50 |
| | Transfers & Contingencies | | | | | |

| Account Number | Description | Budget | Period Amt | Year to Date | Encumbered | % of Budget |
|-----------------------|---------------------------------------|---------------------|-------------------|---------------------|----------------------|--------------------|
| | <i>Revenue</i> | | | | | |
| 72-29-4920 | Transfer In from Fund 20 | 4,000,000.00 | 0.00 | 666,674.00 | 0.00 | 16.67 |
| | <i>Revenue</i> | <i>4,000,000.00</i> | <i>0.00</i> | <i>666,674.00</i> | <i>0.00</i> | <i>16.67</i> |
| | Transfers & Contingencies | 4,000,000.00 | 0.00 | 666,674.00 | 0.00 | 16.67 |
| | <i>Revenue</i> | 12,745,000.00 | 61,980.00 | 797,489.10 | 0.00 | 6.26 |
| | Wastewater-Plant | | | | | |
| | <i>Capital Outlay</i> | | | | | |
| 72-21-7300 | Buildings & Improvements | 40,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 72-21-7400 | Improvement Other than Bldgs | 30,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 72-21-7520 | Equipment | 343,000.00 | 39,935.00 | 139,744.20 | 49,846.00 | 40.74 |
| 72-21-7530 | Information Technology | 60,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 72-21-7600 | Capital Improvement Projects | 6,615,000.00 | 6,052.50 | 6,052.50 | 69,218.59 | 0.09 |
| | <i>Capital Outlay</i> | <i>7,088,000.00</i> | <i>45,987.50</i> | <i>145,796.70</i> | <i>119,064.59</i> | <i>2.06</i> |
| | Wastewater-Plant | 7,088,000.00 | 45,987.50 | 145,796.70 | 119,064.59 | 2.06 |
| | Wastewater-Collections | | | | | |
| | <i>Capital Outlay</i> | | | | | |
| 72-22-7200 | Infrastructure | 300,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 72-22-7520 | Equipment | 30,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 72-22-7540 | Vehicles | 67,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 72-22-7600 | Capital Improvement Projects | 4,898,000.00 | 107,292.59 | 278,426.09 | 2,506,026.84 | 5.68 |
| | <i>Capital Outlay</i> | <i>5,295,000.00</i> | <i>107,292.59</i> | <i>278,426.09</i> | <i>2,506,026.84</i> | <i>5.26</i> |
| | Wastewater-Collections | 5,295,000.00 | 107,292.59 | 278,426.09 | 2,506,026.84 | 5.26 |
| | Transfers & Contingencies | | | | | |
| | <i>Transfers & Contingencies</i> | | | | | |
| 72-29-9000 | Contingency | 1,238,300.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <i>Transfers & Contingencies</i> | <i>1,238,300.00</i> | <i>0.00</i> | <i>0.00</i> | <i>0.00</i> | <i>0.00</i> |
| | Transfers & Contingencies | 1,238,300.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 72 | Expense | 13,621,300.00 | 153,280.09 | 424,222.79 | 2,625,091.43 | 3.11 |
| | Wastewater Reclamation Capital | 1,719,644.00 | -91,300.09 | 139,474.62 | -2,625,091.43 | 8.11 |
| 73 | Watershed Protection Capital | | | | | |
| | NonDivisional | | | | | |
| | <i>Beginning Fund Balance</i> | | | | | |
| 73-00-3500 | Fund Balance | 2,844,237.00 | 0.00 | 147,543.57 | 0.00 | 5.19 |
| | <i>Beginning Fund Balance</i> | <i>2,844,237.00</i> | <i>0.00</i> | <i>147,543.57</i> | <i>0.00</i> | <i>5.19</i> |
| | NonDivisional | 2,844,237.00 | 0.00 | 147,543.57 | 0.00 | 5.19 |
| | Fund Balance | 2,844,237.00 | 0.00 | 147,543.57 | 0.00 | 5.19 |
| | NonDivisional | | | | | |
| | <i>Revenue</i> | | | | | |
| 73-00-4610 | Investment Revenue | 20,000.00 | 0.00 | 13,111.94 | 0.00 | 65.56 |
| | <i>Revenue</i> | <i>20,000.00</i> | <i>0.00</i> | <i>13,111.94</i> | <i>0.00</i> | <i>65.56</i> |
| | NonDivisional | 20,000.00 | 0.00 | 13,111.94 | 0.00 | 65.56 |
| | Transfers & Contingencies | | | | | |
| | <i>Revenue</i> | | | | | |
| 73-29-4930 | Transfer In from Fund 30 | 250,000.00 | 0.00 | 4,170.00 | 0.00 | 1.67 |

| Account Number | Description | Budget | Period Amt | Year to Date | Encumbered | % of Budget |
|-----------------------|--------------------------------------|----------------------|---------------------|---------------------|---------------------|--------------------|
| | <i>Revenue</i> | 250,000.00 | 0.00 | 4,170.00 | 0.00 | 1.67 |
| | Transfers & Contingencies | 250,000.00 | 0.00 | 4,170.00 | 0.00 | 1.67 |
| | <i>Revenue</i> | 270,000.00 | 0.00 | 17,281.94 | 0.00 | 6.40 |
| | Watershed Protection | | | | | |
| 73-23-7600 | <i>Capital Outlay</i> | | | | | |
| | Capital Improvement Projects | 300,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <i>Capital Outlay</i> | 300,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Watershed Protection | 300,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Transfers & Contingencies | | | | | |
| 73-29-9000 | <i>Transfers & Contingencies</i> | | | | | |
| | Contingency | 50,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | <i>Transfers & Contingencies</i> | 50,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Transfers & Contingencies | 50,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 73 | <i>Expense</i> | 350,000.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Watershed Protection | 2,764,237.00 | 0.00 | 164,825.51 | 0.00 | 5.96 |
| | Capital | | | | | |
| | Revenue Total | 44,718,000.00 | 2,016,514.08 | 8,673,314.01 | 0.00 | 19.3956 |
| | Expense Total | 49,667,169.00 | 952,087.26 | 5,972,108.24 | 5,779,761.25 | 12.0243 |

General Ledger Account Roll Up



User: sebastian.rodrigues@olws.org
 Printed: 11/4/2024 9:58:19 AM
 Period 01 - 03
 Fiscal Year 2025

| Sort Level | Description | Budget | Period Amt | End Bal | % ExpendCollect |
|----------------|--------------------------------|----------------------|---------------------|---------------------|--------------------|
| Revenue | Revenue | | | | |
| 4210 | Water Sales - CRW | -40,000.00 | 0.00 | -12,548.68 | 31.37 |
| 4211 | Water sales | -6,146,000.00 | -600,709.52 | -1,888,669.83 | 30.73 |
| 4212 | Wastewater Charges | -12,781,000.00 | -1,083,397.73 | -3,254,564.15 | 25.46 |
| 4213 | Watershed protection fees | -1,995,000.00 | -165,477.19 | -496,394.17 | 24.88 |
| 4215 | Penalties & late charges | -22,000.00 | -1,285.44 | -5,885.95 | 26.75 |
| 4220 | System Development Charges | -100,000.00 | -61,980.00 | -118,795.00 | 118.80 |
| 4221 | System Development-Reimburse | -50,000.00 | -38,715.00 | -167,626.00 | 335.25 |
| 4225 | System Development-Improvement | -50,000.00 | -35,965.00 | -155,726.00 | 311.45 |
| 4227 | System Development-Compliance | -1,000.00 | -972.00 | -4,216.00 | 421.60 |
| 4230 | Contract services | -60,000.00 | 0.00 | -13,400.00 | 22.33 |
| 4240 | Service installations | -10,000.00 | -17,700.00 | -50,380.00 | 503.80 |
| 4280 | Rents & leases | -180,000.00 | 0.00 | -16,808.46 | 9.34 |
| 4290 | Other charges for services | -30,000.00 | -9,968.00 | -34,825.50 | 116.09 |
| 4320 | State grants | -3,000,000.00 | 0.00 | 0.00 | 0.00 |
| 4610 | Investment revenue | -119,500.00 | 0.00 | -54,847.16 | 45.90 |
| 4630 | Miscellaneous revenues | -37,000.00 | -344.20 | -4,957.11 | 13.40 |
| 4650 | Proceeds from borrowing | -5,615,000.00 | 0.00 | 0.00 | 0.00 |
| 4910 | Transfer in from Fund 10 | -3,300,000.00 | 0.00 | -549,996.00 | 16.67 |
| 4920 | Transfer in from Fund 20 | -9,667,000.00 | 0.00 | -1,628,762.00 | 16.85 |
| 4930 | Transfer in from Fund 30 | -1,514,500.00 | 0.00 | -214,912.00 | 14.19 |
| Revenue | Revenue | 44,718,000.00 | 2,016,514.08 | 8,673,314.01 | 19.40 |
| Expense | Expense | | | | |
| 5110 | Regular employees | 4,061,000.00 | 293,901.09 | 817,152.81 | 20.12 |
| 5120 | Temporary/Seasonal employees | 0.00 | 1,525.00 | 2,023.21 | 0.00 |
| 5130 | Overtime | 146,000.00 | 8,962.03 | 27,531.62 | 18.86 |
| 5210 | Employee Ins | 800,000.00 | 53,807.22 | 166,687.64 | 20.84 |
| 5230 | Social Security | 319,000.00 | 22,954.35 | 63,848.08 | 20.02 |
| 5240 | Retirement | 780,000.00 | 54,926.92 | 148,318.02 | 19.02 |
| 5250 | Trimet | 66,000.00 | 3,733.14 | 10,099.60 | 15.30 |
| 5260 | Unemployment | 5,000.00 | 0.00 | 0.00 | 0.00 |
| 5270 | Workers compensation | 46,000.00 | 4,195.40 | 4,195.40 | 9.12 |
| 5290 | Other employee benefits | 15,000.00 | 51.36 | 400.93 | 2.67 |
| 6110 | Legal services | 300,000.00 | 17,523.00 | 81,422.12 | 27.14 |
| 6120 | Accounting & audit services | 75,000.00 | 0.00 | 17,850.00 | 23.80 |
| 6155 | Contracted Services | 1,318,500.00 | 120,083.97 | 292,270.02 | 22.17 |
| 6175 | Records Management | 4,000.00 | 0.00 | 862.09 | 21.55 |
| 6180 | Dues & subscriptions | 46,000.00 | 0.00 | -34.00 | -0.07 |
| 6220 | Electricity | 518,000.00 | 35,383.23 | 103,922.46 | 20.06 |
| 6230 | Telephone | 60,000.00 | 4,113.41 | 10,745.16 | 17.91 |
| 6240 | Natural gas | 10,500.00 | 344.24 | 1,006.10 | 9.58 |
| 6250 | Solid waste disposal | 49,000.00 | 6,846.71 | 7,304.95 | 14.91 |
| 6290 | Other utilities | 12,500.00 | 654.93 | 1,952.45 | 15.62 |
| 6310 | Janitorial services | 42,000.00 | 2,939.93 | 8,819.79 | 21.00 |
| 6320 | Buildings & grounds | 113,000.00 | 8,088.55 | 20,405.53 | 18.06 |
| 6330 | Vehicle & equipment maint. | 80,000.00 | 851.43 | 10,907.47 | 13.63 |
| 6340 | Distribution system maint | 245,000.00 | 36,280.27 | 67,196.41 | 27.43 |
| 6342 | Collection system maint. | 235,000.00 | 50,665.58 | 69,519.70 | 29.58 |
| 6350 | Computer maintenance | 418,000.00 | 15,215.23 | 81,137.47 | 19.41 |
| 6410 | Mileage | 4,000.00 | 358.26 | 424.20 | 10.61 |
| 6420 | Staff training | 78,000.00 | 282.40 | 5,833.54 | 7.48 |
| 6430 | Certifications | 8,400.00 | 1,240.00 | 1,446.00 | 17.21 |

| Sort Level | Description | Budget | Period Amt | End Bal | % ExpendCollect |
|----------------------|------------------------------|----------------------|---------------------|---------------------|--------------------|
| 6440 | Board travel & training | 5,000.00 | 1,758.53 | 1,758.53 | 35.17 |
| 6510 | Office supplies | 36,000.00 | 1,379.07 | 4,848.86 | 13.47 |
| 6520 | Fuel & oils | 50,000.00 | 3,187.04 | 9,034.25 | 18.07 |
| 6525 | Chemicals | 77,000.00 | 6,591.67 | 18,402.97 | 23.90 |
| 6530 | Small tools & equipment | 45,000.00 | 1,824.19 | 5,212.18 | 11.58 |
| 6540 | Safety supplies | 43,000.00 | 5,540.54 | 14,722.12 | 34.24 |
| 6550 | Operational Supplies | 28,000.00 | 609.90 | 6,735.75 | 24.06 |
| 6560 | Uniforms | 38,500.00 | 1,068.09 | 4,353.65 | 11.31 |
| 6570 | In-House Laboratory Services | 15,000.00 | 0.00 | 1,525.78 | 10.17 |
| 6610 | Board compensation | 2,500.00 | 0.00 | 0.00 | 0.00 |
| 6620 | Election Costs | 5,000.00 | 0.00 | 0.00 | 0.00 |
| 6710 | Purchased water | 1,250,000.00 | 0.00 | 271,835.28 | 21.75 |
| 6715 | Water quality program | 35,000.00 | 5,460.00 | 8,403.13 | 24.01 |
| 6720 | Insurance | 247,000.00 | 0.00 | 0.00 | 0.00 |
| 6730 | Communications | 55,500.00 | 0.00 | 360.00 | 0.65 |
| 6735 | Public Outreach & Education | 61,000.00 | 2,680.67 | 8,920.53 | 14.62 |
| 6740 | Advertising | 7,000.00 | 0.00 | 0.00 | 0.00 |
| 6760 | Equipment Rental | 21,000.00 | 0.00 | 278.64 | 1.33 |
| 6770 | Bank charges | 200,000.00 | 20,504.15 | 57,473.74 | 28.74 |
| 6780 | Taxes, Fees & Permits | 137,500.00 | 1,869.95 | 14,303.43 | 10.40 |
| 6810 | 2010 SRF Loan Principal | 984,000.00 | 0.00 | 489,536.00 | 49.75 |
| 6811 | 2010 IFA Loan Principal | 336,000.00 | 0.00 | 0.00 | 0.00 |
| 6813 | JPM Bank Loan Principal | 1,490,000.00 | 0.00 | 0.00 | 0.00 |
| 6815 | Zions Bank loan-principal | 198,000.00 | 0.00 | 0.00 | 0.00 |
| 6820 | 2010 SRF Loan Interest | 236,000.00 | 0.00 | 97,462.00 | 41.30 |
| 6822 | 2010 IFA Loan Interest | 138,000.00 | 0.00 | 0.00 | 0.00 |
| 6823 | JPM Bank Loan Interest | 235,000.00 | 0.00 | 0.00 | 0.00 |
| 6825 | Zions Bank loan-interest | 11,000.00 | 0.00 | 5,406.90 | 49.15 |
| 7200 | Infrastructure | 616,000.00 | 508.89 | 70,412.51 | 11.43 |
| 7300 | Buildings & Improvements | 250,000.00 | 0.00 | 0.00 | 0.00 |
| 7400 | Improvement other than Bldgs | 60,000.00 | 0.00 | 0.00 | 0.00 |
| 7520 | Equipment | 719,000.00 | 39,935.00 | 139,744.20 | 19.44 |
| 7530 | Information Technology | 110,000.00 | 0.00 | 0.00 | 0.00 |
| 7540 | Vehicles | 134,000.00 | 0.00 | 0.00 | 0.00 |
| 7600 | Capital Improvement Projects | 13,838,000.00 | 116,922.59 | 334,905.33 | 2.42 |
| 8105 | Transfers out to Fund 05 | 4,400,000.00 | 0.00 | 733,326.00 | 16.67 |
| 8120 | Transfers out to Fund 20 | 164,500.00 | 0.00 | 27,416.00 | 16.67 |
| 8150 | Transfers out to Fund 50 | 3,467,000.00 | 0.00 | 595,414.00 | 17.17 |
| 8171 | Transfers out to Fund 71 | 2,200,000.00 | 0.00 | 366,670.00 | 16.67 |
| 8172 | Transfers out to Fund 72 | 4,000,000.00 | 0.00 | 666,674.00 | 16.67 |
| 8173 | Transfers out to Fund 73 | 250,000.00 | 0.00 | 4,170.00 | 1.67 |
| 9000 | Contingency | 3,692,769.00 | 0.00 | 0.00 | 0.00 |
| Expense | Expense | 49,743,169.00 | 954,767.93 | 5,982,554.55 | 12.03 |
| Revenue Total | | 44,718,000.00 | 2,016,514.08 | 8,673,314.01 | 19.3956 |
| Expense Total | | 49,743,169.00 | 954,767.93 | 5,982,554.55 | 12.0269 |
| Grand Total | | -5,025,169.00 | 1,061,746.15 | 2,690,759.46 | -0.5355 |



AGENDA ITEM

| | |
|----------------|---|
| To | Board of Directors |
| From | Laural Casey, District Recorder |
| Title | Approval of October 8, 2024 Board Meeting Minutes |
| Item No | 3.b. |
| Date | November 12, 2024 |

Summary

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

Attachments

1. October 8, 2024 Regular Meeting Minutes



**OAK LODGE WATER SERVICES
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
OCTOBER 8, 2024**

Board of Directors

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

Oak Lodge Water Services Staff

| | |
|---------------------|---|
| Brad Albert | General Manager |
| Aaron Janicke | Public Works Director/District Engineer (PWD) |
| David Hawkins | Plant Superintendent |
| Lindsey Kangiser | HR/Payroll Manager |
| Sebastian Rodrigues | Interim Finance Director |
| Laural Casey | District Recorder |

Consultants & Organizational Representatives

| | |
|--------------|--------------|
| Tommy Brooks | Cable Huston |
|--------------|--------------|

1. Call to Order

Chair Keil called the meeting to order at 3:58 p.m.

2. Call for Public Comment

There were no comments

3. Consent Agenda

Items on the Consent Agenda included:

- The August 2024 Financial Report, and
- September 10, 2024 Board Meeting Minutes.

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

MOTION CARRIED

4. Consideration of Task Order with AKS Engineering for Design of Courtney Ave Sewer Rehabilitation

PWD Janicke outlined the project and proposed task order.

The board made comments and asked questions regarding the County project coordination, line rehabilitation methods,

Treasurer Gornick moved to approve the General Manager to initiate a task order under the active On-Call Technical Services Contract with AKS Engineering for the design of the Courtney Ave Sewer Rehab project for \$99,750. Director Van Loo seconded. District Recorder Casey conducted a roll call vote. Voting Aye: Directors Keil, Williams, Gornick, Van Loo, and Bullock.

MOTION CARRIED

5. Consideration of Amendment for LS2 and LS6 Smoke Testing Contract

PWD Janicke outlined the proposed amendment.

The board made comments and asked questions regarding the ongoing smoke testing and contractor rotation.

Vice Chair Williams moved to approve the General Manager to sign an amendment to increase the Lift Station 2 and 6 basin smoke testing task order with WSC to \$119,280. Director Bullock seconded. District Recorder Casey conducted a roll call vote. Voting Aye: Directors Keil, Williams, Gornick, Van Loo, and Bullock.

MOTION CARRIED

6. Consideration of Appropriation Funding Contract with Business Oregon for the Tertiary Treatment Project

General Manager Albert outlined the grant and funding contract, which have been reviewed by legal counsel.

The board made comments and asked questions regarding the ongoing audit, the terms and conditions of the contract.

Vice Chair Williams moved to approve the contract with Oregon Business Development Department as presented and authorize the General Manager to execute the agreement on behalf of Oak Lodge Water Services. Director Bullock seconded. District Recorder Casey conducted a roll call vote. Voting Aye: Directors Keil, Williams, Gornick, Van Loo, and Bullock.

MOTION CARRIED

7. Consideration of Contract with Robert Half for Interim Finance Director Services

General Manager Albert summarized the need for an Interim Finance Director and the placement of Sebastian Rodrigues for a six-month period.

The board made comments and asked questions regarding funding of the interim position and the job description.

Director Bullock moved to approve the General Manager to negotiate and sign a personal services contract with Robert Half to provide an Interim Finance Director as needed. Vice Chair Williams seconded. District Recorder Casey conducted a roll call vote. Voting Aye: Directors Keil, Williams, Gornick, Van Loo, and Bullock.

MOTION CARRIED

8. Business from the Board

Vice Chair Williams reported on the Jennings Lodge CPO meeting.

Chair Keil reported on the Elks Safety Fair. There was discussion about continued support of community events.

Director Van Loo reported on the North Clackamas Chamber legislative priorities.

9. Department Reports

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

- the fiscal year 2021 financial audit,
- the promotion and onboarding of new employees,
- an update on projects, and
- meeting the NPDES permit requirements.

The Board provided comments and asked clarifying questions regarding water meter replacement, NCWC outfall restoration, DEQ required testing, and the sodium hypochlorite tank replacement.

10. Adjourn Meeting

Chair Keil adjourned the meeting at 4:49 p.m.

Respectfully submitted,

Susan Keil
Chair, Board of Directors

Kevin Williams
Vice Chair, Board of Directors

Date: _____

Date: _____



AGENDA ITEM

| | |
|----------------|---|
| To | Board of Directors |
| From | Brad Albert, General Manager |
| Title | Presentation of State and Federal Government Relations Update |
| Item No | 4.a. |
| Date | November 12, 2024 |

Summary

Thorn Run Partners provides government affairs services to Oak Lodge Water Services at both the Federal and State level. Started in 2010, Thorn Run Partners is a bipartisan team of professionals with both legislative and agency experience. This enables them to implement a full-scale government relationship strategy as Oak Lodge Water Services works to obtain grants and loans from both the Federal and State governments in order to implement the OLWS Tertiary Filtration Treatment and Inflow and Infiltration capital projects.

Thorn Run Partners' presentation tonight covers the work done to date and the forecasted future focus of their work in the next year.

Attachments

None



AGENDA ITEM

| | |
|----------------|---|
| To | Board of Directors |
| From | Sebastian Rodrigues, Interim Finance Director |
| Title | Presentation of FY 2021 Financial Audit by Moss Adams |
| Item No | 4.b. |
| Date | November 12, 2024 |

Summary

ORS 297.425 requires that Oak Lodge Water Services District be audited and reviewed at least once each calendar or fiscal year by accountants authorized by the Secretary of State to conduct municipal audits.

Moss Adams was selected as the District's financial auditor. Tonight, Moss Adams representatives will present financial audit results for the 2020/2021 fiscal year. Moss Adams will also provide a status on prior audit recommendations and any new observations.

Attachments

1. OLWSD Audited FS 2021-06-30 (FINAL)

OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEARS ENDED JUNE 30, 2020 AND 2021

OAK LODGE WATER SERVICES DISTRICT
Clackamas County, Oregon

Financial Report

For the Years Ended June 30, 2020 and 2021

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

JUNE 30, 2021

| <u>Board of Directors</u> | <u>Term Expiration</u> |
|----------------------------------|-------------------------------|
| Susan Keil | June 30, 2023 |
| Kevin Williams | June 30, 2023 |
| Ginny Van Loo | June 30, 2021 |
| Paul Gornick | June 30, 2021 |
| Mark Knudson | June 30, 2021 |

All board members receive mail at the address below.

Registered Agent

Sarah Jo Chaplen (2021)
Brad Albert (2024)
14496 SE River Road
Oak Grove, OR 97267

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

TABLE OF CONTENTS

FINANCIAL SECTION:

REPORT OF INDEPENDENT AUDITORS 1-3

MANAGEMENT'S DISCUSSION & ANALYSIS i-xi

BASIC FINANCIAL STATEMENTS:

Statements of Net Position 4

Statements of Revenues, Expenses, and Changes in Net Position 5

Statements of Cash Flows 6

Notes to Basic Financial Statements 7-37

REQUIRED SUPPLEMENTARY INFORMATION:

Required Pension Information –
Retirement Pension Plan 39-40

Schedule of the Proportionate Share of the Net Pension Liability

Schedule of Contributions – Pension

Retirement Health Insurance Account (RHIA) Plan 41-42

Schedule of the Proportionate Share of OPEB - RHIA

Schedule of Contributions to OPEB – RHIA

SUPPLEMENTARY INFORMATION:

Budgetary Reporting
Combining Balance Sheet – All Funds (Budgetary Basis) 45

Schedule of Revenues, Expenditures, Other Financing Sources and Uses
and Changes in Fund Balance – Actual and Budget (Budgetary Basis) 46

Administrative Service Fund 47

Drinking Water Fund 48

Wastewater Reclamation Fund 49

Watershed Protection Fund 50

Wastewater GO Debt Service Fund 51

Wastewater Revenue Bond Debt Service Fund 52

Drinking Water Capital Improvement Fund 53

Wastewater Reclamation Capital Improvement Fund 54

Watershed Protection Capital Improvement Fund 55

OTHER INFORMATION:

Program Compliance Information

Coverage Computation

Revenue Bonds

State of Oregon Department of Environmental Quality (DEQ)

Clean Water State Revolving Fund Loans 58

JP Morgan Chase Direct Placement 60-61

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

TABLE OF CONTENTS (CONTINUED)

OTHER INFORMATION (CONTINUED):

Program Compliance Information (Continued)

Continuing Disclosures

Revenue Bonds

JP Morgan Chase Direct Placement

Overlapping & Direct Property-tax Backed Bonded Debt

62

Top Ten Rate Payers

63

Report of Independent Auditors Required by Oregon State Regulations

65-66

FINANCIAL SECTION

Report of Independent Auditors

The Board of Directors
Oak Lodge Water Services District

Report on the Financial Statements

We have audited the accompanying financial statements of Oak Lodge Water Services District (the District), which comprise the statements of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of pension plan contributions, schedule of the proportionate share of the net OPEB asset, schedule of RHIA plan contributions, schedule of changes in total OPEB liability, and schedule of post-employment health insurance subsidy plan contributions (collectively, "required supplementary information"), be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements. The combining schedules and budgetary schedules (collectively, "supplementary information") are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules and budgetary schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

The accompanying program compliance information is not a required part of the basic financial statements but are supplementary information provided for purposes of additional analysis. We did not audit or perform any other procedures on this information and express no opinion on it.

Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with the *Minimum Standards for Auditors of Oregon Municipal Corporations*, we have also issued our report dated October 4, 2024, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of the Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Keith Simovic". The signature is written in a cursive, flowing style.

Keith Simovic, Partner
for Moss Adams LLP
Portland, Oregon
October 4, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the Oak Lodge Water Services District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in the notes to the financial statements.

Financial Highlights

- At June 30, 2021, the District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$65.2 million (net position). Of this amount, \$39.9 million represents an investment in capital assets, net of related debt; while \$24.7 million represents unrestricted net position, which may be used to satisfy ongoing obligations to citizens and creditors.
- Net position decreased \$1.0 million or (1.5%) as expenses of \$16.6 million exceeded revenues of \$15.6 million.

Overview of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of the following: 1) Statements of Net Position, 2) Statements of Revenues, Expenses and Changes in Net Position, 3) Statements of Cash Flows, and 4) Notes to the Basic Financial Statements.

The District's basic financial statements are intended to provide a broad overview of the District's finances. The Statements of Net Position present information on assets, deferred outflows, liabilities, deferred inflows, and net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statements of Revenues, Expenses and Changes in Net Position present information on the District's operating and non-operating activities and a resulting change in net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (i.e., uncollected fees, unused vacation leave, future pension expense, etc.). The Statements of Cash Flows present information showing how the District's cash changes as a result of current year operations. The Notes to the Basic Financial Statements provide additional information that is essential to a complete understanding of the data provided in the financial statements.

The activities of the District comprise business-type activities. The District provides water-related services and recovers its costs through service charges and sundry fees. Services include the distribution of drinking water, the collection and treatment of wastewater, and management of watershed protection. Accordingly, the District is an enterprise entity, and its finances are accounted for using proprietary fund accounting. Proprietary fund accounting is otherwise known as accrual accounting and provides that revenue is recorded when it is earned, and expenses are recorded when they are incurred.

Financial Analysis

Statements of Revenues, Expenses, and Change in Net Position

The actual change in net position is the direct result of the differences between revenues and expenses. For the fiscal year ended June 30, 2021, total revenue increased 0.5% and total expenses increased 32.7%. This caused net position to decrease 1.6%.

The following schedule presents a summary of revenues, expenses, and changes in net position:

| | Restated | | |
|---------------------------------|------------------|------------------|------------------|
| | June 30, 2019 | June 30, 2020 | June 30, 2021 |
| Operating Revenues | \$ 13,350 | \$ 14,027 | \$ 14,231 |
| Operating Expenses | 10,331 | 11,574 | 11,518 |
| Operating Income | 3,019 | 2,453 | 2,713 |
| Non-Operating Revenue (Expense) | (340) | (484) | (4,413) |
| Capital Contributions | 1,062 | 1,005 | 654 |
| Change in Net Position | 3,741 | 2,975 | (1,047) |
| Beginning Net Position | 59,544 | 63,285 | 66,260 |
| Ending Net Position | <u>\$ 63,285</u> | <u>\$ 66,260</u> | <u>\$ 65,213</u> |

Revenues

The District's primary source of operating revenue is service charges derived from water related services, including the distribution of drinking water, collection and treatment of wastewater, and provision of watershed protection services. Water demand, water utility service rates, and wastewater utility service rates are the primary drivers behind changes in drinking water and wastewater service charge revenue. Impervious surface area and watershed protection utility service rates are the primary driver behind changes in watershed protection service charge revenue. Some operating revenue is attributed to development activity related to the permitting of new utility connections and impervious surfaces. Utility rate increases helped operating revenue increase by 5.1% and 1.5% in fiscal years 2020 and 2021, respectively.

| Utility Service | Category | Tier | Volume | 2019 Monthly Rate | 2020 Monthly Rate | 2021 Monthly Rate |
|---------------------------------|-------------|------------|-----------|-------------------------|-------------------------|-------------------------|
| Water | Base | | | \$ 17.00 | \$ 17.77 | \$ 17.87 |
| Water | Consumption | Tier 1 | 0-10 CCF | \$ 1.12 | \$ 1.17 | \$ 1.18 |
| Water | Consumption | Tier 2 | 11-50 CCF | \$ 1.51 | \$ 1.58 | \$ 1.59 |
| Water | Consumption | Tier 3 | 51+ CCF | \$ 1.78 | \$ 1.86 | \$ 1.87 |
| Water | Consumption | Commercial | 1+ CCF | \$ 1.58 | \$ 1.65 | \$ 1.66 |
| Wastewater | Base | | | \$ 38.04 | \$ 39.89 | \$ 40.09 |
| Wastewater | Consumption | | | \$ 2.19 | \$ 2.27 | \$ 2.28 |
| Watershed Protection | Base | | | \$ 9.10 | \$ 9.51 | \$ 9.51 |
| Stormwater Facility Maintenance | Base | | | \$ 4.55 | \$ 4.75 | \$ 4.75 |

In fiscal year 2020 the District hired Cavanaugh and Associates to perform a Non-Revenue Water Analysis (NRW) based on standards of the International Water Association (IWA) / American Water Works Association (AWWA) Water Audit Method, M36 Manual for Water Audits & Loss Control Programs, and the Water Research Foundation (WRF) Level 1 Water Audit Validation Guidance Manual. The analysis provides the tools to implement best practices which entail leakage control and

revenue recovery programs that will keep losses contained to appropriate, economically justified levels. The economic analysis from Cavanaugh and Associates established a Target NRW Recovery (“Gap”) of 109 million gallons of water a year or \$124 thousand a year. This “gap” warrants continued investment in reducing non-revenue water. The next several years will require implementation of loss reduction methods and focusing on improving the reliability of data used in the analysis.

Capital contributions decreased 5.4% in fiscal year 2021 because the District did not receive capital grants during the fiscal year; however, the decrease was offset by an increase in the amount of \$289,336 or 40.5% attributed to system development charges resulting from various new development in the community. System development charges decreased by 34.9% in 2021 and no capital grants were received.

Expenses

The District’s activities comprise four primary functions, including general administration, drinking water operation, wastewater collection and treatment operation, and watershed protection. For the fiscal years ended June 30, 2020 and June 30, 2021, the District’s total operating expenses were \$11,573,954 and \$11,517,923, respectively. The District’s total operating expenses increased \$1,243,022 or 12.3% in fiscal year 2020 while it decreased \$56,031 or 0.5% in fiscal year 2021. The primary cause for the increase in 2020 was a 12.5% increase in personnel services, a 19.5% increase in materials and services, and a 0.1% decrease in depreciation expense. The primary cause for the overall decrease in 2021 is a 9.0% increase in personnel services, a 14.21% decrease in materials and services, and a 4.8% increase in depreciation as older equipment and infrastructure is being replaced.

| | Restated June 30, 2019 | June 30, 2020 | June 30, 2021 |
|-----------------------------|---------------------------|---------------|---------------|
| Operating Expenses: | | | |
| Personnel Services | \$ 4,355 | \$ 4,898 | \$ 5,340 |
| Materials and Services | 3,603 | 4,306 | 3,694 |
| Depreciation | 2,372 | 2,370 | 2,484 |
| Subtotal Operating Expenses | <u>10,330</u> | <u>11,574</u> | <u>11,518</u> |

The largest portion of operating expenses are comprised of personnel services expenses. Personnel services expenses comprised 42.2%, 42.3%, and 46.4% of total operating expenses in the fiscal years ended June 30, 2019, 2020, and 2021, respectively. Personnel services expenses increased 12.5% in fiscal year 2020 due to adding three new positions, filling vacant positions, and funding an alternative supplemental payment towards pension liabilities. Personnel service expenses increased 9.0% in fiscal year 2021 as a result of increasing salaries to align with market salary studies and staff turnover. The supplemental pension payment did not receive matching funds from the State but did establish a side account that lowered the District’s required contribution rates effective February 1, 2020. An ongoing, unfunded pension liability and other post-employment benefits continue to pressure cost inflation in personnel services. Refer to Note 9 for additional details about the District’s defined benefit pension plan.

The second largest portion of operating expenses reflects materials and services expenses. Materials and services expenses comprised 34.9%, 37.2%, and 32.1% of total operating expenses in the fiscal years ended June 30, 2019, 2020, and 2021, respectively. Materials and service expenses increased 19.5% in fiscal year 2020 due primarily to an increase in professional and technical services, maintenance expenses, and water purchase costs. Materials and service expenses decreased 14.2% in fiscal year 2021 due primarily to an increase in the cost of purchased water and utilities. The increase was largely offset by decreases in legal and contracted services during the year.

Recent initiatives have required the District to review its operations, water distribution network, water meters, and billing processes to assess whether it is maintaining its system adequately and accounting for all the water it purchases and sells. Ongoing capital asset management and maintenance requirements will continue to be a priority of the District in light of its aging system. Financial consulting services were needed to help the District manage the water audit and implement best practices by which to manage the District's finances.

Water purchase expense by the District is initially calculated on budgeted costs based on estimated water demand of all members of the North Clackamas County Water Commission (NCCWC). Following the close of each year, a true-up is established by reconciling actual costs and actual water demand. In the event amounts are refunded to the members, water purchase expense of the members is reduced. The District purchased 5.6% more water between 2020 and 2021, while its rate to purchase water decreased by (0.7%) from \$0.7486 per CCF to \$0.7437 per CCF during 2021. As a result, water purchase expense increased \$55,831 or 5.0% from 2020 to 2021. Refer to Note 6 for additional details about the District's participation in the NCCWC and its water purchases in fiscal years 2020 and 2021.

The remaining portion of operating expense reflects depreciation attributed to ongoing aging of capital assets. Depreciation expense comprised 23.0%, 20.5%, and 21.5% of total operating expenses in the fiscal years ended June 30, 2019, 2020, and 2021, respectively. From fiscal year 2020 to fiscal year 2021 depreciation expense remained consistent, increasing 4.8% as a result of assets reaching the end of their useful life and most new assets starting service in the second half and end of the fiscal year. Capital asset renewal and replacement costs will drive future changes in the level of depreciation expense.

Statements of Net Position

Net position serves as one useful indicator of a government's financial position. At the close of the fiscal years ended June 30, 2020, and June 30, 2021, the District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$66.3 million and \$65.2 million (net position), respectively. The largest portion of net position (63.0% and 61.2%, respectively) reflects the District's investment in capital assets, net of related debt. The District uses its capital assets to provide water-related services to the general public within its service boundaries. Consequently, capital assets are not available for future spending. A small portion of net position (0.9% and 0.9%) reflects cash resources that are restricted through legal loan reserve requirements. The remaining portion of net position (36.1% and 37.9%, respectively) is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.

