

**CLACKAMAS RIVER WATER BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
May 11, 2023**

COMMISSIONERS PRESENT VIA ZOOM MEETING:

Sherry French President
Naomi Angier, Secretary
Tessah Danel, Treasurer (Absent)
Rusty Garrison
Bob Rubitschun

STAFF PRESENT:

Todd Heidgerken, General Manager
Karin Holzgang, Executive Assistant to the Board

CRW Employees: IT Manager, Kham
Keobounnam; Chief Engineer, Adam
Bjornstedt;

COMMISSIONERS ABSENT:1

VISITORS: Bob Steringer,

Call Regular Meeting to Order

Commissioner French called the meeting to order at 6:00pm The pledge of allegiance was recited.

MOTION: Commissioner Angier moved to approve the agenda as presented. Commissioner Rubitschun seconded the motion

MOTION CARRIED 4-0

Ayes: Angier, French, Garrison, Rubitschun
Nays: None
Abstentions: None

Public Comment- None

Consent Agenda

- CA-1: Gross Payroll and Account Paid for April 2023**
- CA-2: Cash Position and Transfers April 2023**
- CA-3: Project Acceptance: Accept assets constructed for the "Quail Park Subdivision" Project 21-5284**

MOTION: Commissioner Angier moved to approve the consent agenda as presented. Commissioner Garrison seconded the motion.

MOTION CARRIED 4-0

Ayes: Angier, Danel, French, Garrison, Rubitschun
Nays:

Abstentions: None

Agenda Item 1.0 Consider Resolution 12-2023: Updating Clackamas River Water Rates, SDC's, Fees, and Charges

Mr. Heidgerken shared that annual staff reviews the fees and charges for any changes or updates. The overhead rates charged for services are also updated annually. The retail water rates had previously been approved as part of a two-year rate plan and this is just affirming those rates that will go into effect in September 2023. The SDC rates and methodology for the annual increase was approved by the Board the previous year and that methodology is used for this increase.

Commissioner Rubitschun asked about the cost structure of the fees and charges that CRW has developed and how that compares to other agencies and what CRW would be charged for similar services from other entities. The majority of the fees are for activities CRW performs and would not be paying other to do these services and CRW tries to be consistent with other entities in the region

MOTION: Commissioner Angier moves the Board to adopt Resolution 12-2023 Updating Clackamas River Water Rates, SDC's, Fees, and Charges. Commissioner Rubitschun seconded the motion.

MOTION CARRIED 4-0

Ayes: Angier, French, Garrison, Rubitschun

Nays:

Abstentions: None

Agenda Item 2.0 Consider Resolution 13-2023-Updating the Wholesale Water Rates Charged to North Clackamas County Water Commission (NCCWC)

Mr. Heidgerken shared this is an annual process where staff looks to the IGA with NCCWC to determine the established methodology for the annual increase. Staff ran the model and the increase per the methodology is about 5%. This increase will take place July 1.

Commissioner Rubitschun asked about the two different rates and the two points of distribution is based on costs for each location separately.

MOTION: Commissioner Angier approve Resolution No. 13-2023 updating the wholesale water rates charged to North Clackamas County Water Commission (NCCWC) effective July 1, 2023. Commissioner Rubitschun seconded the motion.

MOTION CARRIED 4-0

Ayes: Angier, French, Garrison, Rubitschun

Nays:

Abstentions: None

Agenda Item 3.0 Consider approval of CRW/Clackamas River Water Providers (CRWP) Intergovernmental Agreement (IGA) for Emergency Management Coordination Services.

Mr. Heidgerken shared that the Board has previously been provided an overview of the CRW Emergency Manager providing time to the CRWP for Emergency Management services. This agreement has had legal review.

Commissioner Rubitschun asked about how the time will be tracked to reflect the .2 FTE time and there has been a code set up in the ADP payroll system to keep track of the time spent by the Emergency Manager. Also asked if the Emergency planning structure was used during the 2021 ice storm and it was used during that incident. With CRW's being NIMS certified and trained this has allowed staff to apply for and be eligible for certain FEMA grants.

MOTION: Commissioner Angier moved to approve the CRW/Clackamas River Water Providers (CRWP) Intergovernmental Agreement for Emergency Management Coordination Services. Commissioner Rubitschun seconded the motion.

MOTION CARRIED 4-0

Ayes: Angier, French, Garrison, Rubitschun

Nays:

Abstentions: None

Agenda Item 4.0 Consider Approval of Amendment to Portland General Electric (PGE) Dispatchable Standby Generation (DSG) Agreement for Hattan Rd. Pump Station Emergency Generator

Mr. Bjornstedt provided the Board with an overview of the agreement update. CRW has agreements in place with PGE for the Hattan Rd. pump station for DSG. DEQ has updated some of their rules related to generator emissions and this amendment updates the current agreement to comply with the DEQ regulations.

Commissioner Rubitschun asked if PGE has exercised their option of utilizing power from the Generator and to date they have not. Confirmed that the agreement has been reviewed by legal counsel, asked if this notation could be included with all agreements that the Board is asked to approve.

MOTION: Commissioner Angier moved the Board approves the amendment to the PGE-DSG agreement for the Hattan Road Pump Station Emergency Generator and authorizes the General Manager to sign the amendment Commissioner Rubitschun seconded the motion.

