

CLACKAMAS RIVER WATER
BOARD OF COMMISSIONERS
WORK SESSION

January 24, 2022 at 6:00pm

THIS MEETING WILL HAVE REMOTE ACCESS VIA ZOOM*

AGENDA

16770 SE 82nd Drive, Clackamas, OR 97015



Clackamas River Water

To protect the health of our customers, staff, and commissioners, CRW's Board of Commissioners and staff will attend this meeting through an online Zoom meeting. Anyone who wishes to attend the meeting may do so by internet at <https://us02web.zoom.us/j/85466079733> or by calling the following number [12532158782](tel:12532158782) and join meeting 85466079733 #. Passcode: **230547**

Work Session @ 6:00pm

Call to Order, Roll Call

1. **Oregon City Golf Course Property- Development Update-** *Adam Bjornstedt, Chief Engineer*
2. **Future Water Rates Discussion and Timeline-** *Carol Bryck, Chief Financial Officer*
3. **Quarterly Report-** *Carol Bryck, Chief Financial Officer*
4. **Commissioner Communications-** *CRW Board of Commissioners*
5. **General Manager Update-** *Todd Heidgerken, General Manager*

Public Comment

Adjourn Work Session

Work Session Reminders:

- a. Work Session – audio only
- b. No decisions will be made by the CRW Board
- c. Staff may get direction or a sense of the board on key issues
- d. Members of the public are allowed to attend but not participate (*public comment provided at the end of the session*)

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.

CLACKAMAS RIVER WATER

BOARD WORK SESSION

January 24, 2022

SUBJECT Oregon City Golf Course Property- Development Update

PRINCIPAL STAFF PERSON Todd Heidgerken, General Manager
Adam Bjornstedt, Chief Engineer

DOCUMENTS ATTACHED **Exhibit A:** Draft Letter from Oregon City “Water Service to Thimble Creek Concept Area/Oregon City Golf Course”, dated 1/18/22

Exhibit B: Vicinity/Property Map

Agenda Summary

BACKGROUND This property, located at 20124 S. Beaver Creek Road (tax lots 32E15A 00290 and 32E10D 03500), is a largely undeveloped property that is within the CRW boundary. The property includes one service connection and has been a CRW customer for many years. Several preliminary development activities have been initiated over the years, by different owners/developers, with preliminary designs for various residential housing subdivisions. While this property is annexed into the City of Oregon City (City), it has not been withdrawn from CRW for water service and thus the property remains a CRW customer served by the CRW water system.

Planning activities in recent years by both the City and CRW have included this property. In the City’s Beaver Creek Road/Thimble Creek Concept Plan, the property is included as part of the Beaver Creek Road corridor improvements which include transportation, property development, and utility enhancements. The City’s Water Master Plan also identifies water system deficiencies that need to be addressed in order for the City to serve this area. It is the City’s intent to serve this area with City water infrastructure in the long term. CRW’s Water System Master Plan includes this property as part of the existing District boundary/service area, and considers the existing property’s demand with growth factors for current and future demand calculations.

While long term development of this property is not captured in CRW’s Master Plan, Staff’s initial assessment of proposed demands (including fire flow) from the developer indicate that CRW’s water system can meet the demands of the proposed development. In the summer of 2020, the developer sent CRW an initial “request for feasibility”, in accordance with

CRW's required steps for any private development/new service request. CRW's initial and subsequent responses have been in the affirmative, as noted above, in terms of the District's ability to serve the proposed subdivision.

In discussion with the City regarding this development over the past couple of years, Staff has learned of the City's water system capital improvement plan that specifically targets improvements to system pumping, storage, and transmission for this area, as well as other areas within the City's jurisdiction. The City's intended method for funding this plan included this past November's bond measures to 1) authorize borrowing to fund these improvements, as well as 2) a rate increase (beyond the City's charter allowing a 3% annual increase). While the borrowing measure passed, the rate increase measure did not.

In subsequent discussions, the City has indicated their revised plan to fund these water system improvements in order to serve the Beaver Creek Road/Thimble Creek area. As shown in the attached letter (Exhibit A), under the "Feasibility" section the City proposes to utilize both Federal WIFIA and ARPA funds to finance the majority of these water system improvements. City staff have suggested a 5-10 year timeframe (as stated in the letter, and depending on loan conditions) for the City to construct proposed infrastructure with these funds, if approved.