The following schedule presents a summary of assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position:

STATEMENTS OF NET POSITION (in thousands)

| | Restated June 30, 2019 | June 30, 2020 | June 30, 2021 |
|--|---------------------------|--------------------------|--------------------------|
| ASSETS AND DEFERRED OUTFLOWS | | | |
| Current Assets | \$ 16,137 | \$ 17,084 | \$ 17,562 |
| Non-Current Assets | | | |
| Other Post-Employment Benefit | 34 | 47 | 48 |
| Investment in NCCWC | 12,716 | 12,726 | 12,935 |
| Capital Assets (Net) | 76,436 | 76,309 | 71,579 |
| Total Non-Current Assets | <u>89,186</u> | <u>89,082</u> | <u>84,562</u> |
| Total Assets | <u>105,323</u> | <u>106,166</u> | <u>102,124</u> |
| Deferred Outflows | <u>1,679</u> | <u>1,917</u> | <u>2,633</u> |
| Total Assets and Deferred Outflows | <u><u>\$ 107,002</u></u> | <u><u>\$ 108,083</u></u> | <u><u>\$ 104,757</u></u> |
| LIABILITIES, DEFERRED INFLOWS, AND NET POSITION | | | |
| Current Liabilities: | \$ 3,962 | \$ 4,575 | \$ 4,385 |
| Long-Term Liabilities: | | | |
| Proportionate Share of Net Pension Liability | 4,319 | 4,650 | \$ 5,721 |
| OPEB Liability - GASB 75 Implicit Rate Subsidy | 114 | 200 | 221 |
| Capital Lease, Less Current Portion | 226 | 172 | 116 |
| Bonds Payable, Less Current Portion | 34,356 | 31,535 | 28,661 |
| Total Long-Term Liabilities | <u>39,015</u> | <u>36,557</u> | <u>34,719</u> |
| Total Liabilities | <u>42,977</u> | <u>41,132</u> | <u>39,104</u> |
| Deferred Inflows | <u>740</u> | <u>692</u> | <u>440</u> |
| Total Liabilities and Deferred Inflows | <u>43,717</u> | <u>41,824</u> | <u>39,544</u> |
| Net Position: | | | |
| Net Investment in Capital Assets | 39,056 | 41,727 | 39,943 |
| Restricted | 590 | 590 | 590 |
| Unrestricted | 23,639 | 23,942 | 24,680 |
| Total Net Position | <u>63,285</u> | <u>66,259</u> | <u>65,213</u> |
| Total Liabilities, Deferred Inflows, and Net Position | <u><u>\$ 107,002</u></u> | <u><u>\$ 108,083</u></u> | <u><u>\$ 104,757</u></u> |

Capital Asset and Long-Term Debt Activity

The District's capital asset activities include investments in land, buildings, machinery, wastewater reclamation facilities, sewer collection systems, water distribution systems, and various equipment. Capital assets acquired typically have lengthy life expectancies and generally recur in time periods spanning many years apart rather than on a year-to-year basis. For the fiscal years ended June 30, 2020, and 2021, the District's capital acquisitions amounted to \$2.25 million and \$2.0 million, respectively. The change in the amount of capital acquisitions is the direct result of timing related to capital acquisitions.

Capital acquisitions in fiscal year 2020 included the following (not all inclusive):

- Progress towards remodeling administration building (\$16,599)
- Progress towards utility master plans (\$60,426)
- Replacing water meter equipment (\$579,235) and miscellaneous equipment (\$2,005)
- Progress towards improvements to the surface water management collection system (\$1,065,312)
- Progress towards renewal of water reclamation facility (\$195,415)
- Installed water distribution systems (\$139,960)
- Improvements to the sanitary sewer collection system (\$112,330)

Capital acquisitions in fiscal year 2021 included the following (not all inclusive):

- Completion of resiliency and emergency planning (\$74,593)
- Progress towards utility master plans (\$50,636)
- Progress on renewal of water distribution system (\$155,705)
- Improvements in information technology control systems (\$145,056)
- Progress on renewal of water reclamation facility (\$643,448)
- Progress toward renewal of wastewater collection system (\$391,960)

For the fiscal year ended June 30, 2020, and June 30, 2021, capital investment of \$2.25 million and \$2.0 million were offset by depreciation expense and disposals of replaced assets totalling \$2.4 million and (\$1.8) million, respectively; therefore, total capital assets decreased \$.1 million or 0.2% and \$4.7 million or 6.2%, respectively. As of June 30, 2021, the District had \$71.6 million invested in capital assets, net of accumulated depreciation. See Note 5 to the financial statements for additional information on capital assets.

Fiscal year ended June 30, 2021 disposal of assets of \$4.3 million, which includes a transfer of \$3.6 million for the Boardman Wetlands project to North Clackamas Park and Recreation District (NCPRD). On March 29, 2018, the District entered into a Purchase and Sale Agreement with NCPRD for the Boardman Wetlands Site. On September 26, 2018, the District and NCPRD executed an Intergovernmental Agreement to develop the Boardman Wetland Complex on approximately 5.8 acres owned by the District. At the completion of the project, the District agreed to transfer the wetland to NCPRD. This transfer of assets took effect on July 1, 2021.

For the fiscal years ended June 30, 2020, and 2021, the District's long-term debt has decreased by 7.5% and 5.0%, respectively. The decrease is the direct result of payments towards principal on outstanding debt and a debt refunding in 2021 resulting in a gain and premium on refunding. Net principal payments during the fiscal years ended June 30, 2020, and June 30, 2021, totaled \$2.8 million and \$2.9 million, respectively.

Capital Asset and Long-Term Debt Activity (Continued)

Until May 1, 2020 the District maintained a AA credit rating with Standard & Poor's, when the last payment was made on the bonds specifically associated with the rating. State statutes limit the amount of general obligation bonds outstanding to 13% of the real market value of taxable property. The estimated real market value for the District's service area is \$4.3 billion. The District's outstanding property-tax backed debt was paid off during fiscal year 2021. As of June 30, 2021, the District's total outstanding bonds payable was \$31.6 million. Additional information regarding the District's debt can be found in Note 8 of the Notes to Basic Financial Statements.

Fund Analysis

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting is consistent with the accrual basis of accounting, except that capital outlay and debt financing are budgeted, while depreciation expense and amortization, and pension and OPEB related expenses are not. The focus of fund accounting is to provide information on near-term inflows, outflows, and balances of available resources.

The District has nine funds. They comprise four operating funds, two debt service funds, and three capital improvement funds. The operating funds distinguish revenue streams and related program requirements and include the Administrative Services Fund, the Drinking Water Fund, the Wastewater Fund, and the Watershed Protection Fund. All revenue related to respective functions are incorporated into its fund, including system development charges. Revenue for the Administrative Services Fund is primarily reimbursements for the support and services it provides to each of the other operating funds. Revenues for the other operating funds are primarily derived from utility service charges to customers. The two debt service funds account for reserves and expenditures for debt service; one fund accounts for general obligation bond debt while another fund accounts for revenue bond debt. Revenue for the debt service funds is primarily comprised of interfund transfers from the operating funds in which service charges are collected to pay debt service. The three capital improvement funds account for reserves and expenditures for capital activity related to each of the three respective functions. Revenue for the three capital funds comes from transfers from the operating funds. The District's spending was within authorized appropriations across all funds.

Fund balance may serve as a useful measure of resources available for spending at the end of each fiscal year. At June 30, 2020 and June 30, 2021, combined ending fund balance had increased 3.2% and 3.4% over the end of the previous fiscal year, respectively. The change in fund balance is the result of revenues exceeding expenditures and lower than estimated capital spending. Fund balance may be used to offset future budget shortfalls in order to maintain service levels without increasing rates.

Fund Analysis (Continued)

The following schedule presents a summary of each fund's ending balance:

| FUND | Ending Fund Balance Fiscal Year Ended June 30, (in thousands) | | |
|--|---|-----------|-----------|
| | 2019 | 2020 | 2021 |
| Administrative Services Fund | \$ - | \$ 599 | \$ 1,376 |
| Drinking Water Fund | 2,430 | 1,504 | 1,267 |
| Wastewater Fund | 1,316 | 1,807 | 967 |
| Wastewater Debt Service Fund - General Obligation Bond | 465 | 436 | 329 |
| Wastewater Debt Service Fund - Revenue Bond | 661 | 334 | 624 |
| Watershed Protection Fund | 1,374 | 679 | 586 |
| Drinking Water Capital Improvement Fund | 3,236 | 4,230 | 4,429 |
| Wastewater Capital Improvement Fund | 4,220 | 5,253 | 4,790 |
| Watershed Protection Capital Improvement Fund | 1,816 | 1,177 | 2,199 |
| Subtotal | \$ 15,518 | \$ 16,019 | \$ 16,567 |

Refer to Note 14 for a discussion on net position and how ending fund balance reconciles to net position.

Economic Factors and Next Year's Budget and Rates

The Oak Lodge Water Services District is a consolidated district derived from the former Oak Lodge Sanitary District and Oak Lodge Water District on January 1, 2017. As disclosed in subsequent events, the District transitioned to a new entity, Oak Lodge Water Services Authority, effective September 16, 2022. Next fiscal year the Authority will continue the District's efforts to update its public drinking water masterplan, including a rate study for both water distribution and system development fees. This will create the methodology for setting future rates for water functions.

New environmental regulations have been announced and more are on the horizon related to drinking water standards, wastewater requirements, and watershed protection. These new regulations include the establishment of pollutant load allocations, potential inclusion of restrictions on heretofore unregulated constituents, and the potential requirement for additional nutrient removal. The District's Watershed Protection Program is regulated by a Municipal Separate Storm Sewer System (MS4) Permit in which the District is a Co-Permittee with other agencies. The District's Water Reclamation Facility (WRF), sanitary sewers, and pumping stations are regulated by a National Pollutant Discharge Elimination System (NPDES) Permit. The NPDES is currently expired and the District operates under an extension of that permit while the new permit is being developed. A draft permit has additional requirements for performance, analyses, and monitoring. These new requirements add engineering, monitoring, and operational costs that were not in the expired permit. Although these new requirements are significant, the District does not consider them to be problematic for meeting all new NPDES Permit requirements.

The District's commitment and obligation to reinvest in facilities that protect public drinking water and ensure watershed protection is a cornerstone of economic factors impacting the District's business decisions, financial results, and corresponding financial position. A significant amount of capital investment was completed in the last seven years with the completion of upgrades to the District's water reclamation facility improvement project, seismic upgrades to the water storage tanks and many other smaller projects; however, the District's capital improvement plans identify further capital investment requirements in the future.

Current capital planning estimates indicate an additional \$18.2 million in capital investment across all programs will be required over the next six years. Total cash resources available for capital spending amount to \$11.4 million. To fund the necessary level of investment, the District will explore resources from future service charges, development fees, regional grants, and debt financing.

Below is a summary schedule reflecting a comparison between capital improvement fund reserves for future expenditures and capital improvement plan program requirements:

CAPITAL IMPROVEMENT FUND CASH RESERVE COMPARISON TO SIX-YEAR CAPITAL PLAN
(in thousands)

| | Capital Cash Reserve at June 30, 2021 | Six-Year Requirement | \$ Difference | % Difference |
|---------------------------|---|-------------------------|---------------|--------------|
| Capital Improvement Funds | | | | |
| Drinking Water | \$ 4,429 | \$ 7,850 | \$ (3,421) | -43.6% |
| Wastewater | 4,791 | 8,544 | (3,753) | -43.9% |
| Watershed Protection | 2,199 | 1,835 | 364 | 19.8% |
| Subtotal | \$ 11,419 | \$ 18,229 | \$ (6,810) | -37.4% |

The cost to deliver water-related services will continue to increase as the cost of labor, materials, energy, and capital investment escalate to satisfy program requirements. With that in mind, the District has been

Economic Factors and Next Year's Budget and Rates (Continued)

steadily increasing its base and consumption volume rates each year to fund program requirements and avoid rate volatility. Effective July 1, 2020, the watershed protection base rate was left unchanged, while the wastewater base rate was increased 0.5% and the wastewater consumption volume rate was increased 0.4%. The water base rates were increased 0.6% while the water consumption volume tier 1, tier 2, and tier 3 rates were increased 0.9%, 0.6%, and 0.5%, respectively. Together, the total monthly service charge billing for the average single-family household using 600 cubic feet of water (CCF) increased \$0.42 or 0.5% per month.

During the year ended June 30, 2021, coronavirus (COVID-19) cases continued to occur in the United States, along with various other countries globally. In fiscal year 2020 and 2021 the COVID-19 pandemic did not appear to have had a significant financial impact on the District. Revenues increased in line with changes in rates and the average accounts receivable collection period remained consistent with the previous year. The District implemented an Emergency Customer Assistance Program (ECAP) to provide short-term and intermediate flexibility in utility payments for customers experiencing economic hardship as a result of the COVID-19 pandemic. There were only a small number of customers during the year who requested ECAP relief, and the total relief provided was 0.02% of total operating revenues.

Currently all Personal Protection Equipment (PPE) costs, extra cleaning supplies, equipment for remote work and physical changes to the HVAC systems in response to COVID-19 have been reimbursable through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and its Coronavirus Relief Fund. During 2020 the District received \$31,415 through the relief fund, including \$7,868 for paid sick and paid family and medical leave expenses, \$16,682 for technical assistance on COVID-19 threat mitigation, and \$6,865 towards other expenditures comprised of telework related expenses and personal protective equipment and supplies. The relief fund ended in December 2020 so future costs will not be reimbursed.

Operations were only mildly impacted by COVID-19. Administrative offices have been closed to the public but staff have been available by phone and able to continue to issue permits, bill customers, and take payments, without a significant impact on productivity. Field operations have seen a slight decrease in productivity due to COVID-19 precautions, such as staff taking separate trucks and limiting the number of staff in the buildings at one time. Treatment operations is seeing some tasks take longer because of COVID-19 precautions. Operationally the District relies on a limited number of staff to support each of its functions. As such the District can be vulnerable to possible disruption by the absence of one or more staff over extended periods. Management has been working with neighboring agencies to put in place labor sharing agreements that allow for the borrowing of trained operators (as available) to assist during temporary staffing disruptions. Management may also rely on temporary staffing assistance to support operations while examining potential joint operations and oversight shared with other nearby utilities. The District expects 2022 to improve from 2021 and all operations will continue with the modifications we have in place. Unless cash flow drops significantly due to customer non-payment (this has not occurred as of yet) we are not anticipating making changes to personnel services. The District believes its operational plans and policies is sufficient to continue providing effective utility services to its customers.

Requests for Information

This financial report is designed to provide a general overview of the Oak Lodge Water Service District's finances for parties interested in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Brad Albert, General Manager, at 14496 SE River Road, Oak Grove, Oregon, 97267.

BASIC FINANCIAL STATEMENTS

**OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON**

**STATEMENTS OF NET POSITION
June 30, 2020 and 2021**

| | June 30, 2020 | June 30, 2021 |
|--|----------------|----------------|
| ASSETS: | | |
| Current: | | |
| Cash and Cash Equivalents | \$ 13,716,596 | \$ 14,220,811 |
| Restricted Cash | 590,483 | 590,483 |
| Accounts Receivable, net | 2,382,339 | 2,228,043 |
| Notes Receivable | - | 53,352 |
| Lease Receivable | - | 20,411 |
| Prepaid Expenses | 71,485 | 169,343 |
| Inventory | 322,736 | 279,452 |
| Total Current Assets | 17,083,639 | 17,561,895 |
| Non-Current: | | |
| Net OPEB Asset | 47,394 | 48,157 |
| Investment In NCCWC | 12,726,195 | 12,934,734 |
| Capital Assets (Net) | 76,308,748 | 71,578,904 |
| Total Non-Current Assets | 89,082,337 | 84,561,795 |
| Total Assets | 106,165,976 | 102,123,690 |
| DEFERRED OUTFLOWS OF RESOURCES: | | |
| Pension Related Deferrals | 1,825,988 | 2,532,984 |
| OPEB Related Deferrals | 91,038 | 99,967 |
| Total Deferred Outflows | 1,917,026 | 2,632,951 |
| Total Assets and Deferred Outflows of Resources | \$ 108,083,002 | \$ 104,756,641 |
| LIABILITIES: | | |
| Current Liabilities: | | |
| Accounts Payable | \$ 1,004,430 | \$ 662,531 |
| Payroll Liabilities | - | 256,303 |
| Unearned Revenue | 46,336 | 45,202 |
| Deposits Payable | 14,000 | 30,454 |
| Accrued Interest | 345,199 | 211,855 |
| Accrued Compensated Absences | 289,683 | 318,382 |
| Current Portion of Lease Payable | 54,233 | 56,229 |
| Current Portion of Bonds Payable | 2,820,823 | 2,803,580 |
| Total Current Liabilities | 4,574,704 | 4,384,536 |
| Long-Term Liabilities: | | |
| Net Pension Liability | 4,650,081 | 5,720,812 |
| Total OPEB Liability | 200,088 | 221,150 |
| Lease Payable, Less Current Portion | 171,970 | 115,741 |
| Bonds Payable, Less Current Portion | 31,534,707 | 28,661,117 |
| Total Long-Term Liabilities | 36,556,846 | 34,718,820 |
| Total Liabilities | 41,131,550 | 39,103,356 |
| DEFERRED INFLOWS OF RESOURCES: | | |
| Pension Related Deferrals | 676,434 | 428,035 |
| OPEB Related Deferrals | 15,505 | 12,317 |
| Total Deferred Inflows | 691,939 | 440,352 |
| Total Liabilities and Deferred Inflows of Resources | 41,823,489 | 39,543,708 |
| NET POSITION: | | |
| Net Investment in Capital Assets | 41,727,015 | 39,942,237 |
| Restricted | 590,483 | 590,483 |
| Unrestricted | 23,942,015 | 24,680,213 |
| Total Net Position | 66,259,513 | 65,212,933 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | \$ 108,083,002 | \$ 104,756,641 |

The accompanying notes are an integral part of these statements.

**OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON**

**STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the Years Ended June 30, 2020 and 2021**

| | June 30, 2020 | June 30, 2021 |
|---|---------------|---------------|
| OPERATING REVENUES: | | |
| Water Service | \$ 3,990,032 | \$ 4,158,874 |
| Wastewater Service | 8,206,730 | 8,268,193 |
| Watershed Protection Service | 1,556,282 | 1,549,615 |
| Other Operating Revenues | 274,408 | 253,886 |
| Total Operating Revenues | 14,027,452 | 14,230,568 |
| OPERATING EXPENSES: | | |
| Personnel Services | 4,898,364 | 5,339,747 |
| Materials and Services | 4,305,668 | 3,693,696 |
| Depreciation | 2,369,922 | 2,484,480 |
| Total Operating Expenses | 11,573,954 | 11,517,923 |
| Operating Income | 2,453,498 | 2,712,645 |
| NON-OPERATING REVENUE (EXPENSE): | | |
| Unrealized Gain (Loss) on Investment in NCCWC | 9,758 | 208,539 |
| Forgiveness of Long-Term Debt | - | 68,767 |
| Loss on disposal of capital assets | (1,640) | (4,281,628) |
| Rents and Leases | 173,020 | 199,196 |
| Interest Subsidy | - | 112,385 |
| Interest Income | 287,814 | 107,039 |
| Interest Expense | (952,563) | (827,681) |
| Total Non-Operating Revenue (Expense) | (483,611) | (4,413,383) |
| CAPITAL CONTRIBUTIONS: | | |
| System Development Charges | 1,004,623 | 654,158 |
| Total Capital Contributions | 1,004,623 | 654,158 |
| Change in Net Position | 2,974,510 | (1,046,580) |
| Beginning Net Position | 63,285,003 | 66,259,513 |
| Ending Net Position | \$ 66,259,513 | \$ 65,212,933 |

The accompanying notes are an integral part of these statements.

**OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON**

**STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2020 and 2021**

| | June 30, 2020 | June 30, 2021 |
|--|---------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash Received from Customers | \$ 14,060,510 | \$ 14,006,807 |
| Cash Paid to Suppliers | (4,254,035) | (3,638,741) |
| Cash Paid to Employees | (4,730,454) | (4,931,227) |
| Net Cash Provided (Used) by Operating Activities | 5,076,021 | 5,436,839 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Purchase of Capital Assets | (2,095,353) | (2,155,746) |
| Capital grant | - | - |
| Proceeds from disposal of capital asset | 2,042 | - |
| System development charges | 1,004,623 | 654,158 |
| Interest Paid on Long-Term Debt | (978,237) | (955,692) |
| Principal Payments on Bonds | (2,798,731) | (2,202,426) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (4,865,656) | (4,659,706) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Public Employees Retirement Side Account | - | (552,000) |
| Rents and Leases | 187,927 | 172,042 |
| Net Cash Provided (Used) by Non-Capital Financing Activities | 187,927 | (379,958) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Earnings on Investments | 287,814 | 107,039 |
| Net Cash Provided (Used) by Investing Activities | 287,814 | 107,039 |
| Net Increase (Decrease) in Cash | 686,106 | 504,215 |
| Cash and Cash Equivalents - Beginning of Year | 13,620,973 | 14,307,079 |
| Cash and Cash Equivalents - End of Year | \$ 14,307,079 | \$ 14,811,294 |

⁽¹⁾ **Cash and cash equivalents are reflected on the Statement of Net Position as follows:**

| | | |
|--|---------------|---------------|
| Cash and cash equivalents | \$ 13,716,596 | \$ 14,220,811 |
| Cash and cash equivalents - restricted | 590,483 | 590,483 |
| Subtotal | \$ 14,307,079 | \$ 14,811,294 |

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

| | | |
|---|--------------|--------------|
| Operating Income | \$ 2,453,498 | \$ 2,712,645 |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | | |
| Depreciation Expense | 2,369,922 | 2,484,480 |
| Increase (Decrease) in Pension, OPEB, and Deferred Outflow/Inflow | 117,123 | 123,518 |
| Decrease (Increase) in Accounts Receivable | (193,012) | 154,296 |
| Decrease (Increase) in Accounts Receivable Related to Capital Outlay | 191,141 | (346,768) |
| Decrease (Increase) in Accounts Receivable Related to Leases | 31,429 | 5,609 |
| Decrease (Increase) in Prepaid Expenses | (6,972) | (97,858) |
| Decrease (Increase) in Inventory | (60,644) | 43,284 |
| Decrease (Increase) in Notes Receivable | - | (53,352) |
| Increase (Decrease) in Accounts Payable | 461,141 | (341,899) |
| Increase (Decrease) in Accounts Payable Related to Capital Outlay | (341,892) | 451,428 |
| Increase (Decrease) in Payroll Liabilities | - | 256,303 |
| Increase (Decrease) in Deposits Payable | 3,500 | 16,454 |
| Increase (Decrease) in Accrued Compensated Absences | 50,787 | 28,699 |
| Net Cash Provided (Used) By Operating Activities | \$ 5,076,021 | \$ 5,436,839 |

Non-cash transactions:

The Investment in Commission increased by \$9,758 and \$208,539 for June 30, 2020 and 2021, respectively.

This is the District's share of the gain/loss in joint venture.

Principal payments of \$68,767 were reduced as a results of debt forgiveness.

The accompanying notes are an integral part of these statements.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Oak Lodge Water Services District (the District) is a special service district organized and operating under Oregon Revised Statutes (ORS), Chapter 264, Chapter 450, and numerous other applicable statutes for purposes of providing drinking water, wastewater, and surface water management services. The District's geographical boundaries exist in a highly urbanized area of largely unincorporated Clackamas County and comprise less than ten percent of the population of Clackamas County. The District also provides some services to individual governmental entities located outside of the District's geographical boundaries, including the Clackamas River Water District, City of Gladstone, City of Milwaukie, and Clackamas County. These cross-jurisdictional services are provided through intergovernmental agreements with the entities.

The District is governed by a five-member Board of Directors. The daily management of the District is under the supervision of the General Manager, who is appointed by the Board of Directors. The District is the level of government financially accountable for all District operations; therefore, District related activity is included in the District's financial statements. There are various governmental agencies and service districts that provide services within the District's boundaries; however, the District is not financially accountable for these entities, and accordingly, their financial information is not included in the District's financial statements.

Measurement Focus, Basis of Accounting, and Basis of Presentation

For financial reporting purposes, the District reports its operations on an enterprise fund basis. Enterprise funds (a proprietary fund type) are accounted for on a flow of economic resources measurement focus. This measurement focus provides that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with operations are included on the Statements of Net Position.

The accrual basis of accounting is utilized by the District for financial reporting. Under the accrual basis of accounting, income is recorded when earned and expenses are recorded at the time liabilities are incurred. The Statements of Revenues, Expenses, and Changes in Net Position present increases (income) and decreases (expenses) in District net position.

Operating and Non-Operating Revenues and Expenses

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with ongoing operations, primarily the provision of water-related services, including the distribution of drinking water, collection and treatment of wastewater, and management of watershed protection. Operating revenues include service charges and related fees as well as miscellaneous fees interconnected to the District's ongoing operations. Operating expenses include all necessary costs related to the performance and administration of the District's ongoing activities as well as depreciation expense on the District's capital assets.

Non-operating revenues and expenses include rental income, debt premium proceeds or discount costs, interest income or loss, and income or loss derived from the disposal of capital assets. Capital contributions include system development fees associated with new connections to the District's water distribution system or wastewater collection and treatment facilities. Capital contributions also include capital grant income and capital grant expenditures that fund capital projects in which the District has a programmatic interest but fails to retain actual ownership of infrastructure. Non-exchange transactions, in which the District receives value without giving equal value in exchange, comprise developer contributions.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, cash on deposit, cash in restricted accounts, and positions in a cash and investment pool that has the same characteristics as a demand deposit (resources can be deposited or withdrawn without notice or penalty). Cash equivalents include investments in the State of Oregon Local Government Investment Pool (LGIP); the District's position in the LGIP approximates the fair value of the pool shares.

Restricted Cash is segregated on the Statements of Net Position and reflects cash deposits whose use is restricted to specific purposes. Restrictions may comprise unspent debt proceeds raised to finance water reclamation facility renovations, money market demand deposits related to construction retainage escrow liabilities, and debt financing reserve requirements stipulated by debt financing agreements.

Receivables

Utility service charges are billed in arrears to residential, commercial, and industrial customers. To effectively balance workload, maintain reasonable overhead, and cost-effectively manage the number of customer accounts billed, the District divides its standard size water meter accounts into two billing cycles with each cycle billed bimonthly on an alternating basis, and bills large water meter accounts monthly. All service charges are due 15 days from the last day of the billing period. Service charges not paid by the fifteenth day of the following month are subject to an interest penalty in the amount of one percent (1%) per month on the unpaid balance or twelve percent (12%) per annum. Unbilled receivables comprise accruals for estimates of service fees owed through June 30 which are billed subsequent to the fiscal year end.

The District also has authority per Oregon Revised Statutes (ORS) to place a lien on real property for balances due to collect amounts owed through the real property title review process before properties are sold. In cases where the District cannot lien property the District sends the delinquent account to a collection agency. In cases where the District cannot shut-off water service or otherwise curtail water service the District may be able to certify delinquent wastewater and watershed protection fees to the Clackamas County Tax Assessor under authority provided by ORS 454.225 which allows such amounts to be collected alongside property tax charges. Nevertheless, the District is still subject to uncollectible receivables due to federal and state bankruptcy rules and regulations shielding debtors from creditors and Clackamas County's payment discounts. Receivables, therefore, are reported net of an allowance for doubtful accounts based on a specified percentage of accounts receivables past 120 days old.

System development fees are generally due upon receipt of the service. However, in the event a customer cannot pay the District's system development fee(s), Oregon Revised Statutes provide for time payment. The District grants customers who request time payment the options provided by law, including the opportunity to execute a promissory note with the District. Promissory notes constitute a lien on property and are recorded as such on the title until paid in full. Other fees, including inspections, licenses, real property title search fees, reimbursements, and miscellaneous items are generally due upon receipt of invoice.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables (Continued)

The District maintains several lease agreements to rent space at various properties for additional income over and above its water sales revenue. Each lease agreement has different terms regarding length and inflation.

Unearned Revenue

Rent billed and collected prior to the month of service is recognized as unearned revenue.

Inventories

Inventory of materials is valued at the lower of cost or market, with cost determined on a weighted average basis, and is reported as an expenditure as used. Materials procured for capital projects are recorded in Construction in Progress until the project is complete and placed in service.

Capital Assets

Capital assets primarily include land, buildings, water distribution system infrastructure, sanitary sewer collection system infrastructure, watershed protection system infrastructure, machinery and equipment, vehicles, and similar items, including intellectual property, with a cost of \$5,000 or more, and an expected useful life greater than one year.

The cost of capital assets acquired and/or constructed includes all expenses incurred in the acquisition or construction of the asset, including capital project master planning, engineering design, legal services, and interest accrued during construction.

Capital assets acquired and/or constructed are capitalized and recorded at cost (or estimated historical cost). Capital assets donated to the District are recorded at estimated fair market value as of the date of acquisition.

Staff labor in relation to planning, designing, and constructing capital assets as well as staff labor renewing capital assets to extend useful life are not capitalized. The cost of normal maintenance and repairs that do not add to the value of capital assets or materially extend capital assets estimated useful life are expensed in the fiscal year incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the capital assets.

Capital assets estimated useful lives are as follows:

| | |
|----------------------------|----------------|
| Building and Improvements: | 10 to 50 years |
| Infrastructure: | 33 to 50 years |
| Equipment: | 5 to 10 years |

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statements of Net Position report a separate section for deferred outflows of resources or deferred inflows of resources. These separate financial statement elements represent a consumption (outflow) or acquisition (inflow) of net position that applies to a future period(s) and so will not be recognized as an outflow (expense/expenditure) or inflow (revenue) of resources until then.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences Liabilities

Employees earn sick, vacation, and personal holiday leave through their employment with the District. Accumulated sick leave is limited to nine-hundred twenty (920) hours. Accumulated vacation leave is limited to a maximum of four-hundred (400) hours. Accumulated personal holiday leave is limited to twenty-four (24) hours. Employees may also earn compensatory leave in lieu of overtime pay for hours worked in excess of eight (8) hours per workday or forty (40) hours per work week but accumulated compensatory leave is limited to a maximum of eighty (80) hours. The District does not recognize an expense or accrue a liability for accumulated sick leave or personal holiday leave because employees do not receive compensation for unused sick leave hours if they separate from service with the District and personal holiday leave is subject to expiration after the last day of each calendar year. The District recognizes an expense and accrues a liability for accumulated vacation leave hours and compensatory leave because employees receive compensation for unspent vacation leave hours and compensatory leave hours if they separate from service with the District.

Long-Term Debt

Long-term debt is reported based on the remaining principal amount due. Premiums and discounts are amortized using the effective interest method over the remaining life of the associated debt.

Net Position

Net position is the difference between assets and deferred outflows of resources versus liabilities and deferred inflows of resources. Net position has three components: net investment in capital assets, restricted net position, and unrestricted net position. Net investment in capital assets consists of all capital assets, net of accumulated depreciation, reduced by outstanding debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of resources that are subject to constraints by external parties, including lenders, grantors, contributors, laws, regulations, and enabling legislation. Amounts reported correspond to legal loan reserves of the District's long-term debt. Unrestricted net position consists of all other resources that are available for meeting financial obligations of the District. Net position may be used to offset periods of budget shortfalls in order to maintain service rates.

Employee Retirement Plan and Other Post-Employment Benefits (OPEB)

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS, and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Operating interfund transactions are reported as transfers. Occasionally, one fund will borrow cash from another fund on a short-term basis, which is then reported as "due from" in current assets of the lending fund and "due to" in the current liabilities of the borrowing fund. These short-term loans are made and repaid without interest and are often used to cover short-term cash deficits caused by timing differences in cash flows.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with the accrual basis of accounting, except that capital outlay is expensed when purchased, depreciation and amortization are not recorded, developer contributions are not recorded, debt is recorded as resources when received, pension costs are not recorded until paid, and debt payments are recorded as expenses when paid. A preliminary budget is prepared and presented to a Budget Committee, which is comprised of the Board of Directors and an equal number of non-elected citizens. After public meetings, the Budget Committee forwards its approved budget to the District's Board of Directors. The Board conducts a public hearing, adopts the final budget, and makes appropriations prior to the beginning of the fiscal year.

Appropriations are made by fund at the major category level (personnel services, materials and services, operating contingencies, transfers to other funds, capital outlay, and debt service) for each fund. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of the fund's original budget may be adopted by the Board of Directors at a regular Board meeting. A supplemental budget greater than or equal to 10% of the fund's original budget requires hearings before the public, publication, and approval by the Board of Directors.

Original and supplemental budgets may be modified by the use of appropriation transfers between levels of control. Such transfers require approval by the Board of Directors. Appropriations lapse on June 30 of each fiscal year. Expenditures of the various funds were within authorized appropriations, with exceptions in Drinking Water Fund Materials and Services appropriation and the Wastewater General Obligation Bond Fund for total expenditures. Budget amounts shown in the budgetary financial schedules reflect original appropriations and two appropriation transfers.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The District's investment in the Local Government Investment Pool (LGIP) is also reported as cash and cash equivalents.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx). If the link has expired, please contact the Oregon Short Term Fund directly.

State statutes and the District's own investment policy govern the District's cash management policies. Statutes authorize the District to invest in banker's acceptances, time certificates of deposit, repurchase

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

3. CASH AND CASH EQUIVALENTS (CONTINUED)

agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool (LGIP).

Cash and cash equivalents at June 30, 2020, and June 30, 2021, (recorded at fair value) consisted of:

| | <u>June 30, 2020</u> | <u>June 30, 2021</u> |
|---------------------------------------|----------------------|----------------------|
| Deposits with Financial Institutions: | | |
| Petty Cash | \$ 450 | \$ 450 |
| Demand Deposits: | | |
| Checking | 775,047 | 1,457,479 |
| Deposits with LGIP | 13,531,582 | 13,353,365 |
| Total cash and cash equivalents | <u>\$ 14,307,079</u> | <u>\$ 14,811,294</u> |

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a financial institution, the District will not be able to recover the value of its deposits and collateral securities in the possession of the financial institution. The District does not have a deposit policy for custodial credit risk. The District's demand deposit accounts, and time and saving deposit accounts with financial institutions are each insured by either the Federal Depository Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) up to a maximum of \$250,000. To provide additional security, where balances exceed \$250,000, Oregon statutes require depositories qualified to hold public funds to participate in the Oregon Public Funds Collateralization Program in which depositories become part of a multiple financial institution collateral pool and are required to pledge as collateral securities with a value at least equal to their maximum liability towards protecting public funds in the event one or more of the participating depositories fail. Securities are held in the safekeeping of a custodian chosen by the state.

The Oregon Public Funds Collateralization Program determines each depository's maximum liability from the depository's capitalization category set forth by the FDIC. The program is intended to eliminate custodial credit risk and make loss very unlikely but does not actually guarantee absolute total safety. As of June 30, 2020, and June 30, 2021, the District held \$775,047 and \$1,457,479 (book balance) in deposits with a bank balance of \$931,982 and \$1,559,933; of this amount, \$250,000 and \$250,000 was insured by the FDIC, respectively. The remaining amount is collateralized under the Oregon Public Funds Collateralization Program (PFCP).

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Oregon Revised Statutes restrict the District to specific types of investments, including general obligations of the United States Government and its agencies, obligations of the State of Oregon that have a rating of A or better, obligations of the States of California, Idaho, and Washington that have a rating of AA or better, A-1 or better rated commercial paper, banker's acceptances, AA rated corporate bonds, A rated corporate bonds of certain holding companies in the State of Oregon, time deposits, repurchase agreements, and Oregon's Local Government Investment Pool (LGIP).

The District's investment policy is consistent with Oregon's restrictions on investments. At June 30, 2020 and June 30, 2021, the District had no investments, other than deposit investments in the LGIP.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

3. CASH AND CASH EQUIVALENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The District's investment policy limits investment in a single security type or with a single financial institution to no more than eighty percent (80%) of the District's total portfolio, with the exception of commercial paper and Oregon's Local Government Investment Pool (LGIP). Investments in commercial paper and corporate notes are limited to no more than thirty-five percent (35%) of the District's total portfolio at the time of investment, and investment in commercial paper and corporate notes of a single holding or single issuer is further limited to no more than five percent (5%) of the District's total portfolio. Investments in the LGIP may exceed eighty percent (80%) of the District's total portfolio as the Oregon Short-Term Fund (the Fund) utilizes a variety of investment vehicles and financial institutions. At June 30, 2021, the District's deposit and investment types, as a percentage of the District's total deposit and investment portfolio, included public funds deposit accounts (9.8%) and the LGIP (90.2%).

Interest Rate Risk

Interest rate risk is the risk of loss attributable to liquidating investments prior to maturity but subsequent to periods of increasing interest rates. The District's investment policy is to match investment activity to cash flow requirements and invest to maturity in an effort to avoid loss through untimely conversion of investments to cash. The District's investment policy further limits investments to financial securities with maturity terms of eighteen (18) months or less to minimize exposure to fair value losses arising from increasing interest rates. At June 30, 2020, and June 30, 2021, the District had no investments, other than deposits in the LGIP.