MOTION CARRIED 4-0

Ayes: Angier, French, Garrison, Rubitschun

Nays:

Abstentions: None

Agenda Item 5.0 Consider Approval of Amendment to the Portland General Electric (PGE) Dispatchable Standby Generation (DSG) Agreement for Water Treatment Plant Emergency Generator
See staff explanation and overview above for basic background. This generator at the WTP has been in place since 2014 and PGE has exercised their option to utilize the power generated by the generator.
Commissioner Angier asked about when there has been a need for utilizing the generator for backup power for the WTP and there have been times of outages (ie. The 2021 ice storm) for CRW and PGE to utilize the power

MOTION: Commissioner Angier move the Board approves the amendment to the PGE-DSG agreement for the Water Treatment Plant Emergency Generator and authorizes the General Manager to sign the amendment. Commissioner _____ seconded the motion.

MOTION CARRIED 4-0

Ayes: Angier, French, Garrison, Rubitschun
Nays:
Abstentions: None

Agenda Item 6.0 Quarterly Report (see attached presentation)

- This is the 3rd quarter of the second year of the current Biennium (87.5% through the two-year budget)
- Total General fund revenue is 98.9% of the biennial budget
- Water sales are at 102.3% of the BN budget (due to how water sales are accounted for after the dissolution of the CRWSC)
- Personnel services is at 75.8% BN -includes the HRA VEBA two times a year contribution that go to each employee
- Material Services is at 78.3%- audit cost, credit card processing fees and water treatment and purchase costs are higher than budgeted
- SDC's are at 38.5% of budget
- CIP fund is at 19.5% if budget- longer lead times for purchasing materials, impacts on other agencies where there are coordination efforts on projects (ie County)

Commissioner Rubitschun asked about alternative sources for recruiting and Mr. Heidgerken shared staff has involved recruiters in addition to traditional recruiting methods.
Commissioner Angier asked about where staff fit into each of the departments. Commissioner Rubitschun asked about the SDC budgeted number being well below what was budgeted. Mr. Heidgerken shared that the SDC fee is made up of a reimbursement and improvement amount which is all driven by growth. The SDC dollars collected go into a specific fund.

Agenda Item 7.0 **Management Report**

- The Board was provided an article on the annual drinking water week

- The monthly report will be provided to the Board next week
- CRW staff participated in the high school job fair at Clackamas CC
- CRW staff also participated in the Children's Clean Water festival
- Agenda setting meeting will be held on May 25 for the June board meeting
- CRW offices will be closed May 29 for the Memorial Day holiday
- The June Board meeting will be held on June 8 along with the Budget Hearing.

No public comment- None

Agenda Item 9.0 Commissioner Reports and Reimbursements

- Commissioner French attended the C4 and MPAC meetings
- Sunrise and Oak Lodge have passed their budgets

Open meeting is adjourned 6:53pm



Clackamas River Water

Clackamas River Water

3rd Quarter Update – Fiscal Year 2023

Board Meeting – May 11, 2023

Todd Heidgerken, General Manager



3rd Quarter Update – FY 2023

- 3rd Quarter – Second year of Biennium – January 1, 2021 through March 31, 2023
- Showing costs through 21 of 24 month (July 1, 2021, through March 31, 2023) for the Biennium – 87.5%

3rd Quarter Update – FY 2023 Revenue

General Fund Revenues

- Third quarter (July 1, 2021 through March 31, 2022) of Fiscal Year 2023. CRW is in year two of the 2021-2023 Biennium, and we are 87.5% through the budget.
- Total General Fund Revenue is 98.9% of the biennial budget.
- Water sales budget is \$25,569,000 for the biennium and we have recorded \$26,146,423 through March. Water sales are 102.3% of the biennial budget. This is influenced by how we account for wholesale water sales since the dissolution of the CRWSC

3rd Quarterly Update – FY 2023

General Fund Expenses

- Personnel Services
 - 75.8 % of biennial budget
 - Total costs FY2022 through the 3rd Quarter FY2023 - \$9.2 million
- Includes:
 - HRA VEBA contribution
- Excludes:
 - Vacant positions in Water Resources, FACS, and Administration



3rd Quarter Update

FY 2023

General Fund Expenses

- Materials & Services – 78.3%
 - Analysis of categories that are greater than 87.5%
 - Credit Card processing fees and annual payments
 - Audit Cost higher than budgeted
 - Water Treatment and Purchase costs
- Capital Outlay – 44.5%
 - This year we are experiencing longer than normal lead times so not certain when those will be recorded as actual expenditures.
 - Capital Outlay items come in larger chunks and do not occur evenly throughout the year

Other Funds

SDC Revenue and CIP expenditures

3rd Quarterly Update – FY 2023

SDC Revenues

- Biennial Budget - \$1,763,900
- Actual to Date - \$678,700 – 38.5%



3rd Quarter Update – FY 2022

Capital Improvements Project Fund

- 19.5% of Biennial Budget
 - Biennial Budget - \$6,288,000
 - Spent - \$1,223,767
- Continue to experience longer than normal lead times and supply chain issues that have delayed project.
- Impacts other agencies that we are coordinating with on projects (i.e. County)
- Progress reports are provided to the Board as part of the Monthly Report

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Questions or comments ?