4. ACCOUNTS RECEIVABLE

Accounts receivable detail for each operating fund at June 30, 2021 were as follows:

| | <u>Administrative Services</u> | <u>Drinking Water</u> | <u>Wastewater Disposal</u> | <u>Watershed Protection</u> | <u>Subtotal</u> |
|--|------------------------------------|---------------------------|--------------------------------|---------------------------------|---------------------|
| Service charges accounts receivable | | | | | |
| Billed service charges | \$ - | \$ 531,363 | \$ 1,005,771 | \$ 192,336 | \$ 1,729,470 |
| Unbilled service charges | - | 262,936 | 183,053 | 37,238 | 483,227 |
| Subtotal | - | 794,299 | 1,188,824 | 229,574 | 2,212,697 |
| Allowance for doubtful accounts | - | (21,419) | (40,808) | (7,770) | (69,997) |
| Subtotal service charges receivable, net | - | 772,880 | 1,148,016 | 221,804 | 2,142,700 |
| Property taxes accounts receivable | - | 296 | 916 | 154 | 1,366 |
| Other Accounts Receivable | 19,704 | 60,362 | 3,598 | 313 | 83,977 |
| Total Accounts Receivable | <u>\$ 19,704</u> | <u>\$ 833,538</u> | <u>\$ 1,152,530</u> | <u>\$ 222,271</u> | <u>\$ 2,228,043</u> |

Accounts receivable detail for each operating fund at June 30, 2020 were as follows:

| | <u>Administrative Services</u> | <u>Drinking Water</u> | <u>Wastewater Disposal</u> | <u>Watershed Protection</u> | <u>Subtotal</u> |
|---|------------------------------------|---------------------------|--------------------------------|---------------------------------|---------------------|
| Service Charges Accounts Receivable | | | | | |
| Billed Service Charges | \$ - | \$ 440,792 | \$ 965,577 | \$ 188,251 | \$ 1,594,621 |
| Unbilled Service Charges | - | 221,677 | 180,560 | 37,038 | 439,275 |
| Subtotal | - | 662,469 | 1,146,137 | 225,289 | 2,033,896 |
| Allowance for Doubtful Accounts | - | (15,000) | (32,858) | (6,406) | (54,264) |
| Subtotal Service Charges Receivable (Net) | - | 647,469 | 1,113,279 | 218,883 | 1,979,632 |
| Property Taxes Accounts Receivable | - | 521 | 2,225 | 362 | 3,108 |
| Other Accounts Receivable | 2,791 | 49,797 | 346,988 | 23 | 399,599 |
| Total Accounts Receivable | <u>\$ 2,791</u> | <u>\$ 697,787</u> | <u>\$ 1,462,493</u> | <u>\$ 219,269</u> | <u>\$ 2,382,339</u> |

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

5. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2021 are summarized below:

| | Balance June 30, 2020 | Additions | Disposals | Transfers | Balance June 30, 2021 |
|--|--------------------------|---------------------|-----------------------|--------------------|--------------------------|
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 1,334,163 | \$ - | \$ - | \$ - | \$ 1,334,163 |
| Construction in Progress | 5,089,850 | 1,317,075 | (4,087,075) | (1,000,448) | 1,319,402 |
| Total Capital Assets Not Being Depreciated | <u>6,424,013</u> | <u>1,317,075</u> | <u>(4,087,075)</u> | <u>(1,000,448)</u> | <u>2,653,565</u> |
| Capital Assets Being Depreciated: | | | | | |
| Buildings and Improvements | 46,568,448 | 26,932 | (7,417) | - | 46,587,963 |
| Water Systems | 16,287,264 | 115,626 | (93,420) | 356,332 | 16,665,802 |
| Wastewater Systems | 14,667,362 | 348,011 | (251,992) | 644,116 | 15,407,497 |
| Equipment | 27,891,089 | 228,620 | (177,565) | - | 27,942,144 |
| Total Capital Assets Being Depreciated | <u>105,414,163</u> | <u>719,189</u> | <u>(530,394)</u> | <u>1,000,448</u> | <u>106,603,406</u> |
| Total Capital Assets | <u>111,838,176</u> | <u>2,036,264</u> | <u>(4,617,469)</u> | <u>-</u> | <u>109,256,971</u> |
| Less Accumulated Depreciation for: | | | | | |
| Buildings and Improvements | 11,198,558 | 1,001,353 | (9,219) | - | 12,190,692 |
| Water Systems | 7,524,391 | 307,970 | (53,656) | - | 7,778,705 |
| Wastewater Systems | 7,520,726 | 211,406 | (115,744) | - | 7,616,388 |
| Equipment | 9,285,753 | 963,751 | (157,222) | - | 10,092,282 |
| Total Accumulated Depreciation | <u>35,529,428</u> | <u>2,484,480</u> | <u>(335,841)</u> | <u>-</u> | <u>37,678,067</u> |
| Total Capital Assets Being Depreciated, Net | <u>69,884,735</u> | <u>(1,765,291)</u> | <u>(194,553)</u> | <u>1,000,448</u> | <u>68,925,339</u> |
| Total Capital Assets, Net | <u>\$ 76,308,748</u> | <u>\$ (448,216)</u> | <u>\$ (4,281,628)</u> | <u>\$ -</u> | <u>\$ 71,578,904</u> |

The changes in capital assets for the year ended June 30, 2020 are summarized below:

| | Balance June 30, 2019 | Additions | Disposals | Transfers | Balance June 30, 2020 |
|--|--------------------------|---------------------|-----------------------|-------------|--------------------------|
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 1,334,163 | \$ - | \$ - | \$ - | \$ 1,334,163 |
| Construction in Progress | 4,960,681 | 2,171,282 | (2,042,113) | - | 5,089,850 |
| Total Capital Assets Not Being Depreciated | <u>6,294,844</u> | <u>2,171,282</u> | <u>(2,042,113)</u> | <u>-</u> | <u>6,424,013</u> |
| Capital Assets Being Depreciated: | | | | | |
| Buildings and Improvements | 46,568,448 | - | - | - | 46,568,448 |
| Water Systems | 15,024,057 | 1,263,207 | - | - | 16,287,264 |
| Wastewater Systems | 14,297,310 | 386,215 | (16,163) | - | 14,667,362 |
| Equipment | 27,505,178 | 467,513 | (81,602) | - | 27,891,089 |
| Total Capital Assets Being Depreciated | <u>103,394,993</u> | <u>2,116,935</u> | <u>(97,765)</u> | <u>-</u> | <u>105,414,163</u> |
| Total Capital Assets | <u>109,689,837</u> | <u>4,288,217</u> | <u>(2,139,878)</u> | <u>-</u> | <u>111,838,176</u> |
| Less Accumulated Depreciation for: | | | | | |
| Buildings and Improvements | 10,197,831 | 1,000,727 | - | - | 11,198,558 |
| Water Systems | 7,301,007 | 223,384 | - | - | 7,524,391 |
| Wastewater Systems | 7,343,631 | 189,576 | (12,481) | - | 7,520,726 |
| Equipment | 8,411,119 | 956,236 | (81,602) | - | 9,285,753 |
| Total Accumulated Depreciation | <u>33,253,588</u> | <u>2,369,923</u> | <u>(94,083)</u> | <u>-</u> | <u>35,529,428</u> |
| Total Capital Assets Being Depreciated, Net | <u>70,141,405</u> | <u>(252,988)</u> | <u>(3,682)</u> | <u>-</u> | <u>69,884,735</u> |
| Total Capital Assets, Net | <u>\$ 76,436,249</u> | <u>\$ 1,918,294</u> | <u>\$ (2,045,795)</u> | <u>\$ -</u> | <u>\$ 76,308,748</u> |

6. JOINT VENTURE

In partnership with Sunrise Water Authority and the City of Gladstone, the North Clackamas County Water Commission (the Commission) was organized under Oregon Revised Statutes Chapter 190. The Commission was established to provide joint ownership and operations for the supply, pumping, treatment, storage, and transmission of municipal, industrial, and agricultural waters. Each partner shall have the right to call upon the system for the treatment of raw water up to that portion of the then-existing design capacity of the system as shall equal the requesting partner's undivided interest in the system. Each partner shall be

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

6. JOINT VENTURE (CONTINUED)

obligated to pay for the water supplied or purchased by the system and delivered to the partners. The District purchased a total of 1,416,929 and 1,501,336 one-hundred cubic feet of water (CCF) for \$1,060,713 and \$1,142,180 during the fiscal years ended June 30, 2020 and June 30, 2021, respectively.

The District's investment in the Commission at June 30, 2020 and June 30, 2021 was \$12,726,195 and \$12,934,734, respectively. The partners currently own interest in the Commission, as follows: Sunrise Water Authority, 48%; City of Gladstone 10%; and Oak Lodge Water Services District, 42%. The partners may terminate the agreement with one-year notice. Upon such notice, the property will be purchased by the non-terminating party (if they desire) or sold to some other entity. Oak Lodge Water Services District provides financial management services to the Commission through an intergovernmental agreement. In the financial years ended June 30, 2020, and June 30, 2021, the Commission paid a total of \$48,000 and \$48,000 respectively to the District for financial services rendered.

The North Clackamas County Water Commission issues a publicly available financial report which may be obtained by writing NCCWC, 14496 SE River Road, Oak Grove, OR 97267.

7. ACCRUED COMPENSATED ABSENCES

The District estimates one hundred percent (100%) of its total accrued compensated absences leave liability, including salary and related payroll expenses, is current and due within one fiscal year, and accordingly, reports total accrued compensated absences leave liability as a current liability. The District's accrued compensated absences liability balance changed as follows:

| | Balance June 30, 2020 | Increases | Deletions | Balance June 30, 2021 |
|------------------------------|--------------------------|------------|------------|--------------------------|
| Accrued Compensated Absences | \$ 289,683 | \$ 369,513 | \$ 340,814 | \$ 318,382 |

| | Balance June 30, 2019 | Increases | Deletions | Balance June 30, 2020 |
|------------------------------|--------------------------|------------|------------|--------------------------|
| Accrued Compensated Absences | \$ 238,896 | \$ 324,011 | \$ 273,224 | \$ 289,683 |

8. LONG-TERM DEBT

Changes in long-term debt for the fiscal year ended June 30, 2021, were as follows:

| | Balance June 30, 2020 | Additions | Reductions | Balance June 30, 2021 | Due Within One Year |
|---|--------------------------|--------------|----------------|--------------------------|------------------------|
| General obligation bonds payable: | | | | | |
| Infrastructure Financing Authority Loans | \$ 4,872,119 | \$ - | \$ (4,872,119) | \$ - | \$ - |
| Subtotal general obligation bonds payable | 4,872,119 | - | (4,872,119) | - | - |
| Revenue bonds payable | | | | | |
| Clean Water State Revolving Fund Loans | 13,355,411 | - | (910,549) | \$ 12,444,861 | 928,171 |
| Infrastructure Financing Authority Loans | - | 3,684,197 | - | 3,684,197 | 233,145 |
| Issuance premium | - | 742,639 | - | 742,639 | 74,264 |
| Financed equipment purchases | 226,203 | - | (54,233) | 171,970 | 56,229 |
| Subtotal revenue bonds payable | 13,581,614 | 4,426,836 | (964,782) | \$ 17,043,667 | 1,291,809 |
| Bank placements payable: | | | | | |
| Full Faith and Credit | 1,145,000 | - | (179,000) | 966,000 | 183,000 |
| Revenue Bonds | 14,983,000 | - | (1,356,000) | 13,627,000 | 1,385,000 |
| Subtotal Bank placements payable: | 16,128,000 | - | (1,535,000) | 14,593,000 | 1,568,000 |
| Total | \$ 34,581,733 | \$ 4,426,836 | \$ (7,371,901) | \$ 31,636,667 | \$ 2,859,809 |

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

Changes in long-term debt for the fiscal year ended June 30, 2020, were as follows:

| | Balance June 30, 2019 | Additions | Reductions | Balance June 30, 2020 | Due Within One Year |
|---|--------------------------|-------------|-----------------------|--------------------------|------------------------|
| General Obligation Bonds Payable: | | | | | |
| General Obligation Bonds | \$ 1,120,000 | \$ - | \$ (1,120,000) | \$ - | \$ - |
| Infrastructure Financing Authority Loans | 5,240,155 | - | (368,036) | 4,872,119 | 375,273 |
| Subtotal General Obligation Bonds Payable | 6,360,155 | - | (1,488,036) | 4,872,119 | 375,273 |
| Revenue Bonds Payable: | | | | | |
| Clean Water State Revolving Fund Loans | 14,248,798 | - | (893,387) | 13,355,411 | 910,550 |
| Financed Equipment Purchases | 278,512 | - | (52,308) | 226,203 | 54,233 |
| Subtotal Revenue Bonds Payable | 14,527,310 | - | (945,695) | 13,581,614 | 964,783 |
| Bank Placements Payable: | | | | | |
| Full Faith and Credit | 1,320,000 | - | (175,000) | 1,145,000 | 179,000 |
| Revenue Bonds | 15,173,000 | - | (190,000) | 14,983,000 | 1,356,000 |
| Subtotal Bank Placements Payable: | 16,493,000 | - | (365,000) | 16,128,000 | 1,535,000 |
| Total | <u>\$ 37,380,465</u> | <u>\$ -</u> | <u>\$ (2,798,731)</u> | <u>\$ 34,581,733</u> | <u>\$ 2,875,056</u> |

General Obligation Bonds

On November 3, 2009, the District's citizenry passed Measure 3-348 authorizing the District to issue general obligation bonds for up to \$44,000,000 in debt financing. The District intends to repay all debt financing related to wastewater facilities through sanitary sewer service charge revenue; however, with the authority granted by its citizenry, the District may repay general obligation bond debt through property tax levies in the event sanitary sewer service charge revenue does not support debt repayment and covenant obligations of the District.

On May 13, 2010, the District issued \$24,000,000 in general obligations bonds. The bonds had a twenty-year term to maturity and the range of coupon rates associated with the bond series was 2% to 4%. The total interest cost of the entire bond series to maturity was 3.72%. After ten years of payments, the District refinanced these bonds through direct placement debt and paid the final principal on the outstanding 2010 general obligation bonds on May 1, 2020. See page 19-20 for related information on the direct placement debt.

On August 31, 2010, the State of Oregon Infrastructure Financing Authority Program loaned the District \$8,000,000 which originated from the State's issuance of Recovery Zone Economic Development Bonds. These are also known as United States Build America Bonds. The bonds are property-tax backed bonds. A portion of the debt was issued at a premium in the amount of \$23,749. The premium was amortized using the effective interest method over its related term to maturity which was from fiscal year 2011 to fiscal year 2014. The bonds will be repaid over a twenty-year term to maturity and the range of interest rates associated with the bond series is 2% to 2.84%. Of the amount borrowed, 87% of the debt qualifies for a 45% interest subsidy from the United States Treasury. The total net interest cost of the entire bond series to maturity is 2.71%. On December 15, 2020, the District authorized the refunding of this loan with proceeds of new debt issued as revenue bonds rather than general obligation bonds. The refunding occurred on February 18, 2021.

Revenue Bonds

In fiscal year 2011 the District was awarded loans up to \$19,409,645 by the State of Oregon Department of Environmental Quality Clean Water State Revolving Fund Loan Program for Intended-Use Plans. The District accepted and received \$19,000,000 of the proceeds. The loans will be repaid over a twenty-year term to maturity and the range of interest rates associated with the loan series is 0% to 2.65% plus an annual administrative fee of 0.50% of the principal balance. The total net interest cost of the entire loan series to maturity, including the administrative fee, is 2.45%.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

Annual debt service requirements for Clean Water State Revolving Fund loans are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Admin Fee</u> |
|-------------|----------------------|---------------------|-------------------|
| 2022 | \$ 928,171 | \$ 245,825 | \$ 59,915 |
| 2023 | 946,261 | 227,735 | 55,229 |
| 2024 | 964,834 | 209,162 | 50,452 |
| 2025 | 983,902 | 190,094 | 45,580 |
| 2026 | 1,003,481 | 170,515 | 40,612 |
| 2027-2031 | 5,329,832 | 540,148 | 124,974 |
| 2032-2033 | 2,288,380 | 59,631 | 11,530 |
| Total | <u>\$ 12,444,861</u> | <u>\$ 1,643,110</u> | <u>\$ 388,292</u> |

The Clean Water State Revolving Fund program receives capitalization grants through the Assistance Listing Number (ALN) No. 66.458: Capitalization Grants for State Revolving Funds and is subject to the regulations of the U.S. Environmental Protection Agency (EPA). Of the amount borrowed through the Clean Water State Revolving Fund, \$12,573,566 or 66% of the funds comprised federal capitalization grant funds, whereas the remaining \$6,426,434 of the \$19,000,000 borrowed through the Clean Water State Revolving Fund comprised state funds.

The Clean Water State Revolving Fund program has a loan reserve requirement in which the District must place in reserve an amount equal to one-half the average annual debt service. As a result, the District has established a legal reserve amount of \$590,483 to satisfy the Clean Water State Revolving Fund legal loan reserve requirements. This amount is reported both as restricted cash in current assets and restricted net position on the face of the District's Statements of Net Position.

The Clean Water State Revolving Fund program also maintains a debt service coverage requirement in which the District must maintain wastewater rates and charge fees in connection with the operation of the facility that are adequate to generate net operating revenues in each fiscal year sufficient to pay all revenue backed debt service requirements. Net operating revenues are defined as gross revenue less operating expenses. Operating expenses are defined as direct and indirect expenses related to the operation, maintenance, and repair activities of the District, including but not limited to administrative expenses, legal, financial and accounting expenses, insurance premiums, claims (to the extent that monies are not available from insurance proceeds), taxes, engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the District. Operating expenses include an appropriate amount for reserves for repair and replacement of facilities and equipment based on management's estimates of expected useful life of capital assets.

Under the terms of the agreement, debt service coverage must be equal to the debt service coverage factor of 105% multiplied by the debt service payments due under the Clean Water State Revolving Fund loan agreement plus any amount that the program determines is inadequately secured or otherwise may adversely affect the ability of the District to repay the loan. General obligation bond debt and recovery zone economic development bond loans are secured by property tax revenue, but the District has pledged to repay them with service charge revenue, so it is being considered by the program when calculating the debt service coverage ratios. Therefore, all debt service is considered when reviewing whether revenues are sufficient to cover all other debt service and meet a reserve requirement for repair and replacement.

The District must review its wastewater rates and fees at least annually. If, in any fiscal year, the District fails to collect fees sufficient to meet the debt service coverage requirement, the District shall promptly adjust its

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

wastewater rates and fees to assure future compliance with such coverage requirement. The District's adjustment of the wastewater rates and fees does not constitute a cure of any default. The failure to adjust rates shall not, at the discretion of State of Oregon Department of Environmental Quality (DEQ), constitute a default if the District transfers to the fund that holds the net operating revenues unencumbered resources in an amount equal to the revenue deficiency. The District has maintained adequate reserves, and as a result, has not been subject to any consequences for years in which the District failed to satisfy coverage requirements. As a result, the District believes its current working capital and/or fund balance in the Wastewater Reclamation Fund, which is the operating fund that accounts for nearly all of wastewater related net operating revenues, has been considered satisfactory in years with debt service coverage default.

During 2021, the District participated in the Refunding of Oregon Business Development Department ("OBDD") 's Infrastructure Finance Authority bond. Oregon Bond Bank Revenue & Refunding Bonds Series 2021A and 2021B funded on February 18, 2021. The original OBDD Infrastructure Finance Authority debt was secured with both GO Bonds and Revenue. With the refunding, OBDD agreed to the release of the security by GO Bonds and converted to secured by Revenue only. The loans will be repaid over a ten-year term to maturity with an effective interest rate of 1.323%. The bonds were issued at a premium in the amount of \$742,639. The premium will be amortized using the effective interest method over its related term to maturity from fiscal year 2022 to fiscal year 2031. The economic gain at closing was a net present value savings of 11.61% percent, a savings of \$522,078 over the remaining term of the bonds.

| <u>Year</u> | <u>Principal</u> | <u>Premium</u> | <u>Interest</u> |
|-------------|------------------|----------------|------------------|
| 2022 | 307,409 | 103,222 | 144,809 |
| 2023 | 310,030 | 120,351 | 168,839 |
| 2024 | 322,781 | 109,301 | 153,338 |
| 2025 | 335,670 | 97,797 | 137,199 |
| 2026 | 353,704 | 85,834 | 120,415 |
| 2027-2031 | <u>2,054,603</u> | <u>226,134</u> | <u>317,242</u> |
| Total | <u>3,684,197</u> | <u>742,639</u> | <u>1,041,842</u> |

Capital Lease

On September 27, 2017, the District entered into a purchase contract with KS Statebank as obligor for financing the acquisition of an equipped vehicle valued at \$398,543. The financing will be paid over a five-year term to maturity and the weighted average interest rate associated with the financing is 3.65%. As a condition of the purchase contract, the supplier of the installed equipment on the vehicle has agreed to take assignment of the contract from the seller for an amount equal to the final payment amount of \$120,000 including accrued interest, if the District notifies the seller that it does not intend to appropriate funds for its final contract payment.

Annual debt service requirements on the contract are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|-------------------|------------------|
| 2022 | \$ 56,229 | \$ 6,328 |
| 2023 | 115,741 | 4,259 |
| Total | <u>\$ 171,970</u> | <u>\$ 10,587</u> |

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

Direct Placement Debt

On December 20, 2017, the District borrowed \$15,173,000 in a bank placement to defease and replace \$14,310,000 of the 2010 General Obligation Bonds that were callable and had a 4% coupon rate. The 2017 bank placement loan has a thirteen-year term to maturity and the interest rate is 2.50%. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the refunded bonds are considered defeased, and the liability for those bonds was removed from the Statement of Net Position. The advance refunding will save the District approximately \$915,000 in total debt service through fiscal year 2030. The economic gain or difference in present value on the debt service related to the old debt relative to the new debt is about \$787,000.

Annual debt service requirements to maturity for the bank placement are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|----------------------|---------------------|
| 2022 | \$ 1,385,000 | \$ 340,675 |
| 2023 | 1,420,000 | 306,050 |
| 2024 | 1,450,000 | 270,550 |
| 2025 | 1,490,000 | 234,300 |
| 2026 | 1,527,000 | 197,050 |
| 2027-2030 | 6,355,000 | 400,200 |
| Total | <u>\$ 13,627,000</u> | <u>\$ 1,748,825</u> |

Under the terms of the bank placement, the District entered into a covenant that it will charge rates and fees in connection with the operation of the wastewater system which are adequate to generate “coverage revenues” that are at least equal to, 1) one hundred twenty percent (120%) of Parity Bond Debt Service, and 2) one hundred percent (100%) of Combined Parity and Subordinate Obligation Debt Service. Coverage revenues are defined as gross operating revenues less budgetary operating expenses but excludes some specific revenues and expenses like system development charge fees, capital expenditures, extraordinary, non-recurring items, as well as many other types of transactions typically not considered regular on-going activities.

Parity bond debt service comprises debt service related to the bank placement. Subordinate obligations comprise debt service related to the State of Oregon Department of Environmental Quality (DEQ) Clean Water State Revolving Fund (CWSRF) Loan. Debt service that is not legally pledged by revenues is not considered in the coverage calculation for purposes of the bank placement. For the fiscal year ended June 30, 2021, the District’s coverage revenues satisfied its debt service coverage requirements on both Annual Bond Debt Service and Combined Annual Debt Service.

If an Event of Default occurs the amounts due are not subject to acceleration but the Bank may increase the interest rate by one and one-half percentage points (1.50%) while an Event of Default continues. An Event of Default includes a default in the observance and performance of any covenant, condition, or agreement in the loan agreement and the default continues for ninety (90) days after the District receives a written notice, specifying the default and demanding the cure of the default from the bank.

On February 5, 2019, the District borrowed \$1,320,000 from Zions Bank to fund a District-wide water meter replacement program. The District has pledged its full faith and credit and taxing power within the limits of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the principal and interest due under the financing agreement; however, the District is not currently authorized to levy additional property taxes to pay the amounts due under this financing agreement. The loan will be repaid over a seven-year term to maturity, at an interest rate of 2.69%.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

Direct Placement Debt (Continued)

Annual debt service requirements to maturity for the bank placement are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|-------------------|------------------|
| 2022 | \$ 183,000 | \$ 25,985 |
| 2023 | 188,000 | 21,063 |
| 2024 | 193,000 | 16,006 |
| 2025 | 198,000 | 10,814 |
| 2026 | 204,000 | 5,488 |
| Total | <u>\$ 966,000</u> | <u>\$ 79,356</u> |

9. DEFINED BENEFIT PENSION PLAN

Plan Description

The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be located on the following State of Oregon webpage: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

If the link is expired, please contact Oregon PERS for this information.

Based on the date of hire, PERS members are separated into two different benefit plans:

- 1) PERS Pension (Chapter 238). The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, and 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

- ii. Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- member was employed by PERS employer at the time of death,
- member died within 120 days after termination of PERS covered employment,
- member died as a result of injury sustained while employed in a PERS-covered job, or
- member was on an official leave of absence from a PERS-covered job at the time of death.

iii. Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

iv. Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

2) OPSRP Pension Program (OPSRP DB). The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

i. Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit.

To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

- ii. Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii. Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv. Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced.

The District made lump sum supplemental payment to prepay part of its pension unfunded actuarial liability (UAL) of \$300,000 on January 2, 2020 which resulted in a reduction of its contribution rates effective February 1, 2020 by (0.72%). The District made lump sum supplemental payment to prepay part of its pension unfunded actuarial liability (UAL) of \$552,000 on November 24, 2020 which resulted in a reduction of its contribution rates effective December 1, 2020 by (1.29%).

The District's total defined benefit pension contributions for the years ended June 30, 2020 and June 30, 2021 were \$871,015 and \$1,064,010, respectively, excluding amounts to fund employer specific liabilities. The District's total defined benefit pension contribution in the fiscal year ended June 30, 2020 was \$871,015 when you include its \$300,000 lump-sum supplemental payment to establish a side account which increased the District's actuarial assets and reduced the gap between actuarial assets and actuarial liabilities (UAL). The District's total defined benefit pension contribution in the fiscal year ended June 30, 2021 was \$1,064,009 when you include its \$552,000 lump-sum supplemental payment to establish a side account which increased the District's actuarial assets and reduced the gap between actuarial assets and actuarial liabilities (UAL). Establishing a side account pays down some of the District's pension obligation, which reduces its contributions and rates over a period of time. The side accounts are invested by the Oregon State Treasury in the Oregon Public Employees Retirement Fund (OPERF) and are subject to earnings and losses which are applied to the account at the end of each year.

At June 30, 2020 and June 30, 2021, the District reported a net pension liability of \$4,650,081 and \$5,720,812 respectively, for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2020, the District's proportion was .03 percent.

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in subsequent fiscal years.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions (Continued)

Deferred outflows and inflows for the fiscal year ended June 30, 2021 were as follows:

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ 251,785 | \$ - |
| Changes of assumptions | 307,018 | 10,757 |
| Net difference between projected and actual earnings on investments | 672,693 | - |
| Changes in proportion | - | 386,442 |
| Differences between employer contributions and employer's proportionate share of contributions | 237,479 | 30,836 |
| Total (prior to post-MD contributions) | 1,468,975 | 428,035 |
| Contributions subsequent to the MD | 1,064,009 | N/A |
| Subtotal | <u>\$ 2,532,984</u> | <u>428,035</u> |

Deferred outflows and inflows for the fiscal year ended June 30, 2020 were as follows:

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ 256,438 | \$ - |
| Changes of assumptions | 630,836 | - |
| Net difference between projected and actual earnings on investments | - | 131,825 |
| Changes in proportion | - | 495,416 |
| Differences between employer contributions and employer's proportionate share of contributions | 67,699 | 49,193 |
| Total (prior to post-MD contributions) | 954,973 | 676,434 |
| Contributions subsequent to the MD | 871,015 | N/A |
| Subtotal | <u>\$ 1,825,988</u> | <u>676,434</u> |

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|---------------------|
| 2022 | \$ 161,642 |
| 2023 | \$ 296,524 |
| 2024 | \$ 313,248 |
| 2025 | \$ 255,834 |
| 2026 | \$ 13,692 |
| Total | <u>\$ 1,040,940</u> |

All assumptions, methods, and plan provisions used in these calculations are described in the Oregon PERS systemwide GASB 68 reporting summary dated February 24, 2020. PERS issues a publicly available financial report that can be obtained at: <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>. If the link is expired, please contact Oregon PERS for this information.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Valuations

The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

| | |
|-----------------------------------|--|
| Valuation Date | December 31, 2018 |
| Measurement Date | June 30, 2020 |
| Experience Study Report | 2018, published July 24, 2019 |
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Assumptions: | |
| Inflation Rate | 2.50 percent |
| Long-Term Expected Rate of Return | 7.20 percent |
| Discount Rate | 7.20 percent |
| Projected Salary Increases | 3.50 percent overall payroll growth |
| Cost of Living Adjustments (COLA) | Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service. |
| Mortality | Health retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. |

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Valuations (Continued)

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Assumed Asset Allocation

| Assumed Asset Allocation | | | |
|---------------------------------|------------------|-------------------|---------------|
| Asset Class/Strategy | Low Range | High Range | Target |
| Debt Securities | 15.0% | 25.0% | 20.0% |
| Public Equity | 27.5% | 37.5% | 32.5% |
| Real Estate | 9.5% | 15.5% | 12.5% |
| Private Equity | 14.0% | 21.0% | 17.5% |
| Alternative Equity | 7.5% | 17.5% | 15.0% |
| Opportunity Portfolio | 0.0% | 3.0% | 0.0% |
| Risk Parity | 0.0% | 2.5% | 2.5% |
| Total | | | <u>100.0%</u> |

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

| Asset Class | Target Allocation | Compounded Annual Return (Geometric) |
|-----------------------------------|--------------------------|---|
| Core Fixed Income | 9.60% | 4.07% |
| Short-Term Bonds | 9.60% | 3.68% |
| Bank/Leveraged Loans | 3.60% | 5.19% |
| High Yield Bonds | 1.20% | 5.74% |
| Large/Mid Cap US Equities | 16.17% | 6.30% |
| Small Cap US Equities | 1.35% | 6.68% |
| Micro Cap US Equities | 1.35% | 6.79% |
| Developed Foreign Equities | 13.48% | 6.91% |
| Emerging Foreign Equities | 4.24% | 7.69% |
| Non-US Small Cap Equities | 1.93% | 7.25% |
| Private Equities | 17.50% | 8.33% |
| Real Estate (Property) | 10.00% | 5.55% |
| Real Estate (REITS) | 2.50% | 6.69% |
| Hedge Fund of Funds - Diversified | 1.50% | 4.06% |
| Hedge Fund - Event-Driven | 0.38% | 5.59% |
| Timber | 1.12% | 5.61% |
| Farmland | 1.12% | 6.12% |
| Infrastructure | 2.24% | 6.67% |
| Commodities | 1.12% | 3.79% |
| Total | <u>100.00%</u> | |
| Assumed Inflation - Mean | | 2.50% |

(Source: June 30, 2020 PERS ACFR; p.74)

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate exists. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent which became effective January 1, 2018; as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

| | 1% Decrease (6.20%) | Discount Rate (7.20%) | 1% Increase (8.20%) |
|--|---------------------------|-----------------------------|---------------------------|
| Proportionate share of the net pension liability | \$ 8,494,833 | \$ 5,720,812 | \$ 3,394,852 |

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80 of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available. The District is not aware of any changes that will have a significant effect on the District's share of the collective Net Pension Liability.

10. DEFINED CONTRIBUTION PENSION PLAN

Plan Description

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS and is administered by the OPERS Board.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

10. DEFINED CONTRIBUTION PENSION PLAN (CONTINUED)

Pension Benefits

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions

Employees of the District contribute six percent (6%) of their covered payroll. The District did not make any optional contributions to member IAP accounts for the years ended June 30, 2020 and June 30, 2021.

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Retirement Health Insurance Account (RHIA)

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund; authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The District's contributions to RHIA for the year ended June 30, 2020 and June 30, 2021 was \$1,688 and \$537, respectively, which equaled the required contributions for each year.

At June 30, 2021, the District maintained a net post-employment benefit asset in the amount of \$48,157 for its proportionate share of the net post-employment benefit asset for the RHIA; however, this asset offsets other post-employment benefit liabilities for implicit subsidies associated with post-employment health insurance liabilities discussed later so its value is reflected in a net post-employment benefit liability on the statement of net position.

The post-employment benefit asset was measured as of June 30, 2020, and the total post-employment benefit asset used to calculate the net post-employment benefit asset was determined by an actuarial valuation dated December 31, 2018. The District's proportion of the net post-employment benefit asset was based on a projection of the District's long-term share of contributions to the RHIA relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2020, the District's proportion was 0.02 percent.

Deferred outflows and inflows for the fiscal year ended June 30, 2021 were as follows:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Difference between expected and actual experience | \$ - | \$ 4,923 |
| Changes of assumptions | - | 2,560 |
| Net difference between projected and actual earnings on investements | 5,355 | - |
| Changes in proportion | 2,586 | 51 |
| Differences between employer contributions and employer's proportionate share of contributions | - | - |
| Total (prior to post-MD contributions) | <u>7,941</u> | <u>7,534</u> |
| Contributions subsequent to the MD | 537 | N/A |
| Subtotal | <u>\$ 8,478</u> | <u>\$ 7,534</u> |

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Deferred outflows and inflows for the fiscal year ended June 30, 2020 were as follows:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Difference between expected and actual experience | \$ - | \$ 6,250 |
| Changes of assumptions | - | 49 |
| Net difference between projected and actual earnings on investements | - | 2,925 |
| Changes in proportion | 3,202 | 406 |
| Differences between employer contributions and employer's proportionate share of contributions | - | - |
| Total (prior to post-MD contributions) | <u>3,202</u> | <u>9,630</u> |
| Contributions subsequent to the MD | <u>1,688</u> | <u>N/A</u> |
| Subtotal | <u>\$ 4,890</u> | <u>\$ 9,630</u> |

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in subsequent fiscal years.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|---------------|
| 2022 | \$ (2,849) |
| 2023 | (413) |
| 2024 | 1,980 |
| 2025 | 1,689 |
| Total | <u>\$ 407</u> |

Sensitivity Analysis

Sensitivity of the District's proportionate share of the net post-employment benefit asset to changes in the discount rate exists. The following presents the District's proportionate share of the net post-employment benefit asset calculated using the discount rate in effect during the year, as well as what the District's proportionate share of the net post-employment benefit asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate of 7.2%.

| | <u>1% Decrease 6.20%</u> | <u>Discount Rate 7.20%</u> | <u>1% Increase 8.20%</u> |
|--|----------------------------------|------------------------------------|----------------------------------|
| Proportionate share of the net pension asset | \$ 38,879 | \$ 48,157 | \$ 56,090 |

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Post-employment Health Insurance Subsidy

Plan Description

The District administers a single employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the District's group health insurance plans. The District's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. For the fiscal year ended June 30, 2020 the valuation date was July 1, 2018 and the measurement date was June 30, 2019. For the fiscal year ended June 30, 2021 the valuation date was July 1, 2018 and the measurement date was June 30, 2020.

Funding Policy

The District has not established a trust fund to finance the cost of post-employment health care benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the District on a pay-as-you-go basis. There is no obligation on the part of the District to fund these benefits in advance.

Actuarial Methods and Assumptions

See the Oregon Public Employees Retirement System Retirement Health Insurance Account Cost Sharing Multiple-Employer OPEB Plan Schedules of Employer Allocations and OPEB Amounts by Employer As of and for the Year Ended June 30, 2020 which can be obtained online via PERS GASB Resources here: https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_FYE_6.30.2020.pdf to see the actuarial methods and assumptions used to calculate the amounts reported herein.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in the Net OPEB Liability:

| | <u>Increase / (Decrease)</u> |
|--|------------------------------|
| Ending Balance, June 30, 2020 | \$ 200,088 |
| Changes for the Year: | |
| Service Cost | 10,649 |
| Interest on Total OPEB Liability | 7,228 |
| Effect of Changes to Benefit Terms | - |
| Effect of Economic/Demographic Gains or Loss | - |
| Effect of Assumptions Changes or Inputs | 11,714 |
| Benefit Payments | <u>(8,529)</u> |
| Ending Balance, June 30, 2021 | <u>\$ 221,150</u> |

| | <u>Increase / (Decrease)</u> |
|---|----------------------------------|
| Ending Balance, June 30, 2019 | \$ 114,004 |
| Changes for the year: | |
| Service cost | 5,156 |
| Interest on total OPEB liability | 4,407 |
| Effect of economic/demographic gains or | 58,714 |
| Effect of assumptions changes or inputs | 28,488 |
| Benefit payments | <u>(10,681)</u> |
| Ending Balance, June 30, 2020 | <u>\$ 200,088</u> |

Sensitivity Analysis

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, calculated using a discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.21%) or 1 percentage-point higher (3.21%) than the current discount rate of 2.21%:

| | <u>1% Decrease (1.21%)</u> | <u>Current Discount Rate (2.21%)</u> | <u>1% Increase (3.21%)</u> |
|----------------------------|----------------------------|--|--------------------------------|
| Total OPEB Liability, 2021 | \$ 236,468 | \$ 221,150 | \$ 206,665 |
| Total OPEB Liability, 2020 | \$ 214,717 | \$ 200,088 | \$ 186,477 |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, calculated using a healthcare cost trend rate, as well as what the total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

| | <u>1% Decrease</u> | <u>Current Health Care Trend Rates</u> | <u>1% Increase</u> |
|----------------------------|--------------------|--|--------------------|
| Total OPEB Liability, 2021 | \$ 200,148 | \$ 221,150 | \$ 246,125 |
| Total OPEB Liability, 2020 | \$ 181,576 | \$ 200,088 | \$ 222,043 |

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Deferred outflows and inflows as of June 30, 2021 comprised the following:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Difference between expected and actual experience | \$ 45,810 | \$ - |
| Changes of assumptions | 32,653 | 4,783 |
| Benefit Payments | 13,026 | - |
| Subtotal | <u>\$ 91,489</u> | <u>\$ 4,783</u> |

Deferred outflows and inflows as of June 30, 2020 comprised the following:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Difference between expected and actual experience | \$ 52,262 | \$ - |
| Changes of assumptions | 25,357 | 5,875 |
| Benefit Payments | 8,529 | - |
| Subtotal | <u>\$ 86,148</u> | <u>\$ 5,875</u> |

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in subsequent years.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|----------------------|
| 2022 | \$ 9,778 |
| 2023 | 9,778 |
| 2024 | 9,778 |
| 2025 | 9,778 |
| 2026 | 10,485 |
| Thereafter | 24,083 |
| Total | <u><u>73,680</u></u> |

12. DEFERRED COMPENSATION PLAN

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

13. COMMITMENTS

Project Commitments

The District enters into contracts for various projects from time to time that are required to achieve its mission and service objectives.

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

13. COMMITMENTS (CONTINUED)

Project Commitments (Continued)

Contract commitments related to capital projects at June 30, 2021 included the following:

| <u>Project Name</u> | <u>Contract Amount</u> | <u>Total Projects Costs Billed</u> | <u>Contract Balance</u> |
|--|------------------------|------------------------------------|-------------------------|
| Emergency Water Intertie Contract- Design | 98,338 | 9,460 | 88,878 |
| Partridge Circle Watermain Contract- Design | 28,850 | 28,103 | 747 |
| Aldercrest Watermain Replacement Contract- Design | 121,646 | 113,339 | 8,307 |
| Solids Piping Contract- Design & Project Management | 89,776 | 89,438 | 338 |
| Solids Piping Contract- Construction | 238,315 | 192,713 | 45,602 |
| Belt Filter Press Installation Contract- Design | 115,075 | 103,432 | 11,643 |
| Belt Filter Press Installation Contract- Construction | 328,775 | 325,046 | 3,729 |
| Aeration Blower and Baffle Wall Project Contract- Design | 80,855 | 75,809 | 5,046 |
| Aeration Blower and Baffle Wall Project Contract- Construction | 244,000 | - | 244,000 |
| Wastewater Master Plan Contract | 721,579 | 24,364 | 697,215 |
| Hillside & Boardman Sewer Line Contract- Design | 138,225 | 37,859 | 100,366 |
| Pump Station 5 Rebuild Contract- Design | 85,925 | 60,485 | 25,440 |
| Pump Station 5 Rebuild Contract- Construction | 691,047 | 15,200 | 675,847 |
| Total | 2,982,406 | 1,075,248 | 1,907,158 |

Management Employment Agreements

The District maintains management employment contracts with five (5) management employees. The agreement with the General Manager was effective upon execution by the General Manager and the Chair of the Board or their designee and the term of the agreement continues until is modified in writing by the General Manager and the Board or terminated pursuant to the conditions of the agreement. The agreements with the remaining four management employees were effective upon execution by the employee and General Manager and the terms of the agreements continue for one year with automatic renewal for successive one-year terms unless notice is provided in writing by either party of their intent not to renew at least thirty (30) days prior to the expiration of the existing term.

Each agreement provides severance as follows:

| Position | Severance |
|----------------------|---|
| General Manager | Six (6) Months plus six (6) months of 100% Paid COBRA |
| District Engineer | Three (3) Months |
| Finance Director | Three (3) Months |
| Plant Superintendent | Three (3) Months |
| Field Superintendent | Three (3) Months |

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

13. COMMITMENTS (CONTINUED)

Union Agreement

The District maintains one union labor agreement with represented employees. Represented employees are affiliated with Local 350 and Council 75 of the American Federation of State, County, & Municipal Employees Union (AFSCME), American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). The current union labor agreement is in effect through June 30, 2023. Further details are outlined in the contract titled, "Oak Lodge Water Services District," which can be found on Oregon AFSCME's internet website address at:

<https://www.oregonafscme.org/afscme-oregon/locals-and-contracts/contracts-alphabetical> .

Equipment Operation Agreement

The District entered into a developer contribution agreement with a regional electric utility company. Management's objectives for this arrangement generally comprised procuring financing for equipment required at its water reclamation facility as well as obtaining annual maintenance services required to keep said equipment in good working order in exchange for the electric utility company's right to operate the equipment for the benefit of its customers. The District is the owner of the equipment. Both the District and other party have agreed upon usage limits of the equipment during an operating year which runs from November 1 through October 31. The District has the right to operate the equipment a total of no more than fifteen hours each year, unless the regional electric utility encounters system conditions that warrant the refusal of such usage; however, the District may use the equipment as long as necessary in emergency situations. The regional electric utility has the right to operate the equipment for a maximum of 400 hours each year. The term of the arrangement is 10 years from the date the equipment becomes operational for both parties which was in fiscal year 2013 and the agreement renews automatically each year unless either party gives notice to the other that they wish to terminate the contract. If the District terminates the agreement before the end of the term for any reason other than pursuant to and in accordance with the agreement, the District will be liable to reimburse the regional electric utility company a prorated share of their developer contribution. It is very unlikely that either party will terminate the contract.

14. NET POSITION

Net Position at June 30, 2020 and June 30, 2021, utilizing the accounting methods and principles of the District, comprised the following:

| | <u>June 30, 2020</u> | <u>June 30, 2021</u> |
|-----------------------|----------------------|----------------------|
| Ending Fund Balances | \$ 16,018,874 | \$ 16,567,407 |
| Less: | | |
| Accrued Absences | (289,683) | (318,382) |
| Net OPEB Liability | (200,088) | (221,150) |
| Net Pension Liability | (4,650,081) | (5,720,812) |
| Deferred Inflows | (691,939) | (440,352) |
| Accrued Interest | (345,199) | (211,855) |
| Long-Term Debt | (34,581,734) | (31,636,668) |
| Plus: | | |
| Net OPEB Asset | 47,394 | 48,157 |
| Investment in NCCWC | 12,726,195 | 12,934,734 |
| Net Capital Assets | 76,308,748 | 71,578,904 |
| Deferred Outflows | 1,917,026 | 2,632,951 |
| Total Net Position | <u>\$ 66,259,513</u> | <u>\$ 65,212,933</u> |

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

15. RISK MANAGEMENT

The District is subject to the risk of loss related to torts, theft or damage to and destruction of assets, errors and omissions and natural disasters. The District purchases commercial insurance for all significant risks of loss. There was no significant reduction in the District's major categories of insurance coverage and settlements have not exceeded insurance coverage for each of the past three years. Note the District's insurance company has the right to assess additional amounts.

16. NEW PRONOUNCEMENTS

The Government Accounting Standards Board (GASB) issues new pronouncements from time to time. For copies of original pronouncements please visit the GASB's website www.gasb.org.

GASB Statement 84, "Fiduciary Activities." The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for financial and reporting purposes and how the activities should be reported. The District adopted GASB Statement No. 84 in conjunction with Statement No. 97 during the fiscal year ended June 30, 2021, which did not impact the financial statements.

GASB Statement 87, "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Implementation was initially required in reporting periods beginning after December 15, 2019 but GASB Statement 95 has delayed the effective day by eighteen months, so implementation is now required in reporting periods beginning after June 15, 2021.

GASB Statement 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period". The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Implementation was initially required in reporting periods beginning after December 15, 2019 but GASB Statement 95 has delayed the effective date by twelve months, so implementation is now required in reporting periods beginning after December 15, 2020.

GASB Statement 91, "Conduit Debt Obligations". The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Implementation was initially required in reporting periods beginning after December 15, 2020 but GASB Statement 95 has delayed the effective date by twelve months, so implementation is now required in reporting periods beginning after December 15, 2021.

GASB Statement 92, "Omnibus 2020". The primary objectives of this Statement are to address practice issues identified during implementation and application of certain GASB Statements, including Statement 73, "Pensions and Related Assets Not in Scope of GASB 68"; Statement 84, "Fiduciary Activities"; Statement 87, "Leases"; Asset Retirement Obligations (ARO)s; inter-entity transfers; and other topics. The requirements related to Statement 73, Statement 84, and AROs are effective for fiscal years beginning after June 15, 2020 while the requirements related to Statement 87 are effective upon issuance; except GASB Statement 95 has delayed the effective date for paragraphs 6 and 7 by eighteen months which now require implementation in reporting periods beginning after June 15, 2021.

GASB Statement 93, "Replacement of Interbank Offered Rates". The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). The removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate was initially effective for reporting periods ending after December 31, 2021, while all other requirements are effective for reporting periods beginning after June 15, 2020; except

OAK LODGE WATER SERVICES DISTRICT

Clackamas County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

16. NEW PRONOUNCEMENTS (Continued)

GASB Statement 95 has delayed the effective date for paragraph 13 and 14 by eighteen months which now require implementation in reporting periods beginning after June 15, 2021.

GASB Statement 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. The primary objective of this Statement is to address issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately.

GASB Statement 96, “Subscription-Based Information Technology Arrangements”. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans”. The primary objectives of this Statement are to address reporting of fiduciary component units, mitigate costs associated with the reporting of pension plans, other postemployment benefit (OPEB) plans, and other employee benefit plans. The requirements in paragraphs 6–9 of this Statement is effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

17. SUBSEQUENT EVENTS

On June 1, 2022, the District Board voted to transfer substantially all of its operations, employees, assets and liabilities to a newly formed entity and effectively dissolved the District as of December 31, 2022. Oak Lodge Water Services Authority was created by the Clackamas County Board of Commissioners effective July 1, 2022, and has undertaken the operations of the District. The Authority was formally effective as of September 16, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
AT JUNE 30, 2021

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

RETIREMENT PLAN

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

| Measurement Date, Year Ended June 30 | (a) Employer's proportion of the total pension liability | (b) Employer's proportionate share of the net pension liability (NPL) | (c) OLWS's covered payroll | (b/c) NPL as a percentage of covered payroll | Plan fiduciary net position as percentage of the total pension liability (NPL) |
|---|---|---|----------------------------------|---|---|
| 2020 | 0.026% | 5,720,812 | 2,989,322 | 191.4% | 75.8% |
| 2019 | 0.027% | 4,650,081 | 2,636,511 | 176.4% | 80.2% |
| 2018 | 0.029% | 4,319,317 | 2,781,720 | 155.3% | 82.1% |

NOTES TO SCHEDULE

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

2018 was the first year in which Oak Lodge Water Services District received schedule with its proportionate share of the net pension liability related to its employees' Public Employees Retirement System (PERS). In 2017 the District's share was reported in employer schedules for Oak Lodge Water District and Oak Lodge Sanitary District.

Changes in Benefit Terms:

A legislative change that occurred after December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introducing a limit on the amount of annual salary included for calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

Changes in Assumptions:

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.5 percent and lowering of the assumed inflation to 2.5 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.2 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
AT JUNE 30, 2021

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (CONTINUED)

RETIREMENT PLAN (CONTINUED)

SCHEDULE OF CONTRIBUTIONS

| <u>Year Ended June 30</u> | <u>Statutorily Required Contribution</u> | <u>Contributions in relation to the statutorily required</u> | <u>Contribution deficiency (excess)</u> | <u>Employer's covered payroll</u> | <u>Contributions as a percent of covered payroll</u> |
|---------------------------|--|--|---|---------------------------------------|--|
| 2021 | 553,792 | 553,792 | - | 2,845,810 | 19.5% |
| 2020 | 579,268 | 579,268 | - | 2,989,322 | 19.4% |
| 2019 | 407,686 | 407,686 | - | 2,636,511 | 15.5% |
| 2018 | 435,691 | 435,691 | - | 2,781,720 | 15.7% |

NOTES TO SCHEDULE

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions:

| | | |
|---------------------------------|-----------------------------|-----------------------------|
| Actuarial valuation: | December 31, 2018 | December 31, 2015 |
| Effective: | July 2019 - June 2021 | July 2017 - June 2019 |
| Actuarial cost method: | Entry Age Normal | Entry Age Normal |
| Amortization method: | Level percentage of payroll | Level percentage of payroll |
| Asset valuation method: | Market Value | Market Value |
| Remaining amortization periods: | 20 years | 20 years |
| Actuarial assumptions | | |
| Inflation rate | 2.50 percent | 2.50 percent |
| Projected salary increases | 3.50 percent | 3.50 percent |
| Investment rate of return | 7.20 percent | 7.50 percent |

OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
AT JUNE 30, 2021

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (CONTINUED)

RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)

SCHEDULE OF THE PROPORTIONATE SHARE OF OTHER POST-EMPLOYMENT BENEFITS (OPEB)

| <u>Measurement Date, Year Ended June 30</u> | (a) | (b) | (c) | (b/c) | Plan fiduciary net position as percentage of the total pension liability |
|---|---|--|-----------------------------------|---|---|
| | <u>Employer's proportion of the net pension liability</u> | <u>Employer's proportionate share of the net</u> | <u>OLWS's covered payroll</u> | <u>NPL as a percentage of covered payroll</u> | |
| 2020 | 0.024% | (48,157) | 2,989,322 | -1.6% | 150.1% |
| 2019 | 0.025% | (47,394) | 2,636,511 | -1.8% | 144.4% |
| 2018 | 0.030% | (33,902) | 2,781,720 | -1.2% | 124.0% |

NOTES TO SCHEDULE

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

2018 was the first year in which Oak Lodge Water Services District received schedule with its proportionate share of other post-employment benefits (OPEB) related to its employees' Retirement Health Insurance Account (RHIA). In 2017 the District's share was reported in employer schedules for Oak Lodge Water District and Oak Lodge Sanitary District.

Changes in Assumptions:

The PERS Board adopted assumption changes that were used to measure the June 30, 2018 total OPEB liability. The changes include lowering of the long-term expected rate of return to 7.20 percent. In addition, healthy retiree participation and healthy mortality assumptions were changes to reflect an updated trends and mortality improvement scale for all groups.

OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
AT JUNE 30, 2021

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (CONTINUED)

RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA) (CONTINUED)

SCHEDULE OF CONTRIBUTIONS

| Year Ended June 30 | Statutorily Required Contribution | Contributions in relation to the statutorily | Contribution deficiency (excess) | Employer's covered payroll | Contributions as a percent of covered payroll |
|--------------------|---|--|--|-------------------------------|---|
| 2021 | 537 | 537 | - | 2,845,810 | 0.0% |
| 2020 | 1,688 | 1,688 | - | 2,989,322 | 0.1% |
| 2019 | 12,156 | 12,156 | - | 2,636,511 | 0.5% |
| 2018 | 14,706 | 14,706 | - | 2,781,720 | 0.5% |

NOTES TO SCHEDULE

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

| | | |
|---------------------------------|--|--|
| Actuarial valuation: | December 31, 2018 | December 31, 2015 |
| Effective: | July 2019 - June 2021 | July 2017 - June 2019 |
| Actuarial cost method: | Entry Age Normal | Entry Age Normal |
| Amortization method: | Level percentage of payroll, closed | Level percentage of payroll, closed |
| Amortization period: | 10 years | 10 years |
| Asset valuation method: | Market Value | Market Value |
| Remaining amortization periods: | 20 years | 20 years |
| Actuarial assumptions | | |
| Inflation rate | 2.50 percent | 2.50 percent |
| Projected salary increases | 3.50 percent | 3.50 percent |
| Investment rate of return | 7.20 percent | 7.50 percent |
| Healthcare cost trend rates | None. Statute stipulated \$60 monthly payment for healthcare insurance | None. Statute stipulated \$60 monthly payment for healthcare insurance |

SUPPLEMENTARY INFORMATION

This part of the District’s Financial Report presents supplementary information to demonstrate and report on its compliance with finance-related legal requirements and also to report on federal awards received during the fiscal year.

Budgetary Reporting – This section provides schedules that reconcile the differences between budgetary financial reports and financial statements prepared using Generally Accepted Accounting Principles (GAAP) as well as schedules that report on budget to actual financial performance.

| | |
|---|----|
| Combining Balance Sheet – All Funds (Budgetary Basis) | 45 |
| Schedule of Revenues, Expenditures, Other Financing Sources and Uses and Changes in Fund Balance – Actual and Budget (Budgetary Basis) | 46 |
| Administrative Service Fund | 47 |
| Drinking Water Fund | 48 |
| Wastewater Reclamation Fund | 49 |
| Watershed Protection Fund | 50 |
| Wastewater General Obligation Debt Service Fund | 51 |
| Wastewater Revenue Bond Debt Service Fund | 52 |
| Drinking Water Capital Improvement Fund | 53 |
| Wastewater Reclamation Capital Improvement Fund | 54 |
| Watershed Protection Capital Improvement Fund | 55 |

BUDGETARY REPORTING

**OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON**

COMBINING BALANCE SHEET - ALL FUNDS (BUDGETARY BASIS)

June 30, 2021

| | ADMIN SERVICES FUND | DRINKING WATER | WASTEWATER RECLAMATION | WATERSHED PROTECTION | WASTEWATER GO DEBT SERVICE | WASTEWATER REVENUE BOND DEBT SERVICE | DRINKING WATER CAPITAL IMPROVEMENT FUND | WASTEWATER CAPITAL IMPROVEMENT FUND | WATERSHED PROTECTION CAPITAL IMPROVEMENT FUND | TOTAL |
|--|---------------------------|---------------------|---------------------------|-------------------------|-------------------------------------|--|---|--|---|----------------------|
| ASSETS: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Cash and Cash Equivalents | \$ 1,493,396 | \$ 528,020 | \$ (141,210) | \$ 491,240 | \$ 623,764 | \$ 585,852 | \$ 4,487,036 | \$ 5,058,889 | \$ 1,684,307 | \$ 14,811,294 |
| Receivables: | | | | | | | | | | |
| Accounts | - | 772,881 | 1,148,016 | 221,804 | - | - | - | - | - | 2,142,701 |
| Taxes | - | 296 | 916 | 154 | - | - | - | - | - | 1,366 |
| Other | 19,704 | 60,362 | 3,597 | 313 | - | - | - | - | - | 83,976 |
| Lease Receivable | - | 20,411 | - | - | - | - | - | - | - | 20,411 |
| Prepaid Expenses | 156,393 | 4,500 | 8,450 | - | - | - | - | - | - | 169,343 |
| Inventory | - | 136,565 | 142,887 | - | - | - | - | - | - | 279,452 |
| Notes Receivable | - | 53,352 | - | - | - | - | - | - | - | 53,352 |
| Total Assets | \$ 1,669,493 | \$ 1,576,387 | \$ 1,162,656 | \$ 713,511 | \$ 623,764 | \$ 585,852 | \$ 4,487,036 | \$ 5,058,889 | \$ 1,684,307 | \$ 17,561,895 |
| LIABILITIES AND FUND EQUITY: | | | | | | | | | | |
| Current Liabilities: | | | | | | | | | | |
| Accounts Payable | \$ 237,132 | \$ 178,122 | \$ 87,515 | \$ 1,536 | \$ - | \$ - | \$ 58,144 | \$ 100,080 | \$ - | \$ 662,529 |
| Payroll Liabilities | 55,962 | 68,042 | 105,181 | 27,118 | - | - | - | - | - | 256,303 |
| Unearned Revenue | - | 45,202 | - | - | - | - | - | - | - | 45,202 |
| Deposits Payable | - | 17,859 | 3,407 | 9,188 | - | - | - | - | - | 30,454 |
| Total Liabilities | 293,094 | 309,225 | 196,103 | 37,842 | - | - | 58,144 | 100,080 | - | 994,488 |
| District Equity: | | | | | | | | | | |
| Fund Balance: | | | | | | | | | | |
| District Equity | 1,376,399 | 1,267,162 | 966,553 | 675,669 | 623,764 | 585,852 | 4,428,892 | 4,958,809 | 1,684,307 | 16,567,407 |
| Total District Equity | 1,376,399 | 1,267,162 | 966,553 | 675,669 | 623,764 | 585,852 | 4,428,892 | 4,958,809 | 1,684,307 | 16,567,407 |
| Total Liabilities and Fund Balance | \$ 1,669,493 | \$ 1,576,387 | \$ 1,162,656 | \$ 713,511 | \$ 623,764 | \$ 585,852 | \$ 4,487,036 | \$ 5,058,889 | \$ 1,684,307 | \$ 17,561,895 |
| Add/(deduct) to reconcile to GAAP basis statement of net position: | | | | | | | | | | 16,567,407 |
| OPEB Asset | | | | | | | | | | 48,157 |
| Investment in NCCWC | | | | | | | | | | 12,934,734 |
| Capital assets, net depreciation | | | | | | | | | | 71,578,904 |
| Accrued interest expense payable | | | | | | | | | | (211,855) |
| Accrued compensated absences | | | | | | | | | | (318,382) |
| Long term debt | | | | | | | | | | (31,636,667) |
| Pension liability | | | | | | | | | | (5,720,812) |
| OPEB Liability | | | | | | | | | | (221,150) |
| Deferred outflow of resources | | | | | | | | | | 2,632,951 |
| Deferred inflow of resources | | | | | | | | | | (440,352) |
| Ending net position | | | | | | | | | | \$ 65,212,934 |

**OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES AND USES, AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (BUDGETARY BASIS)

June 30, 2021

| | ADMIN SERVICES FUND | DRINKING WATER | WASTEWATER RECLAMATION | WATERSHED PROTECTION | WASTEWATER GO DEBT SERVICE | WASTEWATER REVENUE BOND DEBT SERVICE | DRINKING WATER CAPITAL IMPROVEMENT FUND | WASTEWATER CAPITAL IMPROVEMENT FUND | WATERSHED PROTECTION CAPITAL IMPROVEMENT FUND | TOTAL |
|---|---------------------------|--------------------|---------------------------|-------------------------|-------------------------------------|--|---|--|---|-----------------------|
| REVENUES: | | | | | | | | | | |
| Service charges | \$ - | \$ 4,158,874 | \$ 8,268,193 | \$ 1,549,615 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 13,976,682 |
| System Development Charges | - | 312,844 | 309,900 | - | - | - | 31,414 | - | - | 654,158 |
| Contract Services | - | 53,400 | - | - | - | - | - | - | - | 53,400 |
| Service Installations | - | 34,564 | - | - | - | - | - | - | - | 34,564 |
| Rents and Leases | - | 199,196 | - | - | - | - | - | - | - | 199,196 |
| Other Charges for Services | - | 16,964 | 25,777 | 48,320 | - | - | - | - | - | 91,061 |
| Investment Revenues | 1,694 | 5,545 | 1,866 | 1,925 | 3,560 | 5,372 | 34,264 | 41,565 | 11,248 | 107,039 |
| Miscellaneous Revenues | 17,305 | 38,742 | 1,978 | - | - | - | - | - | - | 58,025 |
| Grant revenue | 15,928 | - | 908 | - | - | - | - | - | - | 16,836 |
| Total Revenues | 34,927 | 4,820,129 | 8,608,622 | 1,599,860 | 3,560 | 5,372 | 65,678 | 41,565 | 11,248 | 15,190,961 |
| EXPENDITURES: | | | | | | | | | | |
| Personnel Services | 1,809,683 | 941,139 | 1,771,817 | 112,891 | - | - | - | - | - | 4,635,530 |
| Materials and Services | 1,464,546 | 1,498,229 | 1,010,722 | 50,209 | - | - | - | - | - | 4,023,706 |
| Capital Outlay | - | - | - | - | - | - | 366,618 | 1,335,380 | 4,256 | 1,706,254 |
| Debt service | - | 209,801 | - | 62,557 | 664,649 | 2,969,083 | - | - | - | 3,906,090 |
| Special Payments - PERS | 552,000 | - | - | - | - | - | - | - | - | 552,000 |
| Total Expenditures | 3,826,229 | 2,649,169 | 2,782,539 | 225,657 | 664,649 | 2,969,083 | 366,618 | 1,335,380 | 4,256 | 14,823,580 |
| Excess of Revenues Over, (Under) Expenditures | (3,791,302) | 2,170,960 | 5,826,083 | 1,374,203 | (661,089) | (2,963,711) | (300,940) | (1,293,815) | 6,992 | 367,381 |
| Other Financing Sources, (Uses): | | | | | | | | | | |
| Forgiveness of Long-term Debt | - | - | 68,767 | - | - | - | - | - | - | 68,767 |
| Interest Subsidy | - | - | - | - | 112,385 | - | - | - | - | 112,385 |
| Transfers In | 4,569,000 | - | - | - | 838,549 | 2,871,000 | 500,000 | 1,000,000 | 500,000 | 10,278,549 |
| Transfers Out | - | (2,408,000) | (6,735,549) | (1,135,000) | - | - | - | - | - | (10,278,549) |
| Total Other Financing Sources, (Uses) | 4,569,000 | (2,408,000) | (6,666,782) | (1,135,000) | 950,934 | 2,871,000 | 500,000 | 1,000,000 | 500,000 | 181,152 |
| Net Change in Fund Balance | 777,698 | (237,040) | (840,699) | 239,203 | 289,845 | (92,711) | 199,060 | (293,815) | 506,992 | 548,533 |
| Beginning Fund Balance | 598,701 | 1,504,202 | 1,807,252 | 436,466 | 333,919 | 678,563 | 4,229,832 | 5,252,624 | 1,177,315 | 16,018,874 |
| Ending Fund Balance | \$ 1,376,399 | \$ 1,267,162 | \$ 966,553 | \$ 675,669 | \$ 623,764 | \$ 585,852 | \$ 4,428,892 | \$ 4,958,809 | \$ 1,684,307 | \$ 16,567,407 |
| Change in fund balance across all funds: | | | | | | | | | | 548,533 |
| Add/(deduct) to reconcile to GAAP basis change in net position: | | | | | | | | | | |
| Debt proceeds | | | | | | | | | | (4,426,836) |
| Principal payments | | | | | | | | | | 6,629,262 |
| Premium on bond refunding | | | | | | | | | | 742,639 |
| Change in interest expense accrued | | | | | | | | | | 133,344 |
| Change in accrued compensated leave liabilities | | | | | | | | | | (28,699) |
| Change in OPEB Asset | | | | | | | | | | 763 |
| Capital outlay expenditures capitalized | | | | | | | | | | 2,036,264 |
| Depreciation | | | | | | | | | | (2,484,480) |
| Gain/(loss) on disposals of capital assets | | | | | | | | | | (4,281,628) |
| Change in investment in joint venture | | | | | | | | | | 208,539 |
| Change in net pension liability/(asset) | | | | | | | | | | (1,070,731) |
| Change in OPEB Liability | | | | | | | | | | (21,062) |
| Change in deferred outflow of resources | | | | | | | | | | 715,925 |
| Change in deferred inflow of resources | | | | | | | | | | 251,587 |
| Change in net position | | | | | | | | | | \$ (1,046,580) |

OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For the Year Ended June 30, 2021

ADMINISTRATIVE SERVICES FUND

| | ACTUAL | ORIGINAL BUDGET | FINAL BUDGET | VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE) |
|---|--------------|--------------------|-----------------|--|
| REVENUES: | | | | |
| State Grant Revenue | \$ 15,928 | \$ - | \$ - | \$ 15,928 |
| Investment revenue | 1,694 | - | - | 1,694 |
| Miscellaneous revenues | 17,305 | 1,000 | 1,000 | 16,305 |
| Total Revenues | 34,927 | 1,000 | 1,000 | 33,927 |
| EXPENDITURES: | | | | |
| Personnel Services | 1,809,683 | 1,977,000 | 2,015,000 (1) | 205,317 |
| Materials and Services | 1,464,546 | 2,237,000 | 2,288,000 (1) | 823,454 |
| Special Payments | 552,000 | 552,000 | 552,000 (1) | - |
| Contingency | - | 139,000 | 50,000 (1) | 50,000 |
| Total Expenditures | 3,826,229 | 4,905,000 | 4,905,000 | 1,078,771 |
| Excess of Revenues Over, (Under) Expenditures | (3,791,302) | (4,904,000) | (4,904,000) | 1,112,698 |
| Other Financing Sources, (Uses): | | | | |
| Transfers In | 4,569,000 | 4,569,000 | 4,569,000 | - |
| Total Other Financing Sources, (Uses) | 4,569,000 | 4,569,000 | 4,569,000 | - |
| Net Change in Fund Balance | 777,698 | (335,000) | (335,000) | 1,112,698 |
| Beginning Fund Balance | 598,701 | 335,000 | 335,000 | 263,701 |
| Ending Fund Balance | \$ 1,376,399 | \$ - | \$ - | \$ 1,376,399 |

(1) Appropriation Level

OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For the Year Ended June 30, 2021

DRINKING WATER FUND

| | ACTUAL | ORIGINAL BUDGET | FINAL BUDGET | VARIANCE TO FINAL BUDGET |
|--|---------------------|--------------------|--------------------|--------------------------------|
| REVENUES: | | | | |
| Water Sales | \$ 4,158,874 | \$ 4,090,000 | \$ 4,090,000 | \$ 68,874 |
| System Development Charges | 312,844 | 100,000 | 100,000 | 212,844 |
| Contract Services | 53,400 | 40,000 | 40,000 | 13,400 |
| Service Installations | 34,564 | 10,000 | 10,000 | 24,564 |
| Rents and Leases | 199,196 | 200,000 | 200,000 | (804) |
| Other Charges for Services | 16,964 | 10,000 | 10,000 | 6,964 |
| Interest | 5,545 | 10,000 | 10,000 | (4,455) |
| Miscellaneous Revenues | 38,742 | 26,000 | 26,000 | 12,742 |
| Total Revenues | 4,820,129 | 4,486,000 | 4,486,000 | 334,129 |
| EXPENDITURES: | | | | |
| Personnel Services | 941,139 | 989,000 | 1,045,500 (1) | 104,361 |
| Materials and Services | 1,498,229 | 1,443,500 | 1,460,500 (1) | (37,729) |
| Debt Service | 209,801 | 209,801 | 209,801 (1) | - |
| Contingency | - | 962,699 | 889,199 (1) | 889,199 |
| Total Expenditures | 2,649,169 | 3,605,000 | 3,605,000 | 955,831 |
| Excess of Revenues Over, (Under) Expenditures | 2,170,960 | 881,000 | 881,000 | 1,289,960 |
| Other Financing Sources, (Uses): | | | | |
| Transfers Out | (2,408,000) | (2,408,000) | (2,408,000) (1) | - |
| Total Other Financing Sources, (Uses) | (2,408,000) | (2,408,000) | (2,408,000) | - |
| Net Change in Fund Balance | (237,040) | (1,527,000) | (1,527,000) | 1,289,960 |
| Beginning Fund Balance | 1,504,202 | 1,527,000 | 1,527,000 | (22,798) |
| Ending Fund Balance | \$ 1,267,162 | \$ - | \$ - | \$ 1,267,162 |

(1) Appropriation Level

OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For the Year Ended June 30, 2021

WASTEWATER RECLAMATION FUND

| | ACTUAL | ORIGINAL BUDGET | FINAL BUDGET | VARIANCE TO FINAL BUDGET |
|---|--------------------|--------------------|--------------------|--------------------------------|
| REVENUES: | | | | |
| Wastewater Charges | \$ 8,268,193 | \$ 8,280,000 | \$ 8,280,000 | \$ (11,807) |
| System Development Charges | 309,900 | 125,000 | 125,000 | 184,900 |
| Service Installations | - | 10,000 | 10,000 | (10,000) |
| Other Charges for Services | 25,777 | 10,000 | 10,000 | 15,777 |
| Interest | 1,866 | 5,000 | 5,000 | (3,134) |
| Miscellaneous Revenues | 1,978 | 5,000 | 5,000 | (3,022) |
| State Grants | 908 | - | - | 908 |
| Total Revenues | 8,608,622 | 8,435,000 | 8,435,000 | 173,622 |
| EXPENDITURES: | | | | |
| Personnel Services | 1,771,817 | 1,721,000 | 1,789,400 (1) | 17,583 |
| Materials and Services | 1,010,722 | 1,046,000 | 1,135,000 (1) | 124,278 |
| Contingency | - | 801,000 | 643,600 (1) | 643,600 |
| Total Expenditures | 2,782,539 | 3,568,000 | 3,568,000 | 785,461 |
| Excess of Revenues Over, (Under) Expenditures | 5,826,083 | 4,867,000 | 4,867,000 | 959,083 |
| Other Financing Sources, (Uses): | | | | |
| Forgiveness of Long-Term Debt | 68,767 | - | - | 68,767 |
| Transfers Out | (6,735,549) | (6,709,000) | (6,709,000) (1) | (26,549) |
| Total Other Financing Sources, (Uses) | (6,666,782) | (6,709,000) | (6,709,000) | 42,218 |
| Net Change in Fund Balance | (840,699) | (1,842,000) | (1,842,000) | 1,001,301 |
| Beginning Fund Balance | 1,807,252 | 1,842,000 | 1,842,000 | (34,748) |
| Ending Fund Balance | <u>\$ 966,553</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 966,553</u> |

(1) Appropriation Level

OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For the Year Ended June 30, 2021

WATERSHED PROTECTION FUND

| | <u>ACTUAL</u> | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>VARIANCE TO FINAL BUDGET</u> |
|---|--------------------|----------------------------|-------------------------|---|
| REVENUES: | | | | |
| Watershed Protection Charges | \$ 1,549,615 | \$ 1,550,000 | \$ 1,550,000 | \$ (385) |
| System Development Charges | - | 20,000 | 20,000 | (20,000) |
| Other Charges for Services | 48,320 | 5,000 | 5,000 | 43,320 |
| Interest | 1,925 | - | - | 1,925 |
| Miscellaneous Revenues | - | 1,000 | 1,000 | (1,000) |
| Total Revenues | 1,599,860 | 1,576,000 | 1,576,000 | 23,860 |
| EXPENDITURES: | | | | |
| Personnel Services | 112,891 | 134,000 | 136,500 (1) | 23,609 |
| Materials and Services | 50,209 | 105,000 | 105,600 (1) | 55,391 |
| Debt Service | 62,557 | 62,558 | 62,558 (1) | 1 |
| Contingency | - | 549,442 | 546,342 (1) | 546,342 |
| Total Expenditures | 225,657 | 851,000 | 851,000 | 625,343 |
| Excess of Revenues Over, (Under) Expenditures | 1,374,203 | 725,000 | 725,000 | 649,203 |
| Other Financing Sources, (Uses): | | | | |
| Transfers Out | (1,135,000) | (1,135,000) | (1,135,000) (1) | - |
| Total Other Financing Sources, (Uses) | (1,135,000) | (1,135,000) | (1,135,000) | - |
| Net Change in Fund Balance | 239,203 | (410,000) | (410,000) | 649,203 |
| Beginning Fund Balance | 436,466 | 410,000 | 410,000 | 26,466 |
| Ending Fund Balance | <u>\$ 675,669</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 675,669</u> |

(1) Appropriation Level

OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For the Year Ended June 30, 2021

WASTEWATER GENERAL OBLIGATION DEBT SERVICE FUND

| | <u>ACTUAL</u> | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u> |
|---|-------------------|----------------------------|-------------------------|---|
| REVENUES: | | | | |
| Interest | \$ 3,560 | \$ 7,000 | \$ 7,000 | \$ (3,440) |
| EXPENDITURES: | | | | |
| Debt Service | | | | |
| Principal | 375,273 | 375,273 | 375,273 | - |
| Interest | 289,376 | 262,828 | 262,828 | (26,548) |
| Total Expenditures | 664,649 | 638,101 | 638,101 (1) | (26,548) |
| Excess of Revenues Over, (Under) Expenditures | (661,089) | (631,101) | (631,101) | (29,988) |
| Other Financing Sources, (Uses): | | | | |
| Interest Subsidy | 112,385 | 111,000 | 111,000 | 1,385 |
| Transfers In | 838,549 | 812,000 | 812,000 | 26,549 |
| Total Other Financing Sources, (Uses) | 950,934 | 923,000 | 923,000 | 27,934 |
| Net Change in Fund Balance | 289,845 | 291,899 | 291,899 | (2,054) |
| Beginning Fund Balance | 333,919 | 333,000 | 333,000 | 919 |
| Ending Fund Balance | <u>\$ 623,764</u> | <u>\$ 624,899</u> | <u>\$ 624,899</u> | <u>\$ (1,135)</u> |

(1) Appropriation Level

OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For the Year Ended June 30, 2021

WASTEWATER REVENUE BOND DEBT SERVICE FUND

| | <u>ACTUAL</u> | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u> |
|---|---------------|----------------------------|-------------------------|---|
| REVENUES: | | | | |
| Interest | \$ 5,372 | \$ 16,084 | \$ 16,084 | \$ (10,712) |
| EXPENDITURES: | | | | |
| Debt Service | | | | |
| Principal | 2,266,550 | 2,266,550 | 2,266,550 | - |
| Interest | 702,533 | 702,534 | 702,534 | 1 |
| Total Expenditures | 2,969,083 | 2,969,084 | 2,969,084 | (1) 1 |
| Excess of Revenues Over, (Under) Expenditures | (2,963,711) | (2,953,000) | (2,953,000) | (10,711) |
| Other Financing Sources, (Uses): | | | | |
| Transfers In | 2,871,000 | 2,871,000 | 2,871,000 | - |
| Net Change in Fund Balance | (92,711) | (82,000) | (82,000) | (10,711) |
| Beginning Fund Balance | 678,563 | 682,000 | 682,000 | (3,437) |
| Ending Fund Balance | \$ 585,852 | \$ 600,000 | \$ 600,000 | \$ (14,148) |

(1) Appropriation Level

OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For the Year Ended June 30, 2021

DRINKING WATER CAPITAL IMPROVEMENT FUND

| | <u>ACTUAL</u> | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u> |
|---|---------------------|----------------------------|-------------------------|---|
| REVENUES: | | | | |
| Interest | \$ 34,264 | \$ 50,000 | \$ 50,000 | \$ (15,736) |
| System Development Charges | 31,414 | - | - | 31,414 |
| Miscellaneous Revenues | - | - | - | - |
| Total Revenues | <u>65,678</u> | <u>50,000</u> | <u>50,000</u> | <u>15,678</u> |
| EXPENDITURES: | | | | |
| Capital Outlay | 366,618 | 1,515,000 | 1,515,000 (1) | 1,148,382 |
| Contingency | - | 2,977,000 | 2,977,000 (1) | 2,977,000 |
| Total Expenditures | <u>366,618</u> | <u>4,492,000</u> | <u>4,492,000</u> | <u>4,125,382</u> |
| Excess of Revenues Over, (Under) Expenditures | (300,940) | (4,442,000) | (4,442,000) | 4,141,060 |
| Other Financing Sources, (Uses): | | | | |
| Transfers In | <u>500,000</u> | <u>500,000</u> | <u>500,000</u> | <u>-</u> |
| Total Other Financing Sources, (Uses) | <u>500,000</u> | <u>500,000</u> | <u>500,000</u> | <u>-</u> |
| Net Change in Fund Balance | 199,060 | (3,942,000) | (3,942,000) | 4,141,060 |
| Beginning Fund Balance | <u>4,229,832</u> | <u>3,942,000</u> | <u>3,942,000</u> | <u>287,832</u> |
| Ending Fund Balance | <u>\$ 4,428,892</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,428,892</u> |

(1) Appropriation Level

OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For the Year Ended June 30, 2021

WASTEWATER RECLAMATION CAPITAL IMPROVEMENT FUND

| | <u>ACTUAL</u> | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>VARIANCE TO FINAL BUDGET</u> |
|---|---------------------|----------------------------|-------------------------|---|
| REVENUES: | | | | |
| Interest | \$ 41,565 | \$ 75,000 | \$ 75,000 | \$ (33,435) |
| Miscellaneous Revenues | - | - | - | - |
| Total Revenues | <u>41,565</u> | <u>75,000</u> | <u>75,000</u> | <u>(33,435)</u> |
| EXPENDITURES: | | | | |
| Capital Outlay | 1,335,380 | 2,450,000 | 2,450,000 (1) | 1,114,620 |
| Contingency | - | 3,230,000 | 3,230,000 (1) | 3,230,000 |
| Total Expenditures | <u>1,335,380</u> | <u>5,680,000</u> | <u>5,680,000</u> | <u>4,344,620</u> |
| Excess of Revenues Over, (Under) Expenditures | (1,293,815) | (5,605,000) | (5,605,000) | 4,311,185 |
| Other Financing Sources, (Uses): | | | | |
| Transfers In | 1,000,000 | 1,000,000 | 1,000,000 | - |
| Total Other Financing Sources, (Uses) | <u>1,000,000</u> | <u>1,000,000</u> | <u>1,000,000</u> | <u>-</u> |
| Net Change in Fund Balance | (293,815) | (4,605,000) | (4,605,000) | 4,311,185 |
| Beginning Fund Balance | 5,252,624 | 4,605,000 | 4,605,000 | 647,624 |
| Ending Fund Balance | <u>\$ 4,958,809</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,958,809</u> |

(1) Appropriation Level

**OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For the Year Ended June 30, 2021**

WATERSHED PROTECTION CAPITAL IMPROVEMENT FUND

| | <u>ACTUAL</u> | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>VARIANCE TO FINAL BUDGET</u> |
|---|---------------------|----------------------------|-------------------------|---|
| REVENUES: | | | | |
| Interest | \$ 11,248 | \$ 40,000 | \$ 40,000 | \$ (28,752) |
| Total Revenues | <u>11,248</u> | <u>40,000</u> | <u>40,000</u> | <u>(28,752)</u> |
| EXPENDITURES: | | | | |
| Capital Outlay | 4,256 | 465,000 | 465,000 (1) | 460,744 |
| Contingency | - | 1,556,000 | 1,556,000 (1) | 1,556,000 |
| Total Expenditures | <u>4,256</u> | <u>2,021,000</u> | <u>2,021,000</u> | <u>2,016,744</u> |
| Excess of Revenues Over, (Under) Expenditures | 6,992 | (1,981,000) | (1,981,000) | 1,987,992 |
| Other Financing Sources, (Uses): | | | | |
| Transfers In | 500,000 | 500,000 | 500,000 | - |
| Total Other Financing Sources, (Uses) | <u>500,000</u> | <u>500,000</u> | <u>500,000</u> | <u>-</u> |
| Net Change in Fund Balance | 506,992 | (1,481,000) | (1,481,000) | 1,987,992 |
| Beginning Fund Balance | <u>1,177,315</u> | <u>1,481,000</u> | <u>1,481,000</u> | <u>(303,685)</u> |
| Ending Fund Balance | <u>\$ 1,684,307</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,684,307</u> |

(1) Appropriation Level

OTHER INFORMATION

PROGRAM COMPLIANCE INFORMATION

COVERAGE INFORMATION – REVENUE BONDS

**State of Oregon Department of Environmental Quality (DEQ)
Clean Water State Revolving Fund (CWSRF) Loans**

OAK LODGE WATER SERVICES DISTRICT
Program Compliance Information - Coverage Computation
Debt Service Coverage Information - Wastewater Program Budgetary Basis
State of Oregon Department of Environmental Quality (DEQ) Clean Water State Revolving Fund (CWSRF) Loans
Fiscal Year Ended June 30, 2021

| June 30, | Gross Revenue | Operating Expenses | Net Operating Revenues | Minimum Net Operating Revenue | Net Revenue Available / (Working capital required) | Coverage Met |
|----------|---------------|--------------------|------------------------|-------------------------------|--|--------------|
| 2021 | \$ 8,607,714 | \$ 3,782,539 | \$ 4,825,175 | \$ 3,226,884 | \$ 1,598,291 | Yes |
| 2020 | 6,949,886 | 3,882,260 | 3,067,626 | 3,684,340 | (616,715) | No (7) |
| 2019 | 8,256,278 | 4,778,834 | 3,477,444 | 3,385,907 | 91,537 | Yes |
| 2018 | 8,101,313 | 4,755,379 | 3,345,934 | 3,422,556 | (76,622) | No (7) |
| 2017 | 4,083,854 | 2,492,189 | 1,591,665 | 2,058,150 | (466,485) | No (7) |

| June 30, | Operating expenses | | | | Coverage Requirement | | | |
|----------|--------------------|----------------------|-------------------------|---------------------------------|----------------------|----------------------------|--------------------------------|-------------------------------|
| | Personnel Services | Materials & Services | Administrative Services | Reserve for Capital Replacement | Subtotal | Subject CWSRF Debt Service | 100% of Remaining Debt Service | Minimum Net Operating Revenue |
| 2021 | \$ 1,771,817 | \$ 1,010,722 | \$ - | \$ 1,000,000 | \$ 3,782,539 | \$ 1,238,508 | \$ 1,988,376 | \$ 3,226,884 |
| 2020 | 1,699,353 | 882,907 | - | 1,300,000 | 3,882,260 | 1,305,168 | 2,379,172 | 3,684,340 |
| 2019 | 2,349,273 | 1,507,420 | - | 922,141 | 4,778,834 | 1,309,814 | 2,076,093 | 3,385,907 |
| 2018 | 2,411,290 | 1,760,797 | - | 583,291 | 4,755,378 | 1,314,373 | 2,108,183 | 3,422,556 |
| 2017 | 854,155 | 774,874 | - | 863,161 | 2,492,190 | 702,500 | 1,355,650 | 2,058,150 |

- 1 Gross revenues comprise fees and charges generated in the wastewater program including system development charges but excludes proceeds from grants and developer contributions.
- 2 Operating expenses comprise both direct and indirect activities necessary for the sanitary sewer program including a reasonable estimate of reserves required for the repair and replacement of sanitary sewer capital assets based on the an estimate of their useful lives.
- 3 The reserve for repair and replacement amount is an allocation of new sanitary sewer revenue generated in the general fund which is estimated to have been reserved for ongoing repair and replacements of existing capital assets in the sanitary sewer program.
- 4 The District expects to pay all debt service with net operating revenues of the sanitary sewer program
- 5 Refer to the Notes to the Basic Financial Statements for detailed information about the District's debt.
- 6 Remaining revenue available (working capital required) reflects retained earnings available or working capital required for reserves and other future expenditures.
- 7 The District has maintained adequate reserves and as a result not been subject to any consequences for years in which the District failed to satisfy coverage requirements.

PROGRAM COMPLIANCE INFORMATION

COVERAGE INFORMATION – REVENUE BONDS

**JP Morgan Chase
Direct Placement**

OAK LODGE WATER SERVICES DISTRICT
Program Compliance Information - Coverage Computation
Wastewater Revenue Bond Debt Service Coverage Compliance Report
JP Morgan Chase Wastewater Loan Agreement Compliance Information
Fiscal Year Ended June 30, 2021

| June 30, | Parity Bond Debt Service | | | | Parity Bond and Subordinate Obligation Debt Service | | | |
|----------|--------------------------|---------------------------|-----------------------------|---------------------------------|---|---------------------------|-----------------------------|---------------------------------|
| | Annual Debt Service | Minimum Coverage Required | Actual Coverage Experienced | Coverage Satisfaction Yes or No | Annual Debt Service | Minimum Coverage Required | Actual Coverage Experienced | Coverage Satisfaction Yes or No |
| 2021 | \$ 1,730,575 | 120% | 261% | Yes | \$ 2,969,083 | 100% | 152% | Yes |
| 2020 | 569,325 | 120% | 664% | Yes | 1,812,342 | 100% | 209% | Yes |
| 2019 | 379,325 | 120% | 1065% | Yes | 1,626,767 | 100% | 248% | Yes |
| 2018 | 138,032 | 120% | 2578% | Yes | 1,389,816 | 100% | 256% | Yes |

Coverage Revenue Calculation

| June 30, | Gross Revenue | Adjustments | Adjusted Gross Revenue | Operating Expense | Adjustments | Adjusted Operating Expense | Adjusted Net Operating Revenue | Adjustments | Adjusted Coverage Revenue |
|----------|---------------|-------------|------------------------|-------------------|-------------|----------------------------|--------------------------------|--------------|---------------------------|
| 2021 | \$ 8,608,622 | \$ (908) | \$ 8,607,714 | \$ 3,782,539 | \$ (908) | \$ 3,781,631 | \$ 4,826,083 | \$ (309,900) | \$ 4,516,183 |
| 2020 | 9,099,407 | (121,521) | 8,977,886 | 4,610,260 | (4,220) | 4,606,040 | 4,371,846 | (592,263) | 3,779,583 |
| 2019 | 8,256,278 | (71,844) | 8,184,434 | 3,856,693 | (27,411) | 3,829,282 | 4,355,152 | (315,502) | 4,039,650 |
| 2018 | 8,101,313 | (64,586) | 8,036,727 | 4,172,087 | (30,157) | 4,141,930 | 3,894,796 | (336,016) | 3,558,780 |

Debt Service Detail Information

Wastewater Revenue Bonds

| June 30, | Parity Bonds JP Morgan | | Subordinate Obligations State of Oregon | | GO Bonds Series 2010 | | Debt Service Grand Total | Net Coverage Revenue Remaining | Excluded Revenue Adjustments | Net Remaining Resources Available |
|----------|------------------------|---|---|----------------------|----------------------|------------|--------------------------|--------------------------------|------------------------------|-----------------------------------|
| | Parity Bonds JP Morgan | Subordinate Obligations State of Oregon | Subtotal | GO Bonds Series 2010 | IFA | Subtotal | | | | |
| 2021 | \$ 1,730,575 | \$ 1,238,508 | \$ 2,969,083 | \$ - | \$ 638,100 | \$ 638,100 | \$ 3,607,183 | \$ 909,000 | \$ 309,900 | \$ 1,218,900 |
| 2020 | 569,325 | 1,243,017 | 1,812,342 | 1,164,800 | 527,747 | 1,692,547 | 3,504,889 | 274,694 | 592,263 | 866,957 |
| 2019 | 379,325 | 1,247,442 | 1,626,767 | 1,168,000 | 528,768 | 1,696,768 | 3,323,535 | 716,114 | 349,932 | 1,066,046 |
| 2018 | 138,032 | 1,251,784 | 1,389,816 | 1,440,250 | 529,901 | 1,970,151 | 3,359,967 | 198,813 | 370,445 | 569,258 |

1 Parity bond means any obligation that is secured by Net Revenues on an equal basis with the 2017 JP Morgan Chase Loan.

2 Subordinate obligations means obligations having a lien on the Net Revenues which is subordinate to the lien of the 2017 JP Morgan Chase Loan.

3 General obligation bonds means any obligation that is secured by the full faith and credit of the District and which may as necessary be repaid with property tax revenue.

4 Net coverage revenue reflects remaining coverage revenue, after deducting all debt service, that is available for reserves and future expenditures.

Source: Oak Lodge Water Service District Records

OAK LODGE WATER SERVICES DISTRICT
Program Compliance Information - Coverage Computation Detail Information
Wastewater Revenue Bond Debt Service Coverage Compliance Report
JP Morgan Chase Wasterwater Loan Agreement Compliance Information
Fiscal Year Ended June 30, 2021

Gross Revenue Adjustments:

Additions:

Rate Stabilization Account Withdrawals

| | |
|----|---|
| \$ | - |
|----|---|

Subtractions:

Rate Stabilization Account Deposits

| |
|---|
| - |
|---|

Exclusions:

- a) Interest income derived from escrow fund for defeasance or refunding.
- b) Gifts, grants, donations, and other federal or state contributions with restrictions to uses inconsistent with payment of the parity bonds.
- c) Debt proceeds.
- d) Liability insurance proceeds other than business interruption insurance guarding against loss of revenues.
- e) Casualty insurance proceeds utilized for the repair or replacement of wastewater system assets.
- f) Capital asset disposal proceeds.
- g) Ad valorem or other taxes imposed other than charges for service that become "taxes" only because they are imposed on property or property owners.
- h) Income generated from ownership or operation of any separate utility system.
- i) Installment payments for line or branch charges, connection fees, or local improvement districts pledged as security for a borrowing other than a bond.
- j) Federal interest subsidies for interest subsidy bonds.

| |
|--------|
| - |
| 908 |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| 70,010 |

Subtotal

| | |
|----|--------|
| \$ | 70,918 |
|----|--------|

Operating Expense Adjustments:

Exclusions:

- a) IRS Section 148 rebates or penalties paid from gross revenues.
- b) Litigation settlements and judgements paid against the District.
- c) Depreciation and amortization of property values or losses and other non-cash expenses.
- d) Capital expenditures.
- e) Interest and other debt service payments, paying agent fees, broker-dealer fees, and similar charges for maintenance of borrowings.
- f) Expenses incurred from ownership or operation of any separate utility system.
- g) Liability insurance proceeds expenditures.
- h) Casualty insurance proceeds expenditures for repair or replacement of wastewater system assets.
- i) Grant proceeds expenditures regardless of whether they are dedicated to a specific purposes or available for general operations.
- j) Extraordinary, non-recurring expenses.
- k) Expenditures allocable to any other funding source which does not constitute gross revenues of the wastewater system.

| |
|-----|
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| 908 |
| - |
| - |

Subtotal

| | |
|----|-----|
| \$ | 908 |
|----|-----|

PROGRAM COMPLIANCE INFORMATION

CONTINUING DISCLOSURES

REVENUE BONDS

**JP Morgan Chase
Direct Placement**

OAK LODGE WATER SERVICES DISTRICT
Revenue Bond Continuing Disclosure Information
Overlapping & Direct Property-Tax Backed Bonded Debt
June 30, 2021

| Agency | Real Market Valuation | Percent Overlapping | Gross Overlapping Property-Tax Backed Debt | Net Overlapping Property-Tax Backed Debt |
|---|--------------------------|------------------------|---|--|
| Overlapping | | | | |
| City of Gladstone | 1,764,788,850 | 3.15% | 111,408 | 111,408 |
| City of Milwaukie | 3,691,454,973 | 0.41% | 154,580 | 143,700 |
| Clackamas Community College | 61,900,863,812 | 6.94% | 7,277,176 | 5,893,995 |
| Clackamas County | 84,100,937,879 | 5.11% | 6,405,683 | 6,405,683 |
| Clackamas County Education Service District | 80,185,336,270 | 5.36% | 1,022,899 | 1,022,899 |
| Clackamas County Rural Fire Protection District | 38,434,396,536 | 11.03% | 4,339,770 | 2,949,637 |
| Gladstone School District | 1,693,837,104 | 4.40% | 1,376,812 | 1,376,812 |
| North Clackamas School District | 24,319,827,436 | 14.02% | 97,455,473 | 97,190,796 |
| Oregon City School District | 9,773,730,774 | 8.30% | 16,746,035 | 16,726,905 |
| Clackamas Soil & Water Conservation | 84,100,953,949 | 5.11% | 313,848 | 313,848 |
| Metro | 343,477,186,246 | 1.25% | 11,989,919 | 11,514,677 |
| Port of Portland | 373,404,176,191 | 1.15% | 590,552 | - |
| Subtotal Overlapping Debt | | | <u>147,784,155</u> | <u>143,650,360</u> |
| Direct | | | | |
| Oak Lodge Water Services District | 4,296,064,351 | 100% | 5,462,846 | 966,000 |
| Subtotal Direct Debt | | | <u>5,462,846</u> | <u>966,000</u> |
| Grand Total Overlapping & Direct Debt | | | <u><u>153,247,001</u></u> | <u><u>144,616,360</u></u> |

| | |
|--|---------------|
| Estimated weighted average aggregate tax rate per \$1,000 within boundary for all issuers | 1.90 |
| Estimate real market value for District and all overlapping issuers | 4,296,064,351 |
| Ratio of gross property-backed debt to real market value for District and all overlapping issuers: | 0.02% |
| Ratio of net property-tax backed debt to real market value for District and all overlapping issuers: | 3.37% |

Notes:

- 1 Gross property-tax backed debt includes all general obligation bonds and full faith and credit bonds
- 2

Net property-tax backed debt is gross property-tax backed debt less self-supporting unlimited-tax general obligation bonds and less self supporting full faith and credit debt. Appropriation credits, conduit revenue bonds, dedicated niche obligations, revenue bonds, and any other obligations issued for less than 13 months (ie bond anticipation notes, tax anticipation notes, etc) lease purchase agreements, and loans are NOT included in the property-tax backed debt calculations.

- 3 Real market valuation of the District is based on the value reported by Clackamas County for Oak Lodge Water Services District
- 4 Estimated aggregate tax rate per \$1,000 based on the information provided by Clackamas County Department of Assessment and Taxation.

Sources: Oregon State Treasury Municipal Debt Advisory Commission (MDAC)
Clackamas County Department of Assessment and Taxation
Oak Lodge Water Services District Records

OAK LODGE WATER SERVICES DISTRICT
Revenue Bond Continuing Disclosure Information
Top Ten Rate Payers
Current Fiscal Period & Fiscal Period Three Years Prior

| Customer | 2020 | | | 2021 | | |
|--|------|--------------|-------|------|--------------|-------|
| | Rank | Revenue | % | Rank | Revenue | % |
| City of Gladstone | 1 | \$ 521,979 | 3.79% | 1 | \$ 518,266 | 3.71% |
| Willamette View, Inc. | 2 | 434,438 | 3.16% | 2 | 436,628 | 3.12% |
| Rose Villa Inc. | 3 | 152,933 | 1.11% | 3 | 164,987 | 1.18% |
| North Clackamas School District #12 | | | | 4 | 139,084 | 1.00% |
| The Bluffs | 4 | 131,506 | 0.96% | 5 | 128,536 | 0.92% |
| Cheseapeake Pointed II Apartments | 5 | 122,494 | 0.89% | 6 | 121,967 | 0.87% |
| Fred Meyer | | | | 7 | 114,834 | 0.82% |
| Fox Pointe Apartments | | | | 8 | 93,706 | 0.67% |
| Vineyard Place Retirement Center | 6 | 94,672 | 0.69% | 9 | 92,451 | 0.66% |
| Holly Acres Apartments | 7 | 91,770 | 0.67% | 10 | 89,900 | 0.64% |
| Highland Terrace Apartments | 8 | 88,917 | 0.65% | | | |
| Homewoods on the Willamette | 9 | 86,282 | 0.63% | | | |
| Rex Putnam High School | 10 | 83,172 | 0.60% | | | |
| Top Ten Customers' Total Service Charge Revenue | | \$ 1,808,163 | | | \$ 1,900,359 | |
| Grand Total District Service Charge Revenue | | 13,767,248 | | | 13,976,682 | |
| % of Grand Total District Service Charge Revenue | | 13.1% | | | 13.6% | |

Source: Oak Lodge Water Services District Records

REPORT OF INDEPENDENT AUDITORS
REQUIRED BY OREGON STATE REGULATIONS

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy; enumerate the financial statements, schedules, and comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth in the following pages.

Report of Independent Auditors Required by Oregon State Regulations

The Board of Directors
Oak Lodge Water Service District

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Oak Lodge Water Services District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated October 4, 2024.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements: However, providing an opinion on compliance with those provisions was not an objective of our audit; accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to, the following:

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Budget
- Insurance and fidelity bonds
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations, except those noted below:

- The notice of publication for the budget hearing was not publicized between five and thirty days before the scheduled budget hearing under ORS 294.438.
- The District failed to file the audited financial statements with the Secretary of State within six months after the close of the fiscal year under audit, which is required by ORS 297.465.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. During our audit, we did identify a deficiency in internal control that we consider to be a material weakness as defined above. Discussion of the deficiency can be found in our Communication to Those Charged with Governance and Internal Control Related Matters dated October 4, 2024.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the board of commissioners and management of the Department and the Oregon Secretary of State and is not intended to be, and should not be, used by anyone other than these parties.



Keith Simovic, Partner
for Moss Adams LLP
Portland, Oregon
October 4, 2024

End of Report



STAFF REPORT

To Board of Directors
From Brad Albert, General Manager
Title Consideration of Adoption of Plan of Action for FY 2021 Financial Audit
Item No 5.a.
Date November 12, 2024

Summary

OLWS contracted with Moss Adams to perform the District's fiscal year 2021 audit to file with the Oregon Secretary of State's office. A couple of deficiencies were discovered through the audit process and a Plan of Action (attached) has been drafted for approval by the OLWS Board of Directors to submit to the Secretary of State's office.

Background

Oregon law requires local governments to file annual financial audit reports and other items with the Secretary of State Audits Division (Oregon Revised Statute 297.405-297.990). Moss Adams was contracted by OLWS to perform the FY21 financial audit of the District's financial operation. The audit noted a couple of deficiencies which need corrective action.

Those items noted are:

- Financial Close and Reporting and Timeliness of Filing with the Secretary of State
- Capital Asset Reconciliation

The Plan of Action document (attached) outlines the steps needed to correct the above-mentioned deficiencies. Those include timely filing of audits within the required 180 days following the end of the fiscal year, reconciling capital asset accounts monthly, capital asset disposal procedures, and utilization of work orders for projects not outlined by the Capital Improvement Plan.

Recommendation

Staff recommends the Board approve the Chair and General Manager sign the Plan of Action for fiscal year 2021 audit.

Suggested Board Motion

I move to authorize the Chair and General Manager sign the Plan of Action for the fiscal year 2021 audit.

Attachments

1. FY21 Audit Plan of Action SOS

November 12, 2024

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

Plan of Action for Oak Lodge Water Services District

Oak Lodge Water Services District respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2021. The audit was completed by the independent auditing firm Moss Adams on October 4, 2024 and reported the deficiencies listed below. The plan of action was adopted by the governing body at their meeting on November 12, 2024, as indicated by signatures below.

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

1. Deficiency #1
 - a. Material Weakness – **Financial Close and Reporting and Timeliness of Filing with the Secretary of State**
 - i. During the audit, the auditor noted that the District was significantly delayed in its close process and for preparing its year-end financial statements, including ineffective controls to ensure timely review of account reconciliations and significant financial statement accounts, and inadequate controls to ensure that journal entries are accurately calculated and recorded. In addition, the District failed to timely file its audited financial report with the Secretary of State and therefore was out of compliance with the requirement to file within 6 months of the District's fiscal year end. To improve the financial statement close process and timeliness of filing, auditor recommends that the District establish more efficient and effective internal controls to provide timely and accurate

completion of financial reporting as well as timely review and approval of all account balances.

- b. The District will work to complete audits in a timely manner, however, we note that the FY22 and FY23 audits are also already past due and will work swiftly to complete them. The District was dissolved as of September 16, 2023 and no further audits are required.
- c. Timeframe for implementation: Fiscal year 22 fieldwork is scheduled with the audits for mid-December, 2024 with expected completion within 90 days, moving forward to the next fiscal year. We anticipate closing FY23 by June 30, 2025.

2. Deficiency #2

- a. Significant Deficiency – **Capital Assets**
 - i. Capital Asset Reconciliation to the General Ledger – Auditor noted that the District does not currently have a control in place to reconcile certain key, full-accrual accounts on a monthly basis, specifically capital assets. To improve the accuracy of the monthly financial reports and to reduce the burden of the year-end closing process, auditor recommends that the activity per the asset tracking system be routinely reconciled to the capital outlay accounts on a monthly basis. This reconciliation should be formally documented and reviewed by someone other than the person performing the reconciliation as part of the District’s monthly close process.
 - ii. Work Orders – Auditor noted that the District does not utilize work orders. Capital projects are approved in the annual capital budget that is approved by the Board of Directors and invoices are coded to the applicable projects by field supervisors. Auditor recommends that the District implement a formalized work order system to ensure that projects initiated outside of the capital budget are approved and costs are appropriately assigned to the correct work order.

- iii. Capital Asset Disposals During our testing, we identified a lack of documented oversight regarding the Boardman Wetlands Project, which presents potential risks related to continued capitalization of a discontinued project and improper recognition of loss on disposals of capital assets. We recommend establishing a formal process for Board oversight of significant capital asset disposals to ensure proper documentation and approval. We recommend a thorough review of capital assets to ensure accurate classification and valuation for financial reporting.
- b. Document the plan of action – We are striving to reconcile capital assets on a monthly basis and are currently working to complete this on an annual basis. We note that we are currently behind for FY22 and FY23 and expect this finding to continue until the District was dissolved on September 16, 2023.
- c. Timeframe for (or date of) implementation – The District expects to be current with reconciling fixed assets on a regular basis by June 30, 2025.

Board Chair, Susan Keil

Date

General Manager, Brad Albert

Date



AGENDA ITEM

To Board of Directors
From Aaron Janicke, Public Works Director, Sebastian Rodrigues, Interim Finance Director
Title Presentation of Quarterly Capital Projects Report
Item No 5.b.
Date November 12, 2024

Summary

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

Capital Improvement Projects Status

Oak Lodge Water Services
 Capital Outlay Reporting
 FY 2025: July 24-Sep 24

| | Budget | Actuals | Projections | Projected Spend FY 2025 | % of Budget | Variance |
|-------------------------------|-------------------|---------------|------------------|-------------------------|-------------|-------------------|
| Drinking Water Capital | 2,977,000 | 41,498 | 197,408 | 238,905 | 8% | 2,738,095 |
| Wastewater Capital | | | | | | |
| Wastewater Treatment Plant | 6,743,000 | - | 59,750 | 59,750 | 1% | 6,683,250 |
| Wastewater Collections System | 5,228,000 | - | 2,506,026 | 2,506,026 | 48% | 2,721,974 |
| Watershed Protection Capital | 300,000 | - | - | - | 0% | 300,000 |
| Totals | 15,248,000 | 41,498 | 2,763,183 | 2,804,681 | 18% | 12,443,319 |
| Combined Contingency | 1,688,300 | | | | | |
| Appropriation | 16,936,300 | | | | | |

Drinking Water

Oatfield Water Main Replacement

- 90% plans for phase 1 were completed in August.
- OLWS continues to work with Clackamas County to determine the requirements for

- ADA upgrades at Park Ave and Oatfield Rd prior to 100% design submission.
- Construction is still planned for the the start of 2025.

Pressure Reducing Valve Rebuild

- OLWS contracted with Cimco-GC Systems to rebuild all pressure-reducing valves in our system.
- The work took place in October and is now completed.

McLoughlin and Jennings Water Main Replacement

- Staff continue to work with ODOT regarding signal upgrades.
- The project cuts through signal detection loops, ODOT's standard upgrade is to install radar detection on one signal leg.
- ODOT may require curb ramp upgrades as well.

Wastewater Projects

Lift Station 5 Sewer Improvements – Phase 1

- Contractor selected in August
- Final permitting and review of construction submittals are taking place.
- Construction to begin in November, pending permit approvals.
- Construction should be completed in the spring.
- Phase 2 is planned for the summer of 2025.

Lift Stations 2 and 6 Basin RDII

- Smoke testing is complete for all County roads in the Lift Station 2 and 6 basins within our boundaries.
- Additional smoke testing will take place on McLoughlin once permits are issued.
- Flow monitoring for these basins is planned for this winter.

Courtney Ave Sewer Improvements

- Work began in October for the design of the Courtney Ave Sewer Rehab project.
- This project aims to be 100% designed by this spring and constructed in the spring/summer in anticipation of the County's future plans.

Boardman Sewer Line Replacement

- The project is designed and ready for construction, pending the completion of an easement agreement.

Tertiary Filtration Project

- 100% plans were completed in April.
- State allocated \$3 million in funding for this project.
- Anticipated bid opening in the month of January with the start of construction in Spring 2025.

Lift Station 2 Rebuild

- Contractor anticipating start-up of pumps by the end of November.
- OLWS is looking into replacing the force main from LS2 once this project is completed.

Attachments

None



STAFF REPORT

| | |
|----------------|---|
| To | Board of Directors |
| From | Lara Christensen |
| Title | Consideration of Intergovernmental Agreement with Clackamas Water Environmental Services (WES) for Mercury Testing Services |
| Item No | 5.c. |
| Date | November 12, 2024 |

Summary

This item comes before the Board to consider approval of a new intergovernmental agreement (“IGA”) between Oak Lodge Water Services (“OLWS”) and the Clackamas Water Environment Services (“WES”) relating to Mercury Monitoring requirements and data submission under the current Municipal Separate Storm Sewer System (MS4) Permit.

Background

OLWS and Clackamas WES have worked together with other partners under the current MS4 Permit to draft the proposed IGA. Once considered, this Agreement would be entered into by and between WES, an intergovernmental entity formed pursuant to ORS Chapter 190, and the City of Rivergrove, the City of Happy Valley, the City of Gladstone, the City of Milwaukie, the City of Oregon City, the City of West Linn, the City of Wilsonville, the City of Lake Oswego, and the City of Johnson City, each an Oregon municipal corporation; Clackamas County, a political subdivision of the State of Oregon; and Oak Lodge Water Services, an Oregon Joint Water and Sanitary Authority organized under ORS Chapter 450 (collectively referred to as the “Co-Permittees” and each a “Co-Permittee”).

ORS 190.010 confers authority upon local governments to enter into agreements for the performance of any and all functions and activities that a party to the agreement, its officers or agencies, have authority to perform.

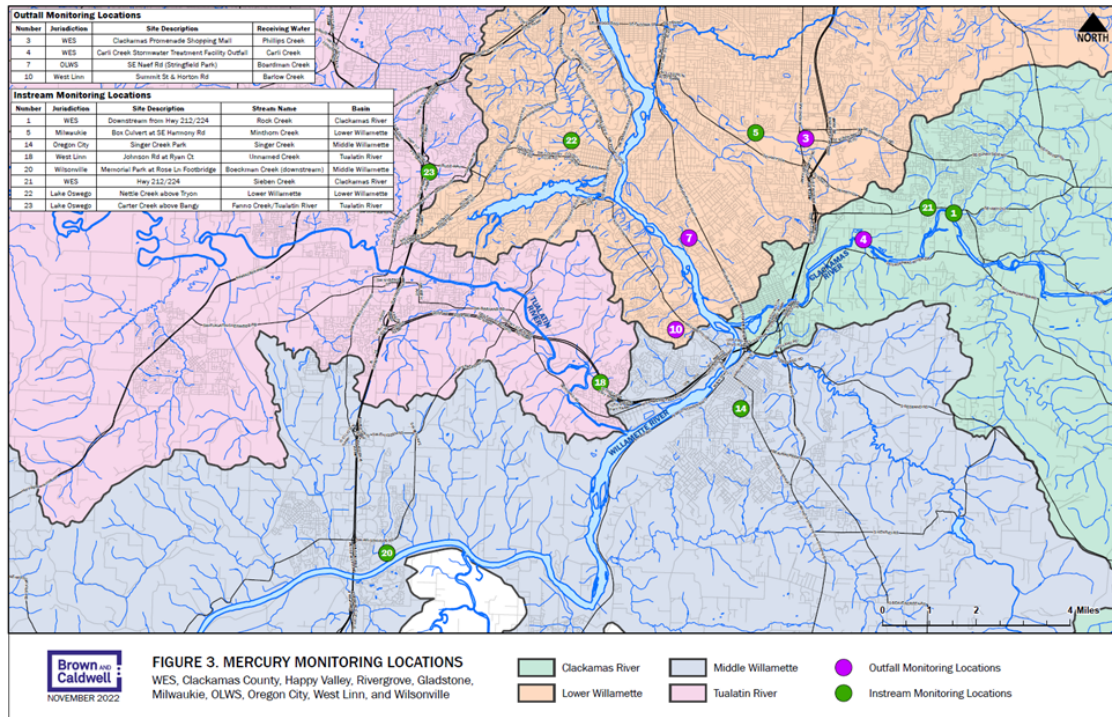
The Co-Permittees desire to obtain instream and stormwater (“outfall”) monitoring and laboratory services from WES to comply with the monitoring and data reporting

requirements in the Phase I MS4 NPDES Permit No. 101348, as amended on May 5, 2023. Partnership allows all parties to achieve cost share savings along with reporting and data submission efficiencies.

The OLWS obligation is a 5-year cost share of the work estimated at \$6,930 (currently budgeted in the Watershed Protection Contracted Services budget and outlined in the cost share table below). OLWS is an equal partner in project reviews and direction of the final product.

Table 1. Estimated Annual Mercury Monitoring Project Costs by Co-Permittee.

| Co-Permittee | PY 3 | PY 4 | PY 5 | PY 6 | PY 7 | 5-year Sub-total |
|--------------------------|---------------|--------------|--------------|---------------|---------------|------------------|
| Lake Oswego | 2,780 | 1,910 | 2,100 | 2,310 | 2,540 | \$ 11,640 |
| Milwaukie | 2,160 | 940 | 1,030 | 1,130 | 1,250 | \$ 6,510 |
| Oregon City | 2,900 | 1,720 | 1,890 | 2,080 | 2,290 | \$ 10,880 |
| West Linn | 2,360 | 1,350 | 1,490 | 1,630 | 1,800 | \$ 8,630 |
| Wilsonville | 1,790 | 1,230 | 1,350 | 1,490 | 1,640 | \$ 7,500 |
| Oak Lodge Water Services | 1,650 | 1,140 | 1,250 | 1,380 | 1,510 | \$ 6,930 |
| Gladstone | 920 | 630 | 700 | 770 | 840 | \$ 3,860 |
| Johnson City | 30 | 20 | 20 | 20 | 20 | \$ 110 |
| Grand Total | 14,590 | 8,940 | 9,830 | 10,810 | 11,890 | \$ 56,060 |



Recommendation

Staff recommends the Board approve the IGA as presented.

Suggested Board Motion

“I move to approve the IGA with Clackamas WES as presented and authorize the Board Chair to execute the agreement on behalf of Oak Lodge Water Services.”

Attachments

1. IGA_ClackamasWES_Mercury Monitoring

**INTERGOVERNMENTAL AGREEMENT
BETWEEN WATER ENVIRONMENT SERVICES
AND CO-PERMITTEES FOR
PHASE I MS4 NPDES PERMIT COMPLIANCE SUPPORT**

THIS AGREEMENT (this “Agreement”) is entered into by and between Water Environment Services (“District”), an intergovernmental entity formed pursuant to ORS Chapter 190, and the City of Rivergrove, the City of Happy Valley, the City of Gladstone, the City of Milwaukie, the City of Oregon City, the City of West Linn, the City of Wilsonville, the City of Lake Oswego, and the City of Johnson City, each an Oregon municipal corporation; Clackamas County, a political subdivision of the State of Oregon; and Oak Lodge Water Services, an Oregon Joint Water and Sanitary Authority organized under ORS Chapter 450 (collectively referred to as the “Co-Permittees” and each a “Co-Permittee”). The District and Co-Permittees are collectively referred to as the “Parties” or each a “Party.”

RECITALS

ORS 190.010 confers authority upon local governments to enter into agreements for the performance of any and all functions and activities that a party to the agreement, its officers or agencies, have authority to perform.

The Co-Permittees desire to obtain instream and stormwater (“outfall”) monitoring and laboratory services from District in order to comply with the monitoring and reporting requirements in Phase I MS4 NPDES Permit No. 101348, as amended on May 5, 2023 (“Permit”).

In consideration of the mutual promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

TERMS

- 1. Term.** Upon full execution of this Agreement, as indicated by the signing of all Parties hereto, the term of this Agreement shall be deemed to have begun on July 1, 2023, and shall expire on December 31, 2028 (“Term”). The District and Co-Permittees acknowledge that Work (defined in Section 2 below) may have been performed prior to the execution of this Agreement. By execution of this Agreement, the District and Co-Permittees hereby approve and ratify Work performed prior to execution. The District reserves all rights, remedies, claims, and causes of action it may have with respect to previously performed Work.
- 2. Scope of Work.** District agrees to provide the services identified in the Scope of Work attached hereto as Exhibit A and incorporated herein (the “Work”), which Work may be amended from time to time by mutual, written agreement in an amendment signed by all Parties. The schedule for performance of the Work is attached hereto as Exhibit B and incorporated herein.
- 3. Consideration.** Each Co-Permittee agrees to pay District, from available and authorized funds, a sum not to exceed \$22,000 throughout the Term of this Agreement, for accomplishing the Work required herein.

4. **Payment.** Unless otherwise specified by a Co-Permittee, the District shall submit annual invoices for Work performed to each Co-Permittee for services rendered for that specific Co-Permittee. Invoices shall describe all Work performed and shall itemize expenses. Each Co-Permittee shall make payments to the District within 30 days of receipt of an invoice. The District shall not submit invoices for, and the Co-Permittees will not pay, any amount in excess of the maximum compensation amount set forth above. Each Co-Permittee shall only be responsible for payments for Work performed by the District on behalf of that individual Co-Permittee, and shall have no responsibility for payments for Work performed on behalf of other Co-Permittees.
5. **Representations and Warranties.**
 - A. *Co-Permittees Representations and Warranties:* Co-Permittees represent and warrant to District that Co-Permittees have the power and authority to enter into and perform this Agreement, and this Agreement, when fully executed, shall be a valid and binding obligation of Co-Permittees and enforceable in accordance with its terms.
 - B. *District Representations and Warranties:* District represents and warrants to Co-Permittees that District has the power and authority to enter into and perform this Agreement, and this Agreement, when executed and delivered, shall be a valid and binding obligation of District and enforceable in accordance with its terms.
 - C. The warranties set forth in this section are in addition to, and not in lieu of, any other warranties provided.
6. **Termination.**
 - A. The District may terminate this Agreement as to all Co-Permittees or an individual Party at any time upon thirty (30) days' prior written notice to all Co-Permittees or the individual Co-Permittee subject to the termination. District's termination as to an individual Co-Permittee does not affect the Agreement as to the remaining Co-Permittees and the Agreement shall remain in full force and effect.
 - B. Any Co-Permittee may remove itself from this Agreement by providing thirty 30 days' prior written notice to all Parties, and upon the effective date of termination shall pay for all services performed and costs incurred by District under this Agreement up until and including the effective date of termination. A Co-Permittee's removal of itself as a Party under this provision does not affect the Agreement as to any other Party and the Agreement shall continue in full force and effect with all Parties remaining.
 - C. In the event of a breach of the Agreement by any Co-Permittee, the District may terminate the Agreement as to that breaching Co-Permittee. In the event of a breach of the Agreement by the District, the Co-Permittees may, by mutual written agreement of all Co-Permittees, terminate this Agreement. Prior to either such termination however, the Party seeking the termination shall give the other Party written notice of the breach and of the Party's intent to terminate. If the breaching Party has not entirely cured the breach within fifteen (15) days of

deemed or actual receipt of the notice, then the Party giving notice may terminate the Agreement at any time thereafter by giving written notice of termination stating the effective date of the termination. If the default is of such a nature that it cannot be completely remedied within such fifteen (15) day period, this provision shall be complied with if the breaching Party begins correction of the default within the fifteen (15) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. The Party giving notice shall not be required to give more than one (1) notice for a similar default in any twelve (12) month period.

- D. Neither the District nor any Co-Permittee shall be deemed to have waived any breach of this Agreement by the other Party except by an express waiver in writing. An express written waiver as to one breach shall not be deemed a waiver of any other breach not expressly identified, even though the other breach is of the same nature as that waived.
- E. The District may terminate this Agreement in the event the District fails to receive expenditure authority sufficient to allow the District, in the exercise of its reasonable administrative discretion, to continue to perform under this Agreement, or if federal or state laws, regulations, or guidelines are modified or interpreted in such a way that either the Project under this Agreement is prohibited or the District is prohibited from paying for such Work from the planned funding source. If the District terminates the Agreement under this Section the District shall cooperate with the Co-Permittees in good faith to transfer data and information pertaining to this Agreement to the next provider of the Work as required for each Co-Permittee.
- F. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to the effective date of termination.

7. Indemnification.

- A. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, the District agrees to indemnify, save harmless, and defend each Co-Permittee, its officers, elected officials, agents, and employees, from and against all costs, losses, damages, claims or actions, and all expenses incidental to the investigation and defense thereof arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of the District or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which the District has a right to control. Notwithstanding the above, the District shall not be responsible for indemnifying or defending any Co-Permittee from and against any claims, actions, or fines of any nature arising from a lack of compliance by that Co-Permittee with the Clean Water Act, Oregon Revised Statutes, or any other state or federal legal or regulatory requirement related to the performance of this Agreement.

Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, each Co-Permittee agrees to indemnify, save harmless, and defend the District, its officers, elected officials, agents, and employees from

and against all costs, losses, damages, claims, or actions and all expenses incidental to the investigation and defense thereof, arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of the indemnifying Co-Permittee or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which the Co-Permittee has a right to control.

8. **Insurance.** Each Party agrees to maintain levels of insurance, or self-insurance, sufficient to satisfy its obligations under this Agreement and all requirements under applicable law.
9. **Notices; Contacts.** Any notice provided under this Agreement shall be delivered by email or by first class US mail to the individuals identified below. Any communication or notice mailed by first class US mail shall be deemed to be given three days after the date it is sent. Any communication or notice sent by electronic mail is deemed to be received on the date sent, unless the sender receives an automated message or other indication that the email has not been delivered. Either Party may change the Party contact information, or the invoice or payment addresses, by giving prior written notice to the other Party.
 - A. Chris Desiderati or their designee will act as liaison for the District.

Contact Information:

Environmental Services Supervisor

Environmental Services
Clackamas Water Environment Services
15941 S. Agnes Ave, Bldg. B
Oregon Co-Permittees, OR 97045
Primary: 503-557-2834

- B. Contact information for each Co-Permittee is located on the signature page.

10. General Provisions.

- A. **Oregon Law and Forum.** This Agreement, and all rights, obligations, and disputes arising out of it, will be governed by and construed in accordance with the laws of the State of Oregon and the ordinances of the District and Clackamas County without giving effect to the conflict of law provisions thereof. Any claim between District and Co-Permittees that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Clackamas County for the State of Oregon; provided, however, if a claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this section be construed as a waiver by the District of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court. Co-

Permittees, by execution of this Agreement, hereby consent to the in personam jurisdiction of the courts referenced in this section.

- B. **Compliance with Applicable Law and Permit Requirements.** All Parties shall comply with all applicable local, state and federal ordinances, statutes, laws and regulations. All provisions of law required to be a part of this Agreement, whether listed or otherwise, are hereby integrated and adopted herein. Failure to comply with such obligations is a material breach of this Agreement. The Co-Permittees shall be responsible for ensuring it is in compliance with all legal and regulatory requirements applicable to it, including, but not limited to, the terms of the Permit.
- C. **Non-Exclusive Rights and Remedies.** Except as otherwise expressly provided herein, the rights and remedies expressly afforded under the provisions of this Agreement shall not be deemed exclusive, and shall be in addition to and cumulative with any and all rights and remedies otherwise available at law or in equity. The exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach, or for any other default or breach, by the other Party.
- D. **Access to Records.** The District and each Co-Permittee shall retain, maintain, and keep accessible all records relevant to this Agreement (“Records”) for a minimum of six (6) years, following Agreement termination or full performance or any longer period as may be required by applicable law, or until the conclusion of an audit, controversy, or litigation arising out of or related to this Agreement, including any appeals thereof, whichever is later. The District and Co-Permittees shall maintain their respective financial records in accordance with generally accepted accounting principles. All other Records shall be maintained to the extent necessary to clearly reflect actions taken. During this record retention period, each Party shall permit the authorized representatives’ of any other Party access to Records at reasonable times and places for purposes of examining and copying.
- E. **Work Product.** The District shall own any and all data, documents, plans, copyrights, specifications, working papers, and any other materials produced in connection with this Agreement (“Work Product”). The District grants to each Co-Permittee, a non-exclusive license and right to copies of the Work Product produced, and each Co-Permittee shall have the license and the right to use, distribute, and allow third parties to use the Work Product for any purpose that the distributing Co-Permittee determines necessary or beneficial. Any reuse of such Work Product by a Co-Permittee outside the scope of work for which it was developed, or any alteration whatsoever, shall be at the Co-Permittee’s sole risk and with no liability to District.
- F. **Hazard Communication.** Each Co-Permittee shall notify District prior to using products containing hazardous chemicals to which District employees may be

exposed, which includes any hazardous, toxic, or dangerous substance, waste, or material that is the subject of environmental protection legal requirements or that becomes regulated under any applicable local, state or federal law, including but not limited to the items listed in the United States Department of Transportation Hazardous Materials Table (49 CFR §172.101) or designated as hazardous substances by Oregon Administrative Rules, Chapter 137, or the United States Environmental Protection Co-Permittees (40 CFR Part 302), and any amendments thereto. Upon District's request, the notifying Co-Permittee shall immediately provide Material Safety Data Sheets for the products subject to this provision.

- G. **Debt Limitation.** This Agreement is expressly subject to the limitations of the Oregon Constitution and Oregon Tort Claims Act, and is contingent upon the appropriation of adequate funds. Any provisions herein that conflict with the above referenced laws are deemed inoperative to that extent.
- H. **Severability.** If any provision of this Agreement is found to be unconstitutional, illegal, or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The Court or other authorized body finding such provision unconstitutional, illegal, or unenforceable shall construe this Agreement without such provision to give effect to the maximum extent possible the intentions of the Parties.
- I. **Integration, Amendment, and Waiver.** Except as otherwise set forth herein, this Agreement constitutes the entire agreement between the Parties on the matter of the Project. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of either Party to enforce any provision of this Agreement shall not constitute a waiver by such Party of that or any other provision.
- J. **Interpretation.** The titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
- K. **Independent Contractor.** Each of the Parties hereto shall be deemed an independent contractor for purposes of this Agreement. No representative, agent, employee or contractor of one Party shall be deemed to be a representative, agent, employee or contractor of the other Party for any purpose, except to the extent specifically provided herein. Nothing herein is intended, nor shall it be construed, to create between the Parties any relationship of principal and agent, partnership, joint venture or any similar relationship, and each Party hereby specifically disclaims any such relationship.

- L. **No Third-Party Beneficiary.** Each Co-Permittee and the District are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons, unless such third persons are individually identified by name herein and are expressly described as intended beneficiaries of the terms of this Agreement.
- M. **Subcontract and Assignment.** District may enter into subcontracts for any of the Work required by this Agreement, or assign or transfer any of its interest in this Agreement by operation of law or otherwise, provided that the District provides written notice to each Co-Permittee of such assignment at least 7 days in advance of the effective date of the assignment, and provided that the assignee agrees in writing to assume all of the rights and obligations of the District under this Agreement.
- N. **Counterparts.** This Agreement may be executed in several counterparts (electronic or otherwise), each of which shall be deemed an original, and all of which together shall constitute the same instrument.
- O. **Survival.** All provisions in Sections 5, 7, and 10 (A), (C), (D), (G), (H), (I), (J), (L), (O), (R), (T), and (U) shall survive the termination of this Agreement, together with all other rights and obligations herein which by their context are intended to survive.
- P. **Necessary Acts.** Each Party shall execute and deliver to the others all such further instruments and documents as may be reasonably necessary to execute and carry out this Agreement.
- Q. **Time is of the Essence.** The Parties agree that time is of the essence in the performance this Agreement.
- R. **Successors in Interest.** The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective authorized successors and assigns.
- S. **Force Majeure.** Neither Co-Permittees nor District shall be held responsible for delay or default caused by events outside of the Co-Permittees or District's reasonable control including, but not limited to, fire, terrorism, riot, acts of God, or war. However, the Parties shall make all reasonable efforts to remove or eliminate such a cause of delay or default and shall upon the cessation of the cause, diligently pursue performance of their obligations under this Agreement.
- T. **Confidentiality.** Each Party acknowledges that it and its employees or agents may, in the course of performing their responsibilities under this Agreement, be exposed to or acquire confidential information. Any and all information of any

form obtained by any Party, or its employees or agents in the performance of this Agreement, shall be deemed confidential information of the custodian of the information provided ("Confidential Information"). Each Party agrees to hold Confidential Information in strict confidence, using at least the same degree of care that the Party uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purpose unless specifically authorized in writing by the custodian of the Confidential Information or as provided under this Agreement.

U. **No Attorney Fees.** In the event any arbitration, action or proceeding, including any bankruptcy proceeding, is instituted to enforce any term of this Agreement, each party shall be responsible for its own attorneys' fees and expenses.

IN WITNESS WHEREOF, the Parties have executed this Agreement as indicated by the duly authorized signature of each Party on the dates listed below.

Water Environment Services

Chair

Date

City of Gladstone

Name Date

Title

Contact Name

Contact Email

Contact Phone

Oak Lodge Water Services

Name Date

Title

Contact Name

Contact Email

Contact Phone

City of Milwaukie

Name Date

Title

Contact Name

Contact Email

Contact Phone

City of Oregon City

Name Date

Title

Contact Name

Contact Email

Contact Phone

City of West Linn

Name Date

Title

Contact Name

Contact Email

Contact Phone

City of Wilsonville

Name Date

Title

Contact Name

Contact Email

Contact Phone

City of Lake Oswego

Name Date

Title

Contact Name

Contact Email

Contact Phone

City of Johnson City

Name Date

Title

Contact Name

Contact Email

Contact Phone

Exhibit A

Scope of Work

Part 1 – MS4 Mercury Environmental Monitoring Overview

Purpose

The purpose of this Scope of Work is to define the Work and the specific responsibilities of the Co-Permittees and District. For the purposes of the Work, the Co-Permittees are defined as all of the entities, except for the District, that are listed in the Clackamas Groups Phase I MS4 NPDES Permit No. 101348, as amended (the “Permit”), specifically: Clackamas County, the City of Rivergrove, the City of Happy Valley, the City of Gladstone, the City of Milwaukie, the City of Oregon City, the City of West Linn, the City of Wilsonville, Oak Lodge Water Services, the City of Lake Oswego, and the City of Johnson City. The Co-Permittees desire to obtain instream and stormwater (“outfall”) quality monitoring services from District in order to comply with the mercury monitoring and reporting requirements of the Permit.

Project Description and Sites

The project (“Project”) involves one task, to be conducted by District:

Task 1.0 Perform Coordinated Mercury monitoring work on behalf of the Co-Permittees. This task is split into 3 sub-tasks:

- 1.1 This coordinated Work involves sample collection:
 - 1.1.1 Four (4) monitoring events each year at two (2) instream sites in each of the following Basins: Lower Willamette, the Middle Willamette, the Tualatin River, and the Clackamas River.
 - 1.1.2 Three (3) monitoring events each year at four (4) outfall sites. The 2022 Comprehensive Clackamas County Stormwater Monitoring Plan (“CCCSMP”) describes the locations of the eight (8) instream and four (4) outfall sites (Section 5.3.1, Tables 8 and 9, and Figure 3). To fulfill the mercury monitoring obligations, District will lead coordination and sampling for all Co-Permittees. A specific methodology is prescribed in the Permit for mercury monitoring, the details of which are included in this Work. This Project will follow logistical procedures in the CCCSMP for sample collection. Where possible, District will invite Co-Permittee staff to join in the field work for this task.
- 1.2 One training session will be conducted by District to support the Work. Interested Co-Permittee staff are voluntarily welcome to join.
- 1.3 Annual data review and reporting to Co-Permittees and Oregon Department of Environmental Quality (“DEQ”). Reports to DEQ will be in accordance with the Permit and CCCSMP.

Project Schedule

For Mercury Monitoring, the proposed schedule for these tasks to occur will be five (5) permit years (“PY”). For this Project, a PY is defined as beginning on July 1 and ending

on June 30 of the following year. The Permit became effective on October 1, 2021, with the first PY beginning on July 1, 2021. However, the Permit Implementation Start Date for these tasks is July 1, 2023, or the beginning of PY 3. A summary of this schedule to be followed each PY is shown in Exhibit B, assuming continued monitoring after the Permit Expiration Date of . September 30, 2026 (end of PY 5), and conclude after reporting for these tasks (i.e., Task 1.3) is completed on December 1, 2026 at the end of PY 5. The schedule is structured to align with reporting periods and Annual Report Deadlines, per Permit Schedule B. 3. Table 4. This agreement may be extended for subsequent PY after PY 5 in one PY increments if the Permit is administratively extended provided that parties signatory to this Work agree to the extension in writing within 90 days of the end of the PY.

Project Costs

Project costs were **estimated** based on time and materials to conduct the Work, training fees, and the Permit modification Fee, as appropriate. Analytical costs were estimated by District' Water Quality Lab ("WQL"), which will contract with a qualified third party laboratory or analyze in-house all mercury-related samples (i.e., Total Recoverable Mercury and Total Suspended Solids). The WQL will also manage analytical data in its Laboratory Information Management System ("LIMS"). Material costs were based on consumable costs at the time this scope was created. Labor costs were based on charge-out rates.

A summary of annual costs separated by Co-Permittee is shown in Table 1 below. PY 3 includes fees from training and the Permit modification fee requested on August 25, 2022. To account for annual inflationary costs for testing and increased personnel salaries (e.g. Cost of Living Adjustments), beginning in PY 4, 10% increases were added from the prior year costs. This 10% adjustment is only applied to costs for monitoring (i.e., labor + testing) and excludes costs for permit modification fees, training, and additional Quality Control ("QC") samples needed in PY 3. The adjustments were made for each successive year after PY 4 in the same manner. Annual Costs invoiced by District shall not exceed those values shown in each column for the respective PY.

Table 1. Estimated Annual Mercury Monitoring Project Costs by Co-Permittee.

| Co-Permittee | PY 3 | PY 4 | PY 5 | PY 6 | PY 7 | 5-year Sub-total |
|--------------------------|---------------|--------------|--------------|----------------|---------------|------------------|
| Lake Oswego | 2,780 | 1,910 | 2,100 | 2,310 | 2,540 | \$ 11,640 |
| Milwaukie | 2,160 | 940 | 1,030 | 1,130 | 1,250 | \$ 6,510 |
| Oregon City | 2,900 | 1,720 | 1,890 | 2,080 | 2,290 | \$ 10,880 |
| West Linn | 2,360 | 1,350 | 1,490 | 1,630 | 1,800 | \$ 8,630 |
| Wilsonville | 1,790 | 1,230 | 1,350 | 1,490 | 1,640 | \$ 7,500 |
| Oak Lodge Water Services | 1,650 | 1,140 | 1,250 | 1,380 | 1,510 | \$ 6,930 |
| Gladstone | 920 | 630 | 700 | 770 | 840 | \$ 3,860 |
| Johnson City | 30 | 20 | 20 | 20 | 20 | \$ 110 |
| Grand Total | 14,590 | 8,940 | 9,830 | 10,8100 | 11,890 | \$ 56,060 |

Part 2 – MS4 Mercury Environmental Monitoring Task Details

Task 1.1 – Scheduling and Coordinated Mercury Monitoring

District shall:

1. When appropriate, coordinate with Co-Permittee staff to have them join District-led sampling teams in the field for Instream Mercury sampling.
2. Develop and distribute a Mercury Monitoring Schedule with the Co-Permittees describing the planned Instream sampling dates 30 days prior to July 1 each year.
3. When possible, notify Co-Permittees prior to outfall monitoring events.
4. Following the sampling conditions regarding collection timing in Permit Schedule B, 1.d.(i).
5. For Instream Monitoring, collect a single grab sample for the Permit-required Mercury parameters at the eight (8) Co-Permittee sites as defined in the CCCSMP. Sampling procedures will follow the CCCSMP as submitted and approved to DEQ for grab sampling. Specific parameters, and applicable collection and analysis methods, are defined below:
 - a. Total Recoverable Mercury. Collected by method EPA 1669. Analyzed by method EPA 1631E with a quantitation limit of 0.5 ng/L.
 - b. Total Suspended Solids
6. Instream Mercury Monitoring samples shall be collected during four (4) events per PY. A minimum of 50% of the instream events shall be between September 1 and April 30, inclusive.
7. For Outfall Monitoring, collect a single grab sample of the Permit-required Mercury parameters at the four (4) Co-Permittee sites as defined in the CCCSMP. Sampling procedures will follow the CCCSMP as submitted and approved to DEQ for grab sampling. Specific parameters, and applicable collection and analysis methods, are defined below:
 - a. Total Recoverable Mercury. Collected by method EPA 1669. Analyzed by method EPA 1631E with a quantitation limit of 0.5 ng/L.
 - b. Total Suspended Solids.
8. Outfall Mercury Monitoring samples shall be collected during three (3) qualifying events per PY.
9. Document and maintain the time and date of collected samples in District' LIMS and as hard copies on field sheets.
10. As per the CCCSMP, collect adequate field QC samples (i.e., field blanks and field duplicates). Results from these samples will allow review of sampling procedures and support quality assurance. If Field Blanks for Total Recoverable Mercury are greater than 0.5 ng/L, corrective action will be taken to assess the source of contamination. If corrective actions do not result in field blanks showing results less than 0.5 ng/L, field blanks will continue to be collected past the first PY of CCCSMP implementation (i.e., PY 3). If Field Blanks are demonstrated to be less than 0.5 ng/L after one PY, no more field blanks will be collected for each site.
11. Analyze collected samples using the services of District' WQL, either in-house or through a qualified third party contract lab.

Each Co-Permittee shall:

1. Pay for services received for this Work within thirty (30) days of receipt of invoice from District.
2. Notify District if there are changes within the Permit affecting monitoring obligations for the individual Co-Permittee.

Task 1.2 – Training

District shall:

Conduct one training session focusing on “clean hands/dirty hands” (method EPA 1669) technique for interested Co-Permittee staff.

Task 1.3 – Reporting

District shall:

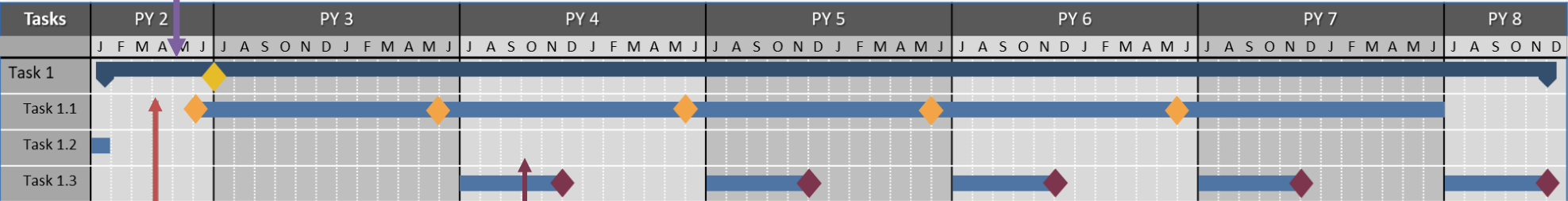
1. By the end of September each year, submit to each Co-Permittee an excel flat file and PDF report of the results for samples collected during the prior PY, including digital copies of field sheets.
2. By December 1 of each PY (Permit Schedule B.3) submit to the Oregon DEQ the monitoring data collected from this Work pursuant to the Submissions requirements in the Permit (Permit Schedule B.5) on behalf of individual Co-Permittees.

Each Co-Permittee Shall:

1. By November 1 of each year, review results of the prior PY’s data provided by District and provide contact information of a responsible Co-Permittee official. Contact information shall include Co-Permittee official’s name and e-mail address.
2. Notify District if there are changes within the Permit affecting reporting obligations for the individual Co-permittee.

Exhibit B - Schedule

June 1, 2023
 Implementation Start Date



Instream Mercury
 Schedule send-out

December 1
 DEQ Reporting Deadline



STAFF REPORT

To Board of Directors
From Aaron Janicke, Public Works Director
Title Consideration of Task Order with WSC for Flow Monitoring in the Lift Station 2 and 6 Basins
Item No 5.d.
Date November 12, 2024

Summary

Staff seeks approval to commission Water Systems Consulting, Inc. (WSC) to begin flow monitoring on the Inflow and Infiltration Project in the Lift Station 2 and Lift Station 6 basin areas. This flow monitoring would be initiated as a task order under the active On-Call Services Contract with WSC and aims to install flow monitors at key locations in the basin to track flow volumes during rain events. After Inflow and Infiltration (I&I) reduction work is completed, this pre-rehabilitation information will be compared to post-rehabilitation flow to determine the reduction in flows.

Background

The OLWS collection system has elevated levels of rain-derived inflow and infiltration (RDII) that are contributing to sanitary sewer overflows (SSOs) within the collection system. Most recently, the increase in flows to Lift Station 2 and Trunk Main A during heavy precipitation has resulted in SSOs at Lift Station 2. The Oregon Department of Environmental Quality (DEQ) has issued a pre-enforcement notice and OLWS is currently working to determine the best solution to reduce the risk of additional SSOs.

Based on the hydraulic wastewater model, there are numerous capacity deficiencies within the system and upsizing the existing wastewater collections system would be necessary to avoid SSOs in the future. Reducing the magnitude of the RDII will be necessary to accommodate future growth if the collections system is not upsized.

Staff is being proactive with committing to reduce the amount of RDII in the collection system as a means of not having to upsize the trunk mains. This course of action will save OLWS customers capital rate funds in the coming fiscal years.

Budget

Funding for this Task Order is included in the current Wastewater Collections Capital Fund for Fiscal Year 2025.

Recommendation

Staff recommend the Board approve the General Manager to initiate a Task Order under the active On-Call Services Contract with WSC, for the Lift Station 2 Flow Monitoring for \$171,519.

Suggested Board Motion

“I move to approve the General Manager to initiate a Task Order under the active On-Call Services Contract with Water Systems Consulting, Inc. for the Lift Station 2 Flow Monitoring for \$171,519.”

Attachments

1. WSC Scope and Fee Schedule



Proposal for 2024 Lift Station 2 & 6 Basins Flow Monitoring

October 28, 2024

Oak Lodge Water Services

Aaron Janicke, PE
Public Works Director/District Engineer
14496 SE River Road
Oak Grove, OR 97267

WSC Portland

4640 S Macadam Ave
Suite 110
P: (503) 419-6336

Adam Donald, PE

P: (503) 419-6336 ext. 402
E: adonald@wsc-inc.com

Scott Duren, PE

P: (503) 419-6336 ext. 400
E: sduren@wsc-inc.com

Dear Aaron,

The Oak Lodge Water Services' (OLWS) Wastewater Master Plan (WWMP) identified the need to reduce infiltration and inflow (I&I) within the OLWS collection system. As part of the WWMP, wet weather flow monitoring and analysis was recommended in the Lift Station 2 and 6 basins to attempt to identify the volume of I&I entering the collection system and to prioritize repairs.

The enclosed proposal outlines the scope of work and fee to perform flow monitoring within the Lift Station 2 and 6 basins this winter and to summarize results in a technical memorandum. WSC has partnered with SFE Global, who performed the flow monitoring in support of the WWMP for OLWS.

We look forward to continuing to support OLWS in their I&I reduction efforts. If you have any questions or would like to discuss any aspects of our proposal further, please contact us at the information provided in the margin. We look forward to your response.

Sincerely,

Water Systems Consulting, Inc.

Adam Donald, PE
Project Manager

Scott Duren, PE
Vice President

Scope of Work

Task 0 Project Management

0.1 Project Management and Administration

- Prepare and submit monthly invoices and progress reports.

Deliverables: Monthly Invoices and Progress Reports

Assumptions: Total project duration is 5 months.

Task 1 Flow Monitoring Support

1.1 Flow Monitoring

- Conduct a kick-off meeting to discuss scope of work, establish lines of communication, and set schedule.
- Prepare flow monitoring plan, indicating proposed locations for flow monitoring and assistance required from OLWS, and submit for review and approval.

Assumptions:

- (1) Flow monitoring vendor will investigate monitoring sites to confirm suitability for installation.
- (2) Flow monitoring vendor will prepare a site report for each monitoring site to document the characteristics of the sewer and manhole and any unique aspects that may influence the flow monitoring installation.
- (3) Flow monitoring vendor will install a total of 19 flow meters to take readings at 15-minute intervals for a period of up to two months at each location. Raw data will be provided to OLWS and WSC.
- (4) Flow monitoring vendor will install a total of 2 rain gauges.
- (5) Each flow monitor will be deployed for 2 months
- (6) Traffic control for installation and removal will be required for up to 5 sites, requiring 2 days of traffic control each for installation and removal of monitors, at each site

1.2 Data Analysis and Recommendations

- WSC will analyze and summarize the data obtained during flow monitoring in a brief Technical Memorandum (TM), including recommendations for the Lift Station 2 and 6 basins infiltration and inflow reduction program. Anticipated tasks include the following:
 - Analyze data and develop scatterplots for velocity versus depth of flow to assess meter performance and hydraulic conditions at each monitoring location.

- Conduct a spreadsheet-based rainfall derived infiltration and inflow (RDII) analysis of the Lift Station 2 and 6 basins to identify relative RDII rates for each monitoring basin.
- Update calibration of the OLWS wastewater collection system hydraulic model to develop a baseline for pre-rehabilitation conditions.
- Develop a draft TM summarizing the flow monitoring procedures and results, including recommendations for the Lift Station 2 and 6 basins RDII reduction program.
- Review consolidated comments from OLWS on the Draft Flow Monitoring TM and prepare a response to comments table.
- Incorporate OLWS comments into a Final Flow Monitoring TM, as necessary.

Deliverables:

- (1) Draft Flow Monitoring TM
- (2) Final Flow Monitoring TM

Assumptions:

- (1) A total of 19 flow meters will be deployed and analyzed.



| Task No. Task Description | WSC | | | | | | | | SFE Global | ALL FIRMS |
|---------------------------------------|---------------------|------------------|--------------------------|------------------------|-----------------|------------------|-------------|------------------|-------------------|-------------------|
| | Principal in Charge | Analysis Support | Project Manager/Engineer | Project Administration | WSC Labor Hours | WSC Labor Fee | Expenses | WSC Fee | Labor Fee | Total Fee |
| | Scott Duren | Brendan Hamilton | Adam Donald | Kay Merrill | | | | | | |
| <i>Billing rates, \$/hr</i> | \$352 | \$268 | \$257 | \$179 | | | | | | |
| 0 Project Management | | | | | | | | | | |
| 0.1 Project Administration | 1 | | 13 | 9 | 23 | \$ 5,304 | \$ - | \$ 5,304 | | \$ 5,304 |
| SUBTOTAL | 1 | 0 | 13 | 9 | 23 | \$ 5,304 | \$ - | \$ 5,304 | \$ - | \$ 5,304 |
| 1 LS2 Basin I/I Analysis | | | | | | | | | | |
| 1.1 Flow Monitoring | 1 | | 11 | | 12 | \$ 3,179 | \$ - | \$ 3,179 | \$ 126,000 | \$ 129,179 |
| 1.2 Data Analysis and Recommendations | 3 | | 140 | | 143 | \$ 37,036 | \$ - | \$ 37,036 | | \$ 37,036 |
| SUBTOTAL | 4 | 0 | 151 | 0 | 155 | \$ 40,215 | \$ - | \$ 40,215 | \$ 126,000 | \$ 166,215 |
| COLUMN TOTALS | 5 | 0 | 164 | 9 | 178 | \$ 45,519 | \$ - | \$ 45,519 | \$ 126,000 | \$ 171,519 |

5% mark-up on direct expenses; 5% mark-up for sub-contracted services
 Standard mileage rate \$0.625 per mile (or current Federal Mileage Reimbursement Rate)
 Rates are subject to revision as of January 1 each year.



AGENDA ITEM

| | |
|----------------|---|
| To | Board of Directors |
| From | Heidi Bullock, Director, Paul Gornick, Director, Kevin Williams, Director |
| Title | Business from the Board |
| Item No | 6. |
| Date | November 12, 2024 |

Summary

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

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

Business from the Board may include:

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

Attachments

1. Director Bullock: 2024 RWPC Annual Report
2. Director Bullock: September 2024 OGCC Meeting Minutes
3. Treasurer Gornick: October 2024 Report
4. Vice Chair Williams: October 2024 Report

Annual Report

FISCAL YEAR
2023-2024



Regional Water Providers Consortium

I am pleased to present our annual report for Fiscal Year 2023-2024. This past year focused on preparing for the future, and it is looking bright!



Last year, we updated and adopted our Strategic Plan which laid the groundwork for what we hope to accomplish in the next five years. We engaged deeply with our members on topics to help us set priorities that reflect the needs of our members and the sustainability of the organization.

Our small but mighty staff of four have worked for the Consortium for more than 70 years combined! That is a lot of collective wisdom. Looking to the future, we recognize the need to capture and share that institutional knowledge and put our house in order so we can seamlessly prepare for staff transitions over the next couple of years. We have been busy doing that work to ensure the viability and longevity of the organization.

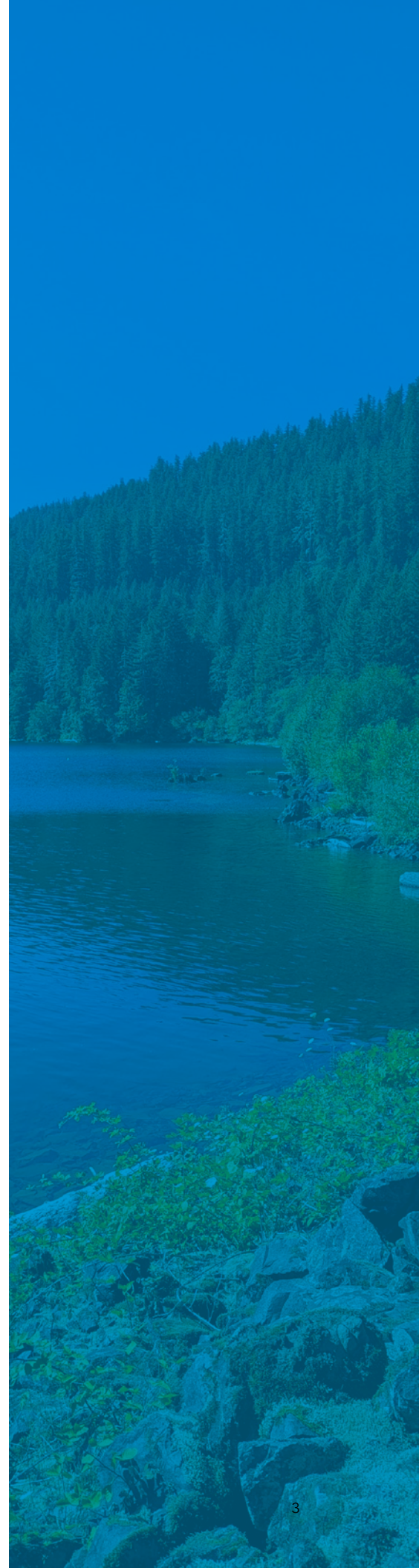
We have also been preparing for future disasters. Our approach is twofold: providing tools for our water provider members to support their resiliency planning and making sure the public has access to information about the importance of having a safe supply of drinking water during an emergency – in as many languages as possible.

Please read on to learn more about the projects we accomplished together. Thank you for trusting me to lead this organization. I am so proud of the work we do.

Sincerely,

A handwritten signature in black ink that reads "Rebecca".

Rebecca Geisen
Managing Director



SUMMARY OF ACCOMPLISHMENTS

- Sponsored three workshops and conducted one equipment drill for members to improve cyber-resilience, coordination with local hospitals, and work with local, state, and federal partners on emergency water distribution
- Adopted the Consortium's Five-Year Strategic Plan and updated the foundational Intergovernmental Agreement that created the Consortium
- Conducted multimedia campaigns in 12 languages which focused on emergency preparedness, water conservation, source water protection, and the value of water
- Partnered with the Regional Disaster Preparedness Organization (RDPO) to develop and run a multimedia campaign to promote Public Alerts
- Completed emergency water how-to videos and outreach materials in Russian, Lao, Farsi/Persian, and Somali



Building Resiliency

Water is an essential backbone to our everyday lives, our region's economy, and public safety. Because of this, a large part of the Consortium's work is centered around projects that help ensure that the greater Portland metro area's drinking water systems are resilient to emergencies like wildfires, winter ice storms, extreme heat events, and earthquakes.

This year's work focused on addressing emerging threats, forging critical partnerships, emergency drinking water distribution planning, and helping the public prepare for emergencies. These efforts help our region prepare for, mitigate, and respond to future disasters.

Training and Collaboration

Water touches every sector in our community, and we know it will take many agencies and individuals from across the region to come together and prepare for, respond to, and recover from a large-scale disaster. This year, the Consortium worked with its members, the Environmental Protection Agency (EPA), and other partners to hold a series of workshops. These workshops brought resources and technical expertise to the region and focused on identifying and addressing emerging issues. Consortium members also learned about and practiced using emergency water treatment and distribution equipment at an equipment drill.

Cybersecurity Overview and Tabletop Exercise

Helped water providers from across Oregon understand and address cybersecurity risks.

Attendees: 50 | Sponsors: Consortium, EPA, Oregon Health Authority

Water, Public Health, and Healthcare Coordination Workshop and Tabletop Discussion

First-of-its-kind workshop between regional water and healthcare providers focused on identifying and exploring emergency drinking water needs.

Attendees: 75 | Sponsors: Consortium, EPA, NW Oregon Health Preparedness Organization

EPA Region 10 Emergency Drinking Water Workshop

Brought state primacy agencies, federal agencies, local emergency management, and water providers together for detailed discussion on locating, securing, and delivering emergency drinking water during a large-scale or regional drinking water outage.

Attendees: 75 | Sponsors: Consortium, EPA Region 10 (AK, ID, OR, and WA)

Emergency Equipment Drill

Water providers participated in the Consortium's sixth emergency drinking water equipment training and drill. See page 8-9 for more information.

Attendees: 102 | Sponsor: Consortium

Emergency Drinking Water Planning

Emergency Drinking Water Framework

The Consortium worked with regional county emergency managers and water providers to begin implementation of recommendations from the Framework. Work included a workshop and a grant to support counties and water providers with their planning. Several Consortium members also started preparing their own emergency drinking water plans using the Framework as a guide.



Public Outreach and Education

Together we use millions of gallons of water each day to make that morning cup of coffee, water our gardens, and flush our toilets. Local businesses use water to create products that we enjoy here and send across the globe. In fact, everything in our lives depends on water: public health, fire protection, our economy, wildlife, and outdoor recreation.

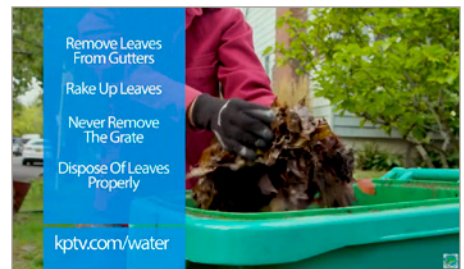
We recognize that water always has been and will continue to be our region's number one natural resource. As stewards of the region's drinking water sources, our members are committed to helping people use water wisely at home, in their gardens, and in their community now and into the future.

Each year, the Consortium runs multimedia campaigns and other public outreach programming that focuses on everyday activities we can do to conserve and protect water resources and prepare for emergencies.

Multimedia campaigns

“Clean Water. It’s Our Future.”

This year-round television campaign focused on water-safe alternatives to everyday activities that impact local waterways. The Consortium is one of many regional partners that support this campaign.



“Use water wisely. It’s just the right thing to do.”

The water conservation campaign included messaging in English and Spanish. The campaign ran from June through mid-September on broadcast television, cable, radio, social media, and several other digital platforms. Messaging focused on seasonal irrigation tips, ways to save water indoors, and tips for protecting local waterways.



“Before there’s an emergency: Get ready. Get water.”

The emergency preparedness campaign included messaging in twelve languages: Arabic, Chinese, English, Farsi/Persian, Hindi, Khmer/Cambodian, Korean, Lao, Russian, Somali, Spanish, and Vietnamese. The campaigns ran from June through early fall on television, TriMet buses, the Oregonian, social media, and several other online platforms. Messaging focused on how to store, treat, and access water in an emergency.



“Sign up for Public Alerts”

The Consortium partnered with the Regional Disaster Preparedness Organization (RDPO) to develop and run a multimedia campaign from April through May 2024. The campaign included roadside billboards, TriMet bus ads, digital display ads, streaming audio ads, and social media ads. Messaging focused on promoting the PublicAlerts.org website as the place to go to sign up for emergency alerts and get locally-specific information on how to prepare for emergencies.



A separate media campaign report is available upon request.

Tabling at community events

One of the best ways to connect community members with the resources they need to use water wisely and to prepare for emergencies is to participate in local events. This year, the Consortium participated in the Lunar New Year Gala in February, the Marhaba Arab Celebration in April, and the Latino Cultural Festival in June. The Consortium connected directly with community members who speak Arabic, Chinese, Korean, Spanish, and Vietnamese through these events.



Accessible Communications

The Consortium is committed to creating messaging and outreach resources that are accessible to the widest possible audience. These efforts include making digital assets accessible to screen readers, using plain language, and engaging native speakers to translate public outreach resources into multiple languages. This year's projects included:

- Working with contractors to increase accessibility of regionalH2O.org website and Drinking Water Advisory Tool
- Developing how-to videos, print pieces, web content, and other messaging resources that help people learn how to store, treat, and access water in emergencies. Languages completed this year: Lao, Farsi/Persian, Russian, and Somali
- Creating resources for Consortium members and regional community partners to use for clear, consistent messaging



Education

Children's Clean Water Festival: Co-sponsored the half-day festival for approximately 1,000 fourth graders that included stage shows, classroom presentations, and an exhibit hall at the Portland Community College Sylvania campus.



PROJECT SPOTLIGHT

Emergency Equipment Drill



GOALS

- Provide opportunity for all attendees to learn about emergency water equipment, deployment, and operation
- Identify gaps, issues, and opportunities to improve how equipment is used
- Share best practices with each other
- Operate regional water treatment and distribution equipment to ensure it functions correctly and is interoperable
- Train new staff on how to operate and maintain equipment
- Practice treating and distributing water together

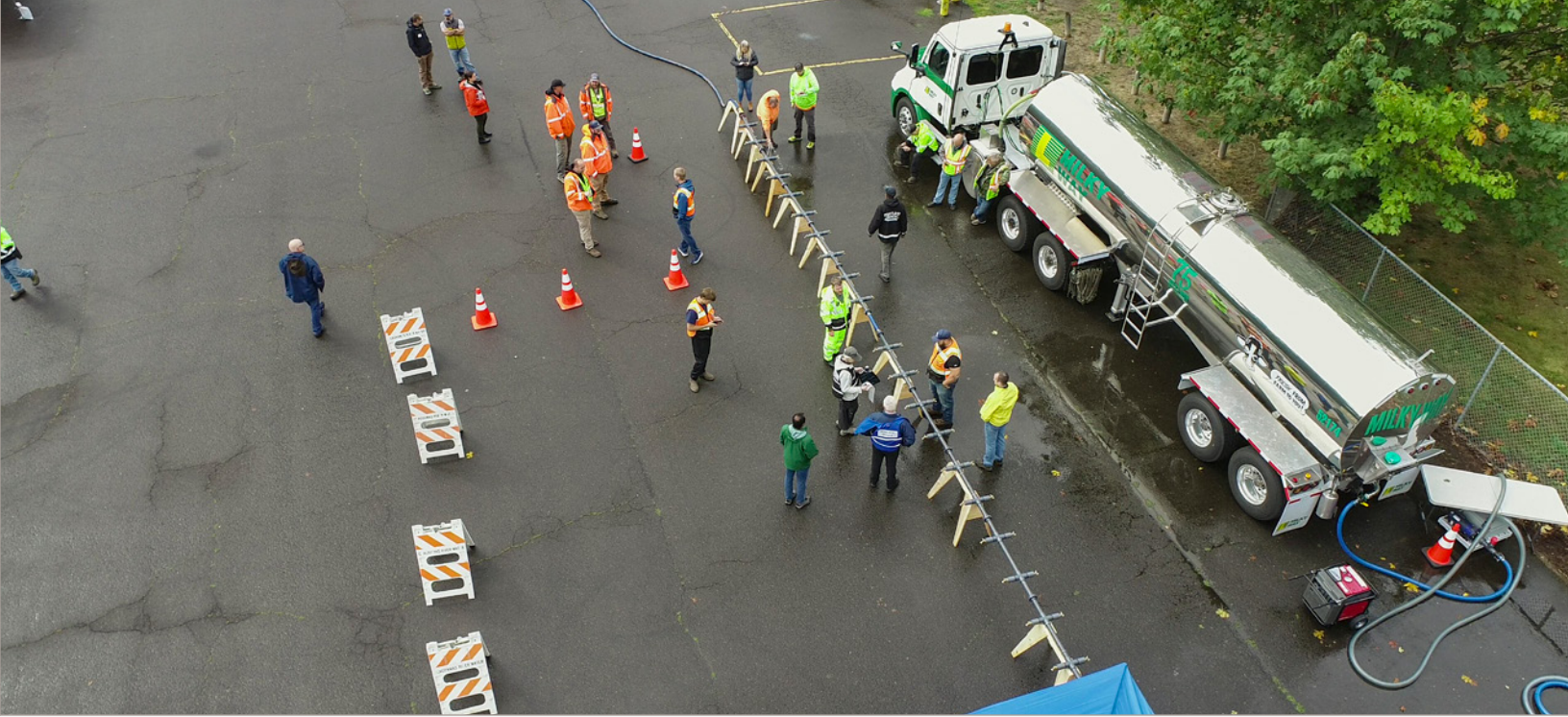
PARTICIPANTS

- 102 Attendees
- 29 Agencies

REGIONAL EMERGENCY WATER EQUIPMENT

- 9 Mobile water treatment systems
- 9 Mobile emergency water distribution systems
- 2 Portable emergency interconnections hose reels





BACKGROUND INFO

On September 26, 2023, the Consortium hosted a regional emergency drinking water equipment drill at Riverside Park in Clackamas, Oregon. The event included equipment demonstrations from providers located around the region and state. Participants successfully treated and delivered water using a treatment system, overland pipe, and a distribution system. Consortium members tested and used a new water distribution configuration from Tualatin Valley Water District.

KEY TAKEAWAYS

Attendees learned about new treatment technologies, system maintenance, and better ways to distribute water to the public.

OPPORTUNITIES

Each time water providers gather to exercise emergency plans and equipment, they become better prepared to respond to future emergencies. The Consortium will continue to bring regional water provider staff together to discuss equipment improvements and developments in water treatment, coordinate peer-to-peer learning about regional water treatment and distribution capabilities, explore water hauling equipment grants and contracts, and host drills and exercises to support water provider preparedness and resiliency.



Collaboration and Partnerships

The Consortium is built on partnerships; together we support and learn from each other. This work began in 1997 with the development of the Regional Water Supply Plan which included forecasting the region’s water needs 50 years into the future. Today, this collaborative approach is integral to every aspect of our work which includes population forecasting for future water needs, water supply management, legislative advocacy, and increasing water sector resilience. The Consortium also partners with regional, state, and national agencies and organizations to highlight the importance of drinking water, share resources, and foster stewardship of our region’s drinking water sources. Collectively we strive to be a trusted source for drinking water information now and into the future.



Collaborate with regional, state, and national partners

Consortium Member Support: Staff provided programming, resources, and training opportunities to members.

Regional Disaster Preparedness Organization (RDPO): Participated in several RDPO workgroups and committees. Held a Showcase for the Disaster Messaging Work Group (DMWG) and the Consortium’s Water Communicators Network which included sharing lessons learned from several of the DMWG’s projects with 40 attendees.

Environmental Protection Agency: Strengthened connections with EPA and collaborated on three workshops (page 5) that highlighted the importance of water in emergency planning and response work.

Alliance For Water Efficiency: Contributed to the Education Working Committee and attended regional and annual meetings.

Share information and resources

- **Oregon Department of Emergency Management Oregon Prepared Conference:** Presented information on the Emergency Drinking Water Framework and the multilingual how-to video projects.
- **AWWA Pacific NW Section Conference and Waterworks School:** Presented information on the Emergency Drinking Water Framework, best management practices, and workforce development initiatives.
- **Camp Creek Fire Response:** Consortium staff provided technical assistance to the Portland Water Bureau in August-September 2023 during its Camp Creek Fire incident response. This hands-on experience helped staff better understand potential regional messaging needs for future incidents.
- **Population Estimate and Forecasts:** The Consortium worked with Portland State University’s Population Research Center to prepare population forecasts and historic population and household data. Water providers use this information when estimating future water demands.





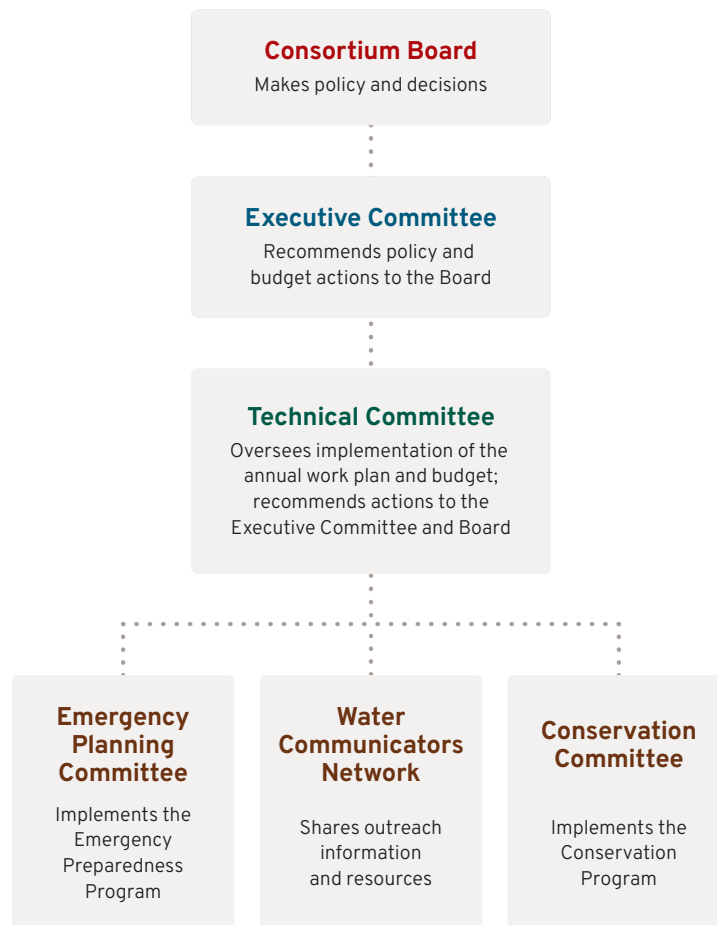
How We Work

As part of preparing for the future, the Consortium must ensure it functions well as an organization and that its guiding documents reflect current practices. This year, the Board adopted an updated Intergovernmental Agreement which governs the operation of the organization. The amendments included removing outdated language and making changes to reflect how the organization operates today and into the future.

- **Strategic Planning Work:** Engaged the Consortium Technical Committee in facilitated “deep-dive” discussions on staffing, equity, water supply planning, and outreach to help identify priorities, challenges, and solutions as we look at our five-year planning horizon.
- **Member Relations:** The Consortium welcomed Lake Grove Water District as its 26th member. Staff also conducted several one-on-one onboarding meetings with new member staff from member entities throughout the year. The City of Newberg left the Consortium at the end of June due to budget constraints.



ORGANIZATIONAL STRUCTURE OF THE CONSORTIUM BOARD AND COMMITTEES



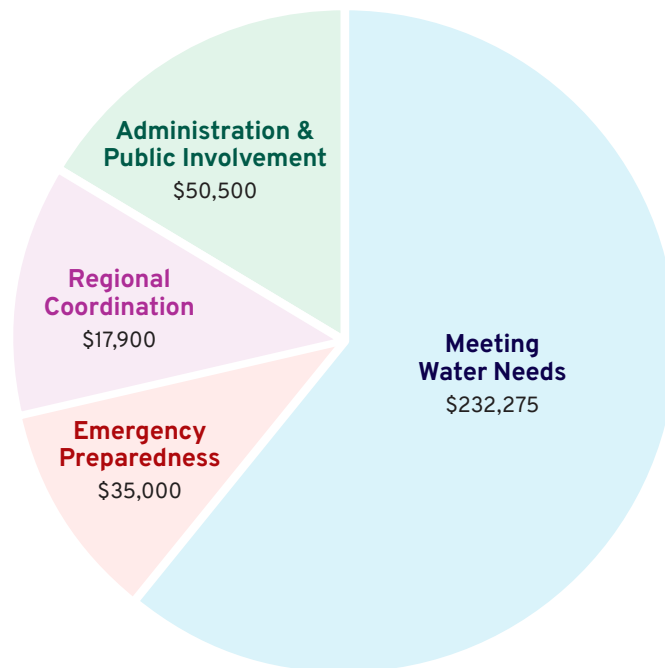
Fiscal Year 2023 – 2024 Budget and Expenses

The Consortium’s budget is supported through the membership dues of its water provider members. Dues are based on the number of connections and quantity of water served by each member organization. Each voting member has an equal voice in the Consortium’s work regardless of the amount it contributes to the Consortium’s budget.

The Consortium’s budget was \$1,197,016 and 89% of it was expended. Unspent contingency, personnel, and some materials and services contributed to the under-expenditure.

Consortium staff provided members with bimonthly expense reports throughout the year. The Fiscal Year 2023-2024 Consortium Work Plan and Budget and final expense report are available on the Consortium’s website at regionalH2O.org/member-page.

CONSORTIUM BUDGET ALLOCATION BY PROGRAM AREA



The Consortium budget also includes \$826,456 for personnel/overhead, \$6,000 for training/travel, \$10,000 for contingency and a \$18,000 carryover from Fiscal Year 2022-23.

**CONSORTIUM MEMBERS AND REGIONAL WATER SOURCES
2023-2024**

Beaverton, *City of*
 Clackamas River Water
 Cornelius, *City of*
 Forest Grove, *City of*
 Gladstone, *City of*
 Gresham, *City of*
 Hillsboro, *City of*
 Lake Grove Water District
 Lake Oswego, *City of*
 Milwaukie, *City of*
 Newberg, *City of*
 Oak Lodge Water Services
 Portland, *City of*

Raleigh Water District
 Rockwood Water PUD
 Sandy, *City of*
 Scappoose, *City of*
 Sherwood, *City of*
 South Fork Water Board
 Sunrise Water Authority
 Tigard, *City of*
 Troutdale, *City of*
 Tualatin, *City of*
 Tualatin Valley Water District
 West Slope Water District
 Wilsonville, *City of*

CONSORTIUM STAFF

Managing Director
 Rebecca Geisen

Management Assistant
 Patty Burk

Program Manager
 Bonny Cushman

Program Specialist
 Riley Berger





1120 SW 5th Avenue, Suite 405, Portland, Oregon 97204
503-823-7528 www.regionalH2O.org

PRINTED ON PAPER WITH RECYCLED CONTENT

Draft Minutes for **General Meeting** - Wednesday 9/25/2024 @ 7PM

Meeting opened at 7:05 PM

Attendance:

Board Members: Valerie Chapman, Jane Civiletti, Joseph Edge, Mark Elliott

Voting Members: Bob Bohannon Cindy Brown, Ben Chaney, Sue Conachan, Dave Dobak, Daniel Dyre-greensite, Thelma Haggemiller, Jolene and Tom Hammond, Gwion Miller, Rich Nepon, Karen Oberding, Paul Savas, Linda Seals, Carolyn Stucky, Baldwin Van de Bijil. Also present: Tina (last name not given) and present Neil Schulmann.

Officer Reports: Treasurer: I expenditure of \$647.64 for three years of website hosting leaving balance of \$ 670.32; Secretary: Minutes were approved as sent out.

Board/Chair. The opportunity to move toward hybrid meetings at the Oak Lodge Water District building was proposed. **A motion was made** by Daniel Sites-Greenfield to proceed and seconded by Gwion Miller. The community then discussed asking the newly formed non-profit, Friends of Oak Grove Community Council, to assist with acquiring the hybrid equipment needed. **A motion** to that effect was offered by Cyndy Brown and seconded by Jane Civiletti. **Both motions passed unanimously.**

Commissioner Paul Savas gave an overview of the County Budget.

The discretionary part of the budget is \$160 million of which half goes to the Sherrif. The Sherrif's budget is supplemented by taxes and a levy which puts the Sherrif's budget at over 160 million. The other half of the county budget funds offices and departments. The cost of the courthouse has put enormous pressure on the budget.

Neil Schulman of the North Clackamas Urban Watersheds Council gave an overview and update of the work of the NCUWS, and the project to remove Kellogg Creek Dam.

His presentation can be seen in full on the OGCC YouTube channel as part of the recorded OGCC meeting. <https://www.youtube.com/watch?v=tE5xT1dVIQ0>

8:20 PM LUART : Joseph Edge reported on one application for a dock on the River, however, there is nothing controversial about it.

8:25 PM Committee Reports: The CERT team is currently offering CPR and first aid trainings.

Meeting adjourned at 8:35 PM

Next Meetings: General Meeting: October 23 at 7 PM

Board Meeting: October 7 at 6:45 PM

Business from the Board

Paul Gornick's Liaison Report – October 2024

October 3, 2024 – C4 Meeting (remote meeting)

- A presentation was made by ClackCo housing staffers Vahid Brown and Devin Ellin. In FY2023-24, 412 households (772 persons) were placed in permanent housing, 456 households were placed in rapid rehousing, and 1408 households received funds for eviction prevention (note: permanent supportive housing is for “chronically homeless” and rapid rehousing is for those who have been homeless for a short period). Funds for these three categories came from a combination of the Metro 10-year Supportive Housing Services levy, plus additional funds from the State Emergency Order. Clackamas County exceeded the near term goals for permanent supportive housing, and is within 100 units of the 10-year goal of 1065 (total 10-year regional goal is 5,000 units). See slide deck in meeting packet, linked below.
- Metro is considering altering the income thresholds for the Supportive Housing Services levy, either by increasing the income thresholds by a CPI-W index, or by making a one-time increase in the threshold amounts. Either method will likely decrease the amount of funds available to the counties for the intended services. See informational letter from County staff to the County Board here: [9f7c0e29-18d2-46eb-82e7-7d7751e59702 \(clackamas.us\)](https://clackamas.us/9f7c0e29-18d2-46eb-82e7-7d7751e59702)
- The Legislature’s Joint Committee on Transportation visit to the Clackamas area started with a bus tour of ODOT projects in the area, followed by a 2-hour roundtable discussion at the City of Happy Valley. Seventeen local legislators were participants. You can see the C4 discussion of this starting at about the 44:30 mark in the meeting video linked below.
- The meeting packet can be found here: [20382967-92db-4d57-9384-34345c8797ee \(clackamas.us\)](https://clackamas.us/20382967-92db-4d57-9384-34345c8797ee)
- The meeting video can be found here: [Clackamas County Coordinating Committee \(C4\) - October 2024 \(youtube.com\)](https://www.youtube.com/watch?v=Clackamas%20County%20Coordinating%20Committee%20(C4)%20-%20October%202024)

October 23, 2024 – Sunrise Water Authority Board Meeting (hybrid meeting)

- I was out of town and unable to attend this meeting. Director Williams attended in my absence.

Kevin Williams Meetings attended in October of 2024

K.W.

1. Clackamas River Water Board meeting October 17th, 2024

The board flew through their Consent Agenda and Action Items. All motions were passed 5 to 0.

G.M. Heidgerken gave his Management Report. Some items of interest were that they are beginning their audit process with Moss Adams. It is scheduled to be complete by Christmas. Their Budget Committee has some vacancies and they are beginning to recruit to find members. Clackamas River water was successful in winning an Excellence in Government Finance Award. Todd reported that the Clean the River event that happened in September was a success. He reported that there seemed to be a lot of shoes this year.

The final action item was to discuss the G.M.s cost of living increase. They seemed to decide on five additional days of vacation and a 2% pay bump added to the C.O.L.A. that is retro to July 1st. They recently settled their labor Agreement so that triggered this action.

2. Sunrise Water Authority Board meeting - October 23rd, 2024

The Board meeting was Chaired by Vice Chair Gary Barth, They approved their agenda and moved into public comment. They had three citizens testify about about the proposed rate increase that they have been discussing. The first person reported that he felt the increase was too high and would be difficult for customers to absorb into their family budgets. The second person testified that he felt it was an ill advised plan and that the Board should consider other options. When the Board asked what he thought those may be he only offers the sale of surplus property owned by the authority. The third person testified that there needs to be a rate study to determine if this level of increase is warranted and necessary.

The Board approved the consent agenda and moved on to Discussion item 2.1 the proposed rate increase is 34% over a three year period. It includes implementing a tiered pricing system to have larger users pay more for their water. The cost increase is being driven by the following factors. There have been errors their meter readings that have resulted in less revenue. They have a need for additional staffing to perform routine maintenance activities on their systems. Construction has been down so their S.D.C. collections are down and they would like to build up their funding reserves. They will be holding a rate Hearing in November, probably at their monthly Board meeting.

Under Board business they had two items they discussed. The Happy Valley City Council recently told staff that they are not in support of Speed cameras in their jurisdiction. It was a pretty adamant no way from what was said. The second item was

discussion of electricity generation via the flow of water in pipes. The feeling was that if you had a pressurized system that relied on pumping to move water instead of gravity systems it is possible this could work.

**CLACKAMAS RIVER WATER
BOARD OF COMMISSIONERS
REGULAR MEETING**

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

**This Meeting will have both an in person and remote option for attending
October 17, 2024 at 6:00pm**



Clackamas River Water

AGENDA -UPDATED

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

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

Anyone who wishes to attend the meeting remotely may do so by internet at <https://us02web.zoom.us/j/89336466686> or by calling the following number 1-253-215-8782 and join meeting 893 3646 6686#. **Passcode: 808475**

REGULAR MEETING @ 6:00pm

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

- a. Approval of the Agenda

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

Consent Agenda

CA-1: **Gross Payroll and Accounts Paid: September 2024**

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

Action Items

1. **Consider Approval of Professional Services Agreements for On-Call Engineering Services-** *Todd Heidgerken, General Manager*
2. **Consider Approval of Contract Amendment and Increase the Not To Exceed Amount for City Wide Facility Solutions-** *Todd Heidgerken, General Manager*
3. **Consider Approval of Increased Not to Exceed Amount for Contract Work Performed by Portland Engineering-** *Todd Heidgerken, General Manager*

Informational Reports

4. Management Report – *Todd Heidgerken, General Manager*
5. Public Comment (*see blue box at the top of the agenda*)

Commissioner Business

6. Commissioner Reports and Reimbursements
7. Consider Approval of Additional Cost-of-Living Increase for the General Manager -*CRW Board of Commissioners*

Adjourn regular meeting

The meeting location is accessible to persons with disabilities. A request for accommodations for persons with disabilities should be made at least 48 hours before the meeting to Adora Campbell (503) 722-9226.



BOARD OF COMMISSIONERS -- REGULAR MEETING
Wednesday, October 23, 2024 at 6:00 p.m.

| <u>Remote Access</u> | <u>In Person</u> |
|---|--|
| Online: https://zoom.us/join Or by phone: 1 (253) 215-8782 Meeting ID: 845 9710 5921 Passcode: 0 5 0 5 0 3 | Sunrise Water Authority Administrative Office 17563 SE Armstrong Ct. Happy Valley, OR 97015 |

AGENDA

CALL REGULAR MEETING TO ORDER
Pledge of Allegiance

APPROVAL OF THE AGENDA

PUBLIC COMMENT

1. CONSENT AGENDA

- 1.1 Approval of September 25, 2024 Board Meeting Minutes
- 1.2 Adopt Resolution 2024-08, Adopting Public Meeting Policy

2. DISCUSSION ITEMS

- 2.1 Proposed Three-Year Water Rate Increase Plan (Revised)

3. STAFF REPORTS

- 3.1 Manager's Update
- 3.2 Engineering Report
- 3.3 Construction Report
- 3.4 Operational Report
- 3.5 Financial Statements

4. BOARD BUSINESS

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

5. EXECUTIVE SESSION

An executive session will be held pursuant to ORS 192.660(2)(f), to consider information or records that are exempt by law from public inspection.

6. ADJOURN



DEPARTMENT REPORT

| | |
|----------------|---|
| To | Board of Directors |
| From | Sebastian Rodrigues, Interim Finance Director |
| Title | Monthly Report |
| Item No | 7.b. |
| Date | November 12, 2024 |

Summary

The Board has requested updates at regular meeting on the status of OLWS operations. This is a monthly report for October 2024. This report summarizes the status of customer billing, accounts receivables, and other billing-related activities.

Highlights of the Month

- For the month of October, the Accounts Receivable balance decreased by (6.24%), the average delinquent balance decreased by (\$78), and the number of delinquent accounts increased by 248 compared to the prior month.
- Utility bill payments through October 29th 2024 were more than the September billed amounts.
- Financial Assistance Utility Rate Relief program through October 31th 2024, was 113% of the estimated revenues in the budget. The approved funding cap is 0.75% of the estimated revenues. Staff will continue to monitor the utilization percentage throughout the fiscal year.
- Effective July 1st 2024, the billing schedule has changed from bi-monthly to monthly. For more information, visit the link below.
<https://www.oaklodgewaterservices.org/monthly-billing>

Accounts Receivable Review

The Accounts Receivable (A/R) balances decreased by (6.24%) in October from September. These are the findings:

1. A/R Balance owed to OLWS decreased by (\$136,782) during the month of October.

| A/R Balance | 8/31/2024 | 9/30/2024 | 10/31/2024 |
|---------------------|-----------------|--------------------|---------------------|
| Monthly Residential | \$ 1,473,075 | \$ 1,437,270 | \$ 1,347,720 |
| Large Meters | 802,105 | 755,742 | 708,510 |
| Total | 2,275,180 | 2,193,012 | 2,056,230 |
| Variance | 62,897 2.84% | (82,168) -3.61% | (136,782) -6.24% |

1. The total number of delinquent accounts increased by 248 in October compared to the month of September. The average balance of the delinquent account decreased by (20.4%) or (\$78).

| Delinquent Accounts | 8/31/2024 | 9/30/2024 | 10/31/2024 |
|---------------------------|------------|------------|------------|
| Over 60 Days | \$ 209,378 | \$ 138,367 | \$ 185,884 |
| Number of Accounts | 547 | 361 | 609 |
| Average Balance per Acct. | \$ 383 | \$ 383 | \$ 305 |
| | 7.5% | 0.1% | -20.4% |

1. The percentage of current accounts paid in full within 30 days has decreased by (5.85%) for October compared to the prior month. The shift is mainly between the Current category to the 30–60-Day Grace and Delinquent categories.

| Account % | 8/31/2024 | 9/30/2024 | 10/31/2024 |
|-----------------|-----------|-----------|------------|
| Current | 84.49% | 91.02% | 85.17% |
| 30-60 Day Grace | 8.01% | 3.58% | 6.60% |
| Delinquent | 6.04% | 3.98% | 6.71% |
| Credit Balance | 1.46% | 1.42% | 1.52% |

OLWS hangs red tags for accounts in delinquent status, over 60 days past due. The red tag process allows 7 days for the customer to provide payment. If the payment is not received or a payment plan is not created, then the water is shut off. The staff is currently reviewing Red Tag practices since the billing cycles have moved from bi-monthly to

monthly bills to ensure fair collection practices.

| | July 2024 | Aug 2024 | Sept 2024 | Oct 2024 |
|-----------------------------|-----------|-----------|-------------|-------------|
| Cycle | Cycle 1,3 | Cycle 2,3 | Cycle 1,2,3 | Cycle 1,2,3 |
| # Red Tags | 101 | 137 | 104 | 122 |
| Minimum Delinquent Balance | \$ 350 | \$350 | \$350 | \$350 |
| # Shut off Service Requests | 4 | 5 | 5 | 8 |

Payments Received during October

As of October 31th2024, OLWS received \$31,070 more in payments than the billed amount in September. Some of these payments represent past due payments from previous months.

| | July 2024 | August 2024 | Sept. 2024 | Oct. 2024 |
|-----------------------|--------------|--------------|-------------|-------------|
| Utility Billing Sales | \$ 2,085,334 | \$ 1,889,728 | \$1,900,149 | \$1,850,753 |
| Cash Receipts | 2,043,303 | 1,841,105 | 1,931,219 | 1,904,264 |
| % Collected | 98.00% | 97.40% | 101.6% | 102.9% |

Financial Assistance Utility Rate Relief Program (FAURRP)

OLWS’ FAURRP provides eligible customers with a discounted rate on a portion of their bill. On March 19, 2024, the Board of Directors approved the program cap at 0.75% of the budgeted utility revenues. This is an increase from the 0.50% approved previously.

| | Budget | Budget Year-to-Date October 2024 | Actual Year-to-Date October 2024 | % Spent |
|----------------------|---------------------------------|-------------------------------------|-------------------------------------|------------|
| FAURR Program Cap | \$ 156,915 | 52,305 | 59,034 | 113% |
| | # of Customers Current Month | October Discount Provided | Fiscal Year to Date | |
| Drinking Water | 259 | 3,351 | 13,050 | |
| Wastewater | 247 | 10,255 | 40,107 | |
| Watershed Protection | 247 | 1,499 | 5,877 | |
| | 15,105 | 59,034 | 43,929 | |

Attachments

1. 7bi_CheckRunReport_10-2024Activity - DRAFT

Bank Reconciliation
 Checks by Date
 User: antonio@olwsd.org
 Printed: 11/04/2024 - 9:39AM
 Cleared and Not Cleared Checks
 Print Void Checks

ACH Disbursement Activity

| Check No. | Check Date | Name | Comment | Module | Void | Clear Date | Amount |
|--|------------|--|------------------|--------|------|------------|-------------------|
| 0 | 10/2/2024 | Kaiser Permanente | | AP | | | 39,586.80 |
| 0 | 10/4/2024 | Internal Revenue Service | | AP | | | 35,711.06 |
| 0 | 10/4/2024 | Nationwide Retirement Solutions | | AP | | | 1,153.00 |
| 0 | 10/4/2024 | Oregon Department Of Revenue | | AP | | | 11,425.08 |
| 0 | 10/4/2024 | State of Oregon Savings Growth Plan | | AP | | | 3,395.40 |
| 0 | 10/4/2024 | VALIC c/o JP Morgan Chase | | AP | | | 1,288.00 |
| 0 | 10/4/2024 | Payroll Direct Deposit | DD 00001.10.2024 | PR | | | 90,308.68 |
| 0 | 10/10/2024 | ORR Inc | | AP | | | 101,773.50 |
| 0 | 10/18/2024 | Internal Revenue Service | | AP | | | 95.06 |
| 0 | 10/18/2024 | Internal Revenue Service | | AP | | | 38,132.56 |
| 0 | 10/18/2024 | Nationwide Retirement Solutions | | AP | | | 1,153.00 |
| 0 | 10/18/2024 | Oregon Department Of Revenue | | AP | | | 12,099.27 |
| 0 | 10/18/2024 | Oregon Department Of Revenue | | AP | | | 34.55 |
| 0 | 10/18/2024 | Pitney Bowes Global Financial Services LLC | | AP | | | 325.00 |
| 0 | 10/18/2024 | State of Oregon Savings Growth Plan | | AP | | | 100.00 |
| 0 | 10/18/2024 | State of Oregon Savings Growth Plan | | AP | | | 3,411.86 |
| 0 | 10/18/2024 | VALIC c/o JP Morgan Chase | | AP | | | 1,288.00 |
| 0 | 10/18/2024 | Payroll Direct Deposit | DD 00002.10.2024 | PR | | | 93,541.26 |
| 0 | 10/20/2024 | Portland General Electric | | AP | | | 35,383.23 |
| 0 | 10/21/2024 | Payroll Direct Deposit | DD 00003.10.2024 | PR | | | 360.58 |
| 0 | 10/31/2024 | Global Payments Direct, Inc | | AP | | | 20,504.15 |
| ACH Disbursement Activity Subtotal | | | | | | | 491,070.04 |
| Voided ACH Activity | | | | | | | 0.00 |
| Adjusted ACH Disbursement Activity Subtotal | | | | | | | 491,070.04 |

Paper Check Disbursement Activity

| Check No. | Check Date | Name | Comment | Module | Void | Clear Date | Amount |
|-----------|------------|---|---------|--------|------|------------|------------|
| 52693 | 10/4/2024 | AFSCME Council 75 | | AP | | | 1,000.34 |
| 52694 | 10/4/2024 | Aks Engineering & Forestry | | AP | | | 32,454.85 |
| 52695 | 10/4/2024 | Apex Labs | | AP | | | 5,160.00 |
| 52696 | 10/4/2024 | Be Right Backflow LLC | | AP | | | 1,040.00 |
| 52697 | 10/4/2024 | BMS Technologies | | AP | | | 1,107.84 |
| 52698 | 10/4/2024 | Buels Impressions Printing | | AP | | | 902.00 |
| 52699 | 10/4/2024 | CenturyLink | | AP | | | 327.54 |
| 52700 | 10/4/2024 | Certified Arborist Portland LLC | | AP | | | 1,319.28 |
| 52701 | 10/4/2024 | Cintas Corporation - 463 | | AP | | | 86.11 |
| 52702 | 10/4/2024 | City Of Gladstone | | AP | | | 260.97 |
| 52703 | 10/4/2024 | City Of Milwaukie | | AP | | | 1,869.95 |
| 52704 | 10/4/2024 | Convergence Northwest LLC | | AP | | | 9,143.81 |
| 52705 | 10/4/2024 | Country Supplier LLC | | AP | | | 223.97 |
| 52706 | 10/4/2024 | Detemple Company, Inc. | | AP | | | 814.00 |
| 52707 | 10/4/2024 | Customer Refund | | AP | | | 45.77 |
| 52708 | 10/4/2024 | Grainger, Inc. | | AP | | | 347.80 |
| 52709 | 10/4/2024 | Hi-Line Inc | | AP | | | 27.00 |
| 52710 | 10/4/2024 | Horner Enterprises, Inc. | | AP | | | 8,638.87 |
| 52711 | 10/4/2024 | Hydrotem Enterprises LLC | | AP | | | 7,121.60 |
| 52712 | 10/4/2024 | Customer Refund | | AP | | | 241.40 |
| 52713 | 10/4/2024 | McFarlane's Bark, Inc. | | AP | | | 936.67 |
| 52714 | 10/4/2024 | NCCWC | | AP | | | 142,275.42 |
| 52715 | 10/4/2024 | Net Assets Corporation | | AP | | | 619.00 |
| 52716 | 10/4/2024 | North Clackamas Parks & Recreation District | | AP | | | 4,864.86 |
| 52717 | 10/4/2024 | Northwest Natural | | AP | | | 344.24 |
| 52718 | 10/4/2024 | Oak Grove Community Council | | AP | Void | | 250.00 |
| 52719 | 10/4/2024 | One Call Concepts, Inc. | | AP | | | 682.50 |
| 52720 | 10/4/2024 | Polydyne, Inc. | | AP | | | 4,522.95 |
| 52721 | 10/4/2024 | Portland Engineering Inc | | AP | | | 180.00 |
| 52722 | 10/4/2024 | Relay Resources | | AP | | | 8,526.90 |
| 52723 | 10/4/2024 | Safety Northwest, LLC | | AP | | | 500.00 |
| 52724 | 10/4/2024 | Secure Pacific Corporation | | AP | | | 374.70 |
| 52725 | 10/4/2024 | Springbrook Holding Company LLC | | AP | | | 180.00 |
| 52726 | 10/4/2024 | Stark Street Lawn and Garden | | AP | | | 262.95 |
| 52727 | 10/4/2024 | Thorn Run Partners, LLC | | AP | | | 10,000.00 |
| 52728 | 10/4/2024 | Water Systems Consulting, Inc. | | AP | | | 4,965.00 |

Bank Reconciliation

Checks by Date

User: antonio@olwsd.org

Printed: 11/04/2024 - 9:39AM

Cleared and Not Cleared Checks

Print Void Checks

| | | | | |
|-------|------------|---|----|------------|
| 52729 | 10/4/2024 | Western Exterminator Company | AP | 165.00 |
| 52730 | 10/11/2024 | A and A Drilling Service, Inc | AP | 2,175.00 |
| 52731 | 10/11/2024 | AFSCME Council 75 | AP | 1,042.07 |
| 52732 | 10/11/2024 | Aks Engineering & Forestry | AP | 6,813.75 |
| 52733 | 10/11/2024 | Aquatic Informatics Inc. | AP | 4,464.00 |
| 52734 | 10/11/2024 | BMS Technologies | AP | 6,795.62 |
| 52735 | 10/11/2024 | Employee Business Expense Reimbursement | AP | 513.48 |
| 52736 | 10/11/2024 | Charles H. Day Co., Inc. | AP | 139.90 |
| 52737 | 10/11/2024 | Clackamas County | AP | 18,070.00 |
| 52738 | 10/11/2024 | Comcast | AP | 164.70 |
| 52739 | 10/11/2024 | Consolidated Supply Co. | AP | 2,715.18 |
| 52740 | 10/11/2024 | Contractor Supply, Inc. | AP | 58.00 |
| 52741 | 10/11/2024 | Country Supplier LLC | AP | 196.27 |
| 52742 | 10/11/2024 | CTX-Xerox | AP | 832.37 |
| 52743 | 10/11/2024 | D&H Flagging, Inc. | AP | 295.00 |
| 52744 | 10/11/2024 | Ditch Witch Northwest Exchange | AP | 2,570.80 |
| 52745 | 10/11/2024 | Ferguson US Holdings, Inc | AP | 230.77 |
| 52746 | 10/11/2024 | Gills Point S Tire | AP | 1,684.68 |
| 52747 | 10/11/2024 | H.D. Fowler Company | AP | 17,666.30 |
| 52748 | 10/11/2024 | Hasco Stations, LLC | AP | 482.46 |
| 52749 | 10/11/2024 | IntelliCorp Records, Inc. | AP | 53.90 |
| 52750 | 10/11/2024 | K & D Services of Oregon Inc | AP | 1,911.13 |
| 52751 | 10/11/2024 | McFarlane's Bark, Inc. | AP | 13.00 |
| 52752 | 10/11/2024 | Napa Auto Parts | AP | 4.74 |
| 52753 | 10/11/2024 | Customer Refund | AP | 817.87 |
| 52754 | 10/11/2024 | OCD Automation, Inc. | AP | 4,025.00 |
| 52755 | 10/11/2024 | Portland Engineering Inc | AP | 120.00 |
| 52756 | 10/11/2024 | Robert HalfTalent Solutions | AP | 12,240.00 |
| 52757 | 10/11/2024 | S-2 Contractors, Inc. | AP | 8,221.56 |
| 52758 | 10/11/2024 | SAIF Corporation | AP | 4,195.40 |
| 52759 | 10/11/2024 | SDIS | AP | 40,499.62 |
| 52760 | 10/11/2024 | Seattle Ace Hardware | AP | 61.15 |
| 52761 | 10/11/2024 | Staples Contract & Commercial LLC | AP | 237.14 |
| 52762 | 10/11/2024 | Sustainable Ag Solutions, Inc | AP | 5,772.04 |
| 52763 | 10/11/2024 | Waste Management Of Oregon | AP | 441.48 |
| 52764 | 10/11/2024 | Watershed, LLC | AP | 1,237.74 |
| 52765 | 10/11/2024 | Customer Refund | AP | 262.86 |
| 52766 | 10/18/2024 | Airgas, Inc | AP | 332.99 |
| 52767 | 10/18/2024 | Alexin Analytical Laboratories, Inc. | AP | 5,460.00 |
| 52768 | 10/18/2024 | BendTel, Inc | AP | 279.88 |
| 52769 | 10/18/2024 | City Of Milwaukie | AP | 333.60 |
| 52770 | 10/18/2024 | Craig Blackman Trucking | AP | 2,205.74 |
| 52771 | 10/18/2024 | Hasco Stations, LLC | AP | 430.52 |
| 52772 | 10/18/2024 | Hi-Line Inc | AP | 57.24 |
| 52773 | 10/18/2024 | K & D Services of Oregon Inc | AP | 5,462.13 |
| 52774 | 10/18/2024 | Board Member Business Expense Reimbursement | AP | 1,758.53 |
| 52775 | 10/18/2024 | Measure-Tech | AP | 714.54 |
| 52776 | 10/18/2024 | NCCWC | AP | 122,676.26 |
| 52777 | 10/18/2024 | Northstar Chemical, Inc. | AP | 1,073.00 |
| 52778 | 10/18/2024 | OHA-Drinking Water Services | AP | 335.00 |
| 52779 | 10/18/2024 | Customer Refund | AP | 115.52 |
| 52780 | 10/18/2024 | Robert HalfTalent Solutions | AP | 5,520.00 |
| 52781 | 10/18/2024 | SDIS | AP | 40,201.15 |
| 52782 | 10/18/2024 | Seattle Ace Hardware | AP | 72.75 |
| 52783 | 10/18/2024 | Staples Contract & Commercial LLC | AP | 106.97 |
| 52784 | 10/18/2024 | Verizon Wireless | AP | 183.64 |
| 52785 | 10/18/2024 | Waste Management Of Oregon | AP | 977.11 |
| 52786 | 10/18/2024 | Xerox Corporation | AP | 15.87 |
| 52787 | 10/18/2024 | Employee Business Expense Reimbursement | AP | 1,181.89 |
| 52788 | 10/25/2024 | AFSCME Council 75 | AP | 1,042.07 |
| 52789 | 10/25/2024 | Aks Engineering & Forestry | AP | 5,055.00 |
| 52790 | 10/25/2024 | AnswerNet | AP | 758.42 |
| 52791 | 10/25/2024 | Customer Refund | AP | 693.69 |
| 52792 | 10/25/2024 | Customer Refund | AP | 5.37 |
| 52793 | 10/25/2024 | Cable Huston LLP | AP | 17,523.00 |
| 52794 | 10/25/2024 | CenturyLink | AP | 45.43 |
| 52795 | 10/25/2024 | Cintas Corporation | AP | 464.97 |

Bank Reconciliation

Checks by Date

User: antonio@olwsd.org

Printed: 11/04/2024 - 9:39AM

Cleared and Not Cleared Checks

Print Void Checks

| | | | | |
|--|------------|---|----|-------------------|
| 52796 | 10/25/2024 | Customer Refund | AP | 461.13 |
| 52797 | 10/25/2024 | Customer Refund | AP | 73.43 |
| 52798 | 10/25/2024 | Convergence Northwest LLC | AP | 8,735.33 |
| 52799 | 10/25/2024 | Customer Refund | AP | 94.93 |
| 52800 | 10/25/2024 | Country Supplier LLC | AP | 374.32 |
| 52801 | 10/25/2024 | CTX-Xerox | AP | 174.05 |
| 52802 | 10/25/2024 | Customer Refund | AP | 13.97 |
| 52803 | 10/25/2024 | Customer Refund | AP | 27.81 |
| 52804 | 10/25/2024 | Customer Refund | AP | 109.33 |
| 52805 | 10/25/2024 | Customer Refund | AP | 125.05 |
| 52806 | 10/25/2024 | Employee Business Expense Reimbursement | AP | 159.38 |
| 52807 | 10/25/2024 | Customer Refund | AP | 16.30 |
| 52808 | 10/25/2024 | Hasco Stations, LLC | AP | 911.22 |
| 52809 | 10/25/2024 | Customer Refund | AP | 21.16 |
| 52810 | 10/25/2024 | Hettich Instruments, LP | AP | 12,351.22 |
| 52811 | 10/25/2024 | Hi-Line Inc | AP | 318.93 |
| 52812 | 10/25/2024 | Customer Refund | AP | 24.97 |
| 52813 | 10/25/2024 | Customer Refund | AP | 2.56 |
| 52814 | 10/25/2024 | Jacobs Engineering Group Inc | AP | 3,720.78 |
| 52815 | 10/25/2024 | Customer Refund | AP | 71.87 |
| 52816 | 10/25/2024 | Employee Business Expense Reimbursement | AP | 303.14 |
| 52817 | 10/25/2024 | Customer Refund | AP | 24.70 |
| 52818 | 10/25/2024 | Customer Refund | AP | 18.63 |
| 52819 | 10/25/2024 | Lance Harris | AP | 100.00 |
| 52820 | 10/25/2024 | Customer Refund | AP | 99.28 |
| 52821 | 10/25/2024 | North Clackamas Urban Watershed Council | AP | 13,875.00 |
| 52822 | 10/25/2024 | Northstar Chemical, Inc. | AP | 1,073.00 |
| 52823 | 10/25/2024 | Customer Refund | AP | 123.72 |
| 52824 | 10/25/2024 | Customer Refund | AP | 0.31 |
| 52825 | 10/25/2024 | Customer Refund | AP | 2.48 |
| 52826 | 10/25/2024 | Customer Refund | AP | 132.71 |
| 52827 | 10/25/2024 | PDX Fire Protection LLC | AP | 3,289.62 |
| 52828 | 10/25/2024 | Red Wing Shoe Store | AP | 300.00 |
| 52829 | 10/25/2024 | Customer Refund | AP | 113.55 |
| 52830 | 10/25/2024 | Ritz Safety LLC | AP | 4,389.68 |
| 52831 | 10/25/2024 | Robert HalfTalent Solutions | AP | 6,227.80 |
| 52832 | 10/25/2024 | Customer Refund | AP | 264.13 |
| 52833 | 10/25/2024 | Customer Refund | AP | 53.98 |
| 52834 | 10/25/2024 | Staples Contract & Commercial LLC | AP | 575.33 |
| 52835 | 10/25/2024 | Customer Refund | AP | 1.91 |
| 52836 | 10/25/2024 | Team Electric Company | AP | 517.00 |
| 52837 | 10/25/2024 | Customer Refund | AP | 1.91 |
| 52838 | 10/25/2024 | Customer Refund | AP | 93.12 |
| 52839 | 10/25/2024 | Customer Refund | AP | 119.32 |
| 52840 | 10/25/2024 | Top Industrial Supply | AP | 416.00 |
| 52841 | 10/25/2024 | US Crane & Hoist, Inc | AP | 647.00 |
| 52842 | 10/25/2024 | Western Exterminator Company | AP | 423.55 |
| 52843 | 10/25/2024 | Customer Refund | AP | 278.09 |
| Paper Check Disbursement Activity Subtotal | | | | 675,143.25 |
| Voided Paper Check Disbursement Activity | | | | 1,323.00 |
| Adjusted Paper Check Disbursement Activity Subtotal | | | | 673,820.25 |

| | |
|---------------------------|--------------|
| Total Void Check Count: | 2 |
| Total Void Check Amount: | 1,323.00 |
| Total Valid Check Count: | 170 |
| Total Valid Check Amount: | 1,164,890.29 |
| Total Check Count: | 172 |
| Total Check Amount: | 1,166,213.29 |



DEPARTMENT REPORT

To Board of Directors
From Aaron Janicke, Public Works Director, Ryan Hunter, Distribution Field Supervisor, Chad Martinez, Collections Field Supervisor
Title Monthly Report
Item No 7.c.
Date November 12, 2024

Summary

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

Highlights of the Month

- Finalized the repair of the View Acres Reservoir
- Collections crew finished inspection of this year's catch basins

Watershed Protection

Autumn in OLWS brought crisp nights and dry sunny days, turning the leaves into a beautiful autumn pallet. Although there was not much rain, the watersheds received rainfall several times, allowing the relatively plentiful water year to continue. At the end of October, the Clackamas River Water Providers', "Fish on the run, irrigation done" water conservation campaign wrapped up with local participants doing their part to conserve irrigation water on their home yards and gardens.

OLWS Staff posted the FY2023-2024 Municipal Separate Storm Sewer System (MS4) Annual Report for public review. The document reports deliverables for the water quality permit requirements. Please let staff know if you have any comments about this report.

Additionally, the Total Maximum Daily Load Implementation Plan (TMDL IP) requires an annual report for FY2023-2024. The final draft of this report is also posted online for public review and comment.

Both annual reports are due on December 1st, to the Oregon Department of Environmental Quality

(DEQ).

Looking ahead to FY2026, the MS4 Permit will begin the renewal process in partnership with Clackamas Co-permittees and in response to new permit requirements which will be posted through Oregon's DEQ.

As a reminder, DEQ is in the process of finalizing a Temperature TMDL. After finalization, OLWS will be working to meet decreased temperature goals for the lower Willamette River through investments in projects that cool surface water flowing through Oak Lodge. One example of such projects might be those that support hyporheic exchange, which is the connection of surface water with groundwater, allowing local creeks and drainage ditches to cool surface water as it moves through waterways and into the Willamette River.

Finally, over the next several months staff will feature reports from OLWS watershed health partners. These reports will highlight deliverables from partners including North Clackamas Watersheds Council (NCWC), the EcoBiz program, the Backyard Habitat Certification program, Ecology in Classrooms and the Outdoors, KPTV, the Clean Rivers Coalition, the Regional Coalition for Clean Rivers and Streams, and the Environmental Learning Center of Clackamas Community College.

We are engaged in three ongoing campaigns...

The Clean Rivers Coalition Annual Report Summary 2023-2024

The Clean Rivers Coalition is comprised of local, state and federal agencies, watershed councils, soil and water conservation districts, and water-related nonprofits.

We deliver water awareness and behavior change campaigns that reach and benefit diverse populations. We are funded through contributions from our partners as well as federal grants.

2023 Annual Spending

Total Expenditure: **\$184,672**

Follow the Water

Clean Rivers Coalition launched Follow the Water in April 2022. The campaign aims to connect people to their rivers, promote actions that protect water, and build a culture of appreciation and knowledge of local water resources. The campaign included the Follow the Water video series, a robust social media campaign, and a website.

What's Your Lawn Style?

Follow the Water created the What's Your Lawn Style? video campaign to share sustainable lawn care information with homeowners in Oregon and Southwest Washington. The instructional videos help people manage their lawns with little to no chemicals. We also produced short video ads and a Google Ads campaign to lead viewers to the videos.

LEVEL UP YOUR LAWN

A pilot CBSM residential lawn care campaign known as Level Up Your Lawn went live in March 2024. The campaign is designed to promote behavior change around unsafe lawn care practices. A questionnaire was built on the Follow the Water website to target lawn owners in Eugene, Salem, and Clackamas County. Two new videos were created on Overseeding and The Downsides of Weed and Feed. We populated five unique landing pages with resources to help them maintain a healthier lawn.

Follow the Water Annual Results

Social Media Reach **277K**
Social Media Engagement **17K**
Social Media Followers **9.8K**
Follower Growth **340%**

What's Your Lawn Style? Annual Results

Google Ads Impressions **3M**
Google Ads Clicks **25.4K**
Landing Pages Views **27K**
Youtube Views **74K**

Level Up Your Lawn Annual Results

Google Ads Impressions **339K**
Google Ads Clicks **13.8K**
Landing Pages Views **8.7K**
Youtube Views **3.2K**

What's Coming

We are building on our success and continuing Follow the Water, What's Your Lawn Style, and Level Up Your Lawn. We're also planning on the following projects:

- Latinx/e/a/o Landscaper Project** is a series of videos and workshops for Spanish-speaking landscapers that highlight best practices for worker, customer, and water safety.
- Beyond The Lawn Eco-Lawn Video Series** for households who are contemplating eco-lawns, gardens, meadow-scaping, and other lawn alternatives. Pre-production is underway with filming slated for 2026.

Still from Follow the Water Chapter 1 of 3: Connection

Winner
Harrison Middle School 2024

Winner
Buck Oregon Film Festival/Clackamas County 2024

Official Selection
National Film Festival 2023

Official Selection
National Film Festival 2024

Official Selection
National Film Festival 2023

Level Up Your Lawn graphic by Marketing for Change

Wastewater Collection System Work

The Collections Crew has been diligently working on hydrojetting and conducting CCTV inspections of sewer lines. Despite one crew member being on leave, the remaining team members have adapted by switching weekly responsibilities to ensure all goals related to cleaning, CCTV inspections, locates, and storm line work are met.

Recent Activity:

Scheduled Night Work: To enhance employee safety and minimize disruption from high traffic, we have scheduled Thursday night work. This allows us to effectively clean and inspect sewer lines on Oatfield and its connected lines.

Debris Removal: Significant amounts of debris have been successfully extracted from the Oatfield line during these operations. The team's efforts have greatly improved the condition and functionality of the sewer infrastructure.

Ongoing Efforts: Thursday night work will continue along Oatfield until we reach a designated stopping point based on our zone maps. This strategic approach ensures thorough coverage and maximizes efficiency in our operations.

Water Distribution System Work

In October, the Water Team stayed busy making repairs, installing water services, performing billing and customer service activities, and locating underground facilities. Below are some of the highlights:

- Installed 3 new 1" services
- 29 meters replaced
- Three water main breaks were repaired at SE Laurie Ave, SE Blanton St and SE Sky High Ct
- Ongoing maintenance, repair, and replacement of fire hydrants
- Ongoing leak detection efforts



Non-Revenue Water

The total water purchased in September was 85.257 million gallons. Non-revenue water totaled 16.812 million gallons with 1.426 million gallons in apparent losses, 15.386 million gallons in real losses, and 356 thousand gallons for unbilled authorized consumption. The trailing twelve month (TTM) non-revenue water trend indicates the average non-revenue water over the past 12 months is 10.734 million gallons.

Permit Activity

| FY2024-2025 | October 2024 Development Activity | | | | |
|------------------------------|-----------------------------------|-------------------|----------------------------|------------------------------|--------------------------|
| | <i>This Month</i> | <i>Last Month</i> | <i>Fiscal Year-to-Date</i> | <i>This Month Last Year*</i> | <i>Last Year-to-Date</i> |
| Pre-applications Conferences | 2 | 2 | 4 | 2 | 4 |
| New Erosion Control Permits | 2 | 4 | 14 | 2 | 6 |
| New Development Permits | 1 | 0 | 4 | 0 | 5 |
| New Utility Permits | 5 | 8 | 38 | 8 | 21 |
| Wastewater Connections | 0 | 4 | 15 | 1 | 11 |
| Sanitary SDC Fees Received | \$0 | \$51,650 | \$108,465.00 | \$5,165 | \$56,815 |
| Water SDC Fees Received | \$151,752 | \$81,975 | \$479,320.00 | \$6,248 | \$230,087 |
| Plan Review Fees Received | \$1,631 | \$4,575 | \$19,221.75 | \$1,300 | \$11,493 |
| Inspection Fees Received | \$352 | \$4,174 | \$15,857.75 | \$340 | \$2,630 |

Attachments

1. Development Tracker_Oak_Lodge_11_2024

| Project Status | Address | Type of Development | Notes | Last Updated |
|-----------------------|--|--|--|---------------------|
| Under Construction | 4410 SE Pinehurst Ave. | Residential: 17-lot Subdivision | Final Inspections Pending. Next step: asbuil review and bond release. | 10/30/2024 |
| Under Construction | 16305 SE Oatfield Rd. | Residential: 12-lot Subdivision | OLWS Inspections Occuring | 10/30/2024 |
| Under Construction | 15603 SE Ruby Dr. | Residential: 3-lot Partition | OLWS Inspections Occuring | 10/30/2024 |
| Under Construction | 2316 SE Courtney Ave. | Residential: 14 rowhomes and 6 single family dwellings | OLWS Inspections Occuring. | 10/30/2024 |
| Under Construction | 3421 SE Vineyard Rd. | Residential: Two tri-plexes and one duplex | OLWS Inspections Occuring | 10/30/2024 |
| Under Construction | 3811 SE Concord Rd. | Concord School Library | OLWS Inspections Occuring | 10/30/2024 |
| Under Construction | 15510 SE Wallace Rd. | Residential: 15-lot Partition | OLWS Inspections Occuring | 10/30/2024 |
| Under Construction | 13822 SE Oatfield Rd | Residential: 26-unit Cottages | OLWS Inspections Occuring | 10/30/2024 |
| Under Construction | 13100 SE River Rd | Residential: 5-lot duplex; Willamette View | OLWS Inspections Occuring | 10/30/2024 |
| Under Construction | 4809 SE Ina Ave. | Residential: 4-lot Subdivision (Middle Housing) | Current OLWS Review | 10/30/2024 |
| Under Construction | River Forest Creek | Stream Rehabilittation | OLWS Inspections Occuring | 10/30/2024 |
| Under Construction | 1404 SE River Forest Rd. | Residential: 3-lot Partition | OLWS Inspections Occuring | 10/30/2024 |
| Plan Review | 4410 SE Pinehurst Ave. | Residential 4-lot Partition (Middle Housing) | Land Use conditions sent to CC DTD. County land use expiration timeline. | 10/30/2024 |
| Plan Review | 17025 SE Oatfield Rd | Residential: 2-lot subdivision | Current OLWS Review | 10/30/2024 |
| Plan Review | 14018 SE Linden Ln | Residential: Triplex | Land Use conditions sent to CC DTD. County land use expiration timeline. | 10/30/2024 |
| Plan Review | 14928 SE Oatfield Rd | Residential 4-lot Partition | Current OLWS Review | 10/30/2024 |
| Plan Review | 13843 SE McLoughlin Blvd. | Commercial: Restaurant | Land Use conditions sent to CC DTD. County land use expiration timeline. | 10/30/2024 |
| Plan Review | 14836 SE River Forest Rd | Creek Restoration | Land Use conditions sent to CC DTD. County land use expiration timeline. | 10/30/2024 |
| Plan Review | 5212 SE Thiessen | 5-lot subdivision | Current OLWS Review | 10/30/2024 |
| Pre-application | 1631 SE River Ridge Rd (Willamette View) | Residential: 8-story Apartment | Pre-app Comments sent to CCDDTD. County land use expiration timeline. | 10/30/2024 |
| Pre-application | 1950 SE Evergreen St | Residential: 3-lot duplex; Willamette View | Pre-app Comments sent to CCDDTD. County land use expiration timeline. | 10/30/2024 |
| Pre-application | 2095 SE Oak Grove Blvd | Food Cart Pod | Pre-app Comments sent to CCDDTD. County land use expiration timeline. | 10/30/2024 |
| Pre-application | 17180 SE McLoughlin Blvd | Food Cart Pod | Pre-app Comments sent to CCDDTD. County land use expiration timeline. | 10/30/2024 |
| Pre-application | 13020 SE River Rd | Residential 5 lot duplexes Wilamette View | Pre-app Comments sent to CCDDTD. County land use expiration timeline. | 10/30/2024 |



DEPARTMENT REPORT

| | |
|----------------|-------------------------------------|
| To | Board of Directors |
| From | David Hawkins, Plant Superintendent |
| Title | Monthly Report |
| Item No | 7.d. |
| Date | November 12, 2024 |

Summary

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

Highlights of the Month

- Polymer Pump Automation on Belt Filter Press
- Final Tier 1 Toxics Testing of 2024
- Biosolids Conveyor Replacement Update
- In House Laboratory Testing Update

Wastewater Treatment Plant

Since the installation of the liquid polymer pumps for processing biosolids was installed a little over a year ago, the operators of the Belt Filter Press (BFP) have had to manually set the polymer dosage at the pumps locally. While not a major headache, it did make adjustments to the belt a little more difficult as the operator had to leave the belt to make the polymer dosage changes. One of the projects for this fiscal year was to fully automate the polymer pumps at the belt interface. The project involved electricians running the wires from the pumps to the interface, which was quite a ways away. From there, programmers had to program the pumps to be ran. All in all, the project took a couple of months from beginning to end. Staff are happy to report that the polymer pump wiring was a success and the polymer pumps can now be easily adjusted from the belt, making fine tuning much easier.

On October 22nd Mike Stanaway from Jacobs engineering completed the last Tier 1 toxics test of calendar year 2024. As mentioned in a previous staff report, OLWS has been required to do various testing as part of the new National Pollutant Discharge Elimination System (NPDES) permit given to us in 2021. There were 3 major tests that needed to be completed before the end of the permit cycle; Whole Effluent Toxicity (WET), Tier 1 Toxics and the Copper Biotic Ligand Model. OLWS completed the WET testing, which required 4 consecutive quarters of testing, at the end of 2023. Tier 1 toxics, which requires 12 consecutive quarters of testing, which OLWS has completed 10 consecutive quarters of, will be finished up by the end of June next year. Lastly, the Copper Biotic Ligand Modeling will begin in January of 2025, and will require monthly testing for 24 consecutive months. Staff are currently working with Jacobs on a contract to perform the remainder of 2025.

Earlier this year the original conveyor that carried the biosolids from the BFP to the trucks finally broke after being in operation for over 20 years. Mechanics were able to weld the broken screw conveyor back together to minimize down time, as OLWS does not have a back up way of transferring the solids from the belt to the truck. Staff contacted the manufacturer of the screw conveyor and ordered a new one a couple of months back. In late October, that replacement screw arrived on scene, along with a new plastic liner for the screw to sit on. The job of replacing the screw will not be a small one. Since the screw is over 30 feet long and sticks out into the air, a crane will have to be brought in to place the screw in its chute. After the old screw is removed and before the new screw is installed, staff will need to install the new liner in chute empty. The entire project should take less than a day, but staff are still working out the finer details of when they can take down the BFP and coordinate the crane being on site.

October was a busy month for staff as they continue to prepare to perform in house laboratory testing on various tests that have typically been tested by an outside laboratory. Biochemical Oxygen Demand (BOD) Total Suspended Solids (TSS) and Ammonia testing are currently being tested by outside vendors for OLWS. As part of staffs ongoing commitment to saving the ratepayers money, staff determined that with some additional equipment, OLWS could bring in those outsourced tests. The road to bring those tests back into our laboratory as been a long one. In June, staff began preparing for the Quality Assurance and Quality Control (QAQC) tests by ordering all of the necessary equipment and reagents needed for TSS and ammonia. At that point, they needed to write an Standard Operating Procedure (SOP) using an approved EPA method for testing. Once that was completed, A QAQC blank was then ordered from an EPA/DEQ approved vendor. These blanks are basically a specified test that only the vendor knows the concentration of. When the ordering laboratory receives the QAQC blank, they must perform the test on the blank and return the paperwork to the vendor with the results of their analysis. If the laboratory is within a specified range of the concentration, the test is validated, and the laboratory has thus passed the QAQC. OLWS received the results of the QAQC for both TSS and Ammonia, with both being validated.

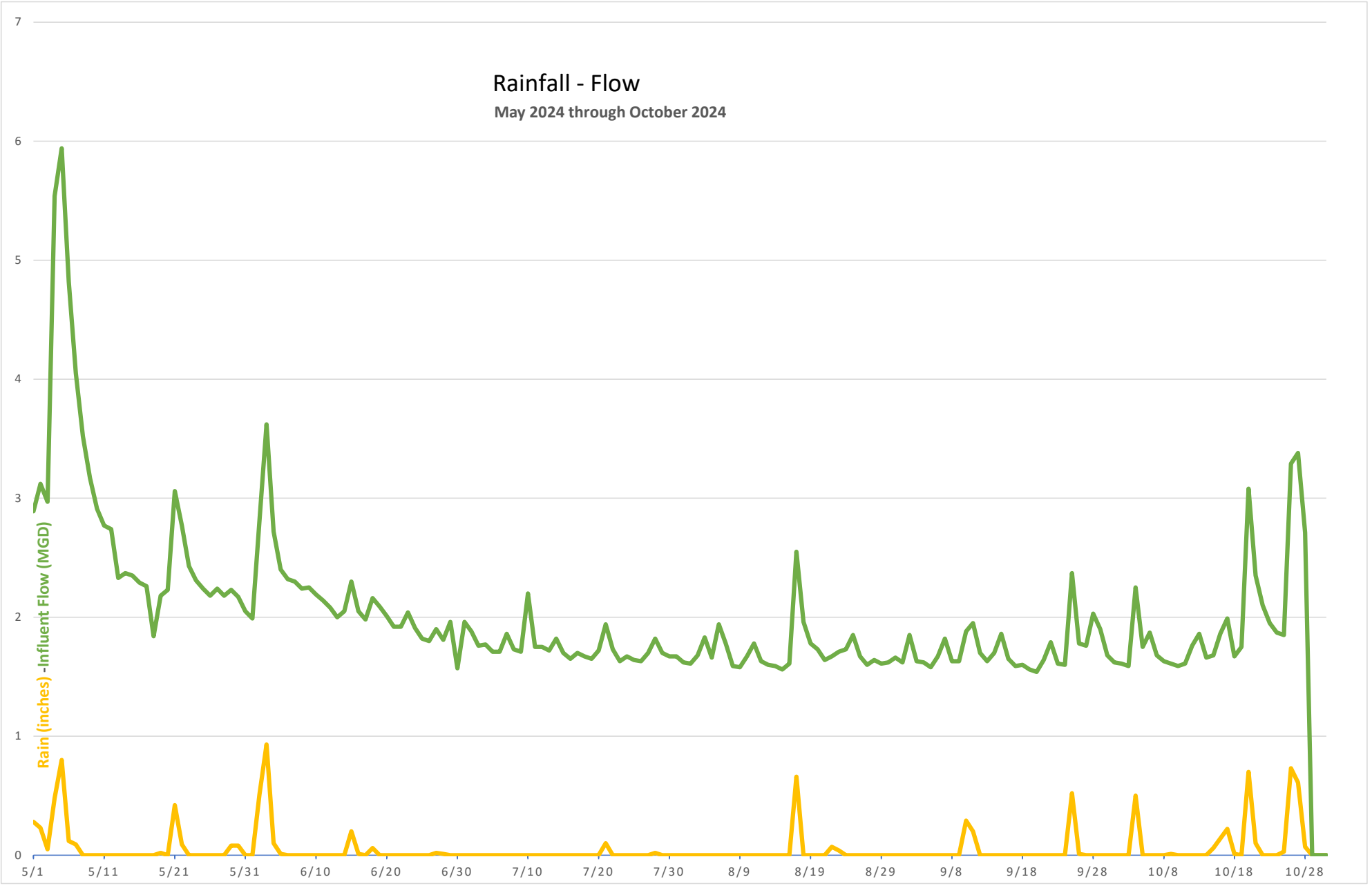
Now that the tests have been validated by an independent vendor, OLWS has submitted the results to DEQ, along with the appropriate paperwork showing we have EPA approved methods and validated results, and are awaiting approval to bring those two tests back in house. Once DEQ approves us for testing on TSS and ammonia, OLWS can start doing the tests themselves. Once the BOD machine that staff ordered back in August arrives, we will go through the process of writing SOP's, ordering QAQC's and requesting approval once again.

Attachments

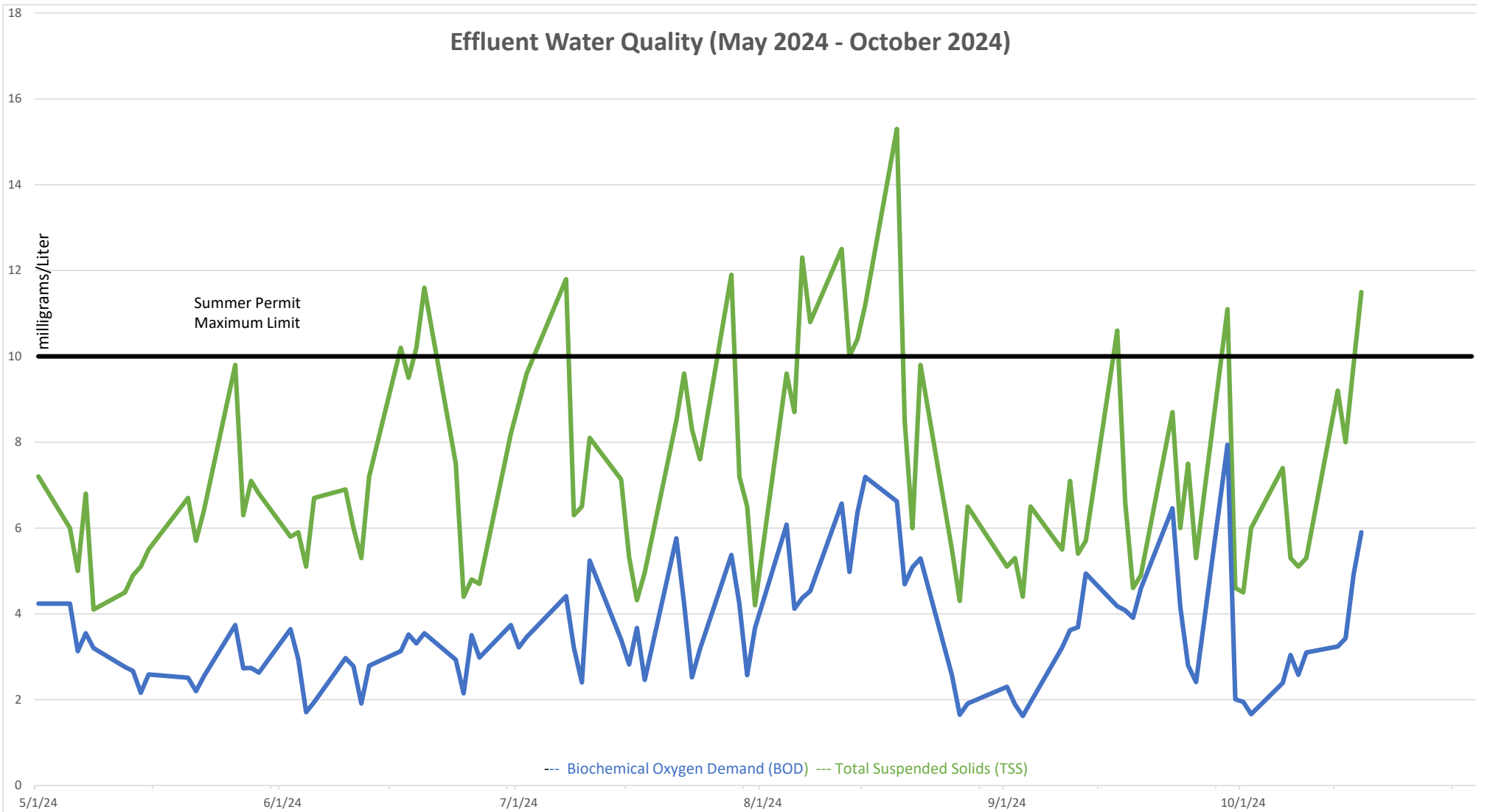
1. RainfallVsFlow_May24-October2024
2. PlantPerformance_May24-October24

Rainfall - Flow

May 2024 through October 2024



Effluent Water Quality (May 2024 - October 2024)





AGENDA ITEM

Title: Other Items

Item No. 8.

Summary

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



AGENDA ITEM

Title: Adjourn Meeting

Item No. 9.

Summary

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