The City has proposed that it enter into an intergovernmental agreement (IGA) with CRW to meet the development's needs in the short term, while accommodating the City's long-term provision of water service plans. The City's proposal for an "interim" water service plan includes a master meter connected to CRW's system, whereby the City purchases water from CRW to serve the Golf Course development as a City customer. In our discussions, CRW Staff have expressed several reservations about any alternative other than CRW providing direct service to a property that is still within the District's service area and is an existing CRW customer. These include:

1. **Service Transfer-** Given that the property is already served by CRW, and the development's proposed demands could be served by CRW's existing water system (with possible minor improvements as necessary), the City's plan does not address a more traditional service concept wherein the development is served by CRW (with CRW SDCs, waterlines, and service connections). When the time came that the City was fully ready to withdraw this property and provide water service, these services would be systematically transferred to the City by CRW.
2. **Timeline-** The City's funding plan is contingent on submittal, review, and approval of a WIFIA funding application. Also, from a capital construction standpoint, the timeframe for the City to complete all planning/land use, property acquisition, design, bidding, and construction of all necessary improvements is

unclear. CRW's concern is that, without any future "sunset" date set to terminate any potential IGA, an undue burden on CRW's infrastructure would exist, without proper attention to CRW reimbursement and improvement costs (which would otherwise be captured in normally-assessed SDCs per each individual customer served).

Also in regards to the timeframe, the developer has indicated their intent to move relatively quickly on the first phase of the property's development, pending submission and approval of County and City land use/permitting processes.

3. **Compensation-** In discussion, City staff have noted that an agreement would address how to compensate CRW for the water service and its investment in the existing water system while the City constructs their necessary infrastructure. The City has asked CRW to identify what costs should be considered in an agreement. Under the City's approach, they would collect any system development charges that would be associated with the development. Without an agreement, CRW would serve the development and collect the system development charges.

In conclusion, Staff recognizes the City's desire to meet its long-term infrastructure and service goals for this area, and the value of the collection of system development charges to allow the City to be successful with that goal. However, as previously noted, there are several uncertainties that would need to be addressed if an agreement that the City is requesting was to be considered. Before asking the Board for direction, it would be helpful to identify what information the Board would need and questions you might have. Ultimately, the Board will be asked for direction on whether CRW should remain the water service provider until such time that the City has constructed the infrastructure necessary to serve and withdraw the area, or if staff should be directed to work on the development of an IGA. The IGA would result in the City serving as the water provider for the area, but with reliance on CRW's water system to provide water service until the City has built their necessary infrastructure.



January 20, 2022

Clackamas River Water District
16770 SE 82nd Drive
Clackamas, OR 97015-2439

Attn: Todd Heidgerken, General Manager
Adam Bjornstedt, Chief Engineer

RE: Water Service to Thimble Creek Concept Area/Oregon City Golf Course

Our region suffers from a housing shortage. In response, communities are looking for ways to provide the needed housing through their land-use planning as well as infrastructure planning. The City has had increased interest in development in the Thimble Creek (formerly Beaver Creek) Concept Plan area. This area includes the existing Oregon City Golf Course property. As the development community works towards development in this area to provide much needed housing and employment opportunities, the timing and availability of water service to the area has become a concern.

It is in both agencies interest to support the needed growth in the area to meet the housing demands. With that in mind, we would like to partner with Clackamas River Water to enter into an agreement for interim water service for the area, if needed, until the City completes its improvements to serve the area. Proposed is a master meter to serve the development, with the city paying for the water from a master meter. Customers would receive water through city infrastructure and meters. This proposal would utilize available water capacity from CRW during the interim period.

Through discussions with staff, we have identified the following key points for consideration:

- Interim Service: Defining a period for “interim” service
- Feasibility: Confirming feasibility of the City to construct the infrastructure within interim timeframe
- Compensation for use of CRW capacity during the interim period

January 20, 2022

Page 2

Interim Service

The period needed for interim service is unknown. It will depend on the timing of the development and the construction of the city's infrastructure. We would propose that the agreement be drafted such to define the interim period relative to the development being realized and the demand in place. If the City completes its water infrastructure improvement before development is completed, the interim service may not be needed.

Feasibility

Concerns regarding the City's ability to complete the improvements given City Charter limitations on borrowing and rate increases have been discussed. The City believes it is feasible to construct the needed improvements within the next 5 to 10 years, with the recent voter approval to borrow money combined with the City's invitation from EPA to apply for a Water Infrastructure Finance and Innovation Act (WIFIA) loan and the availability of the America Rescue Plan Act (ARPA) funding. Preliminary analysis would suggest we are able to move forward with WIFIA loan with rate limitations, subject to City Commission approval. A complete financial evaluation is being completed and will be presented to the City Commission at their February 8, 2022 City Commission Work Session.

Compensation

Both agencies must secure the revenue needed to complete their work. The City has established its water SDCs to support this growth. CRW will be compensated for use of its water through agreed upon wheeling rates. If there are other costs that need to be considered during this interim period, we would propose that these be identified and discussed during negotiations of the IGA.

We look forward to hearing from you after your January 24th board work session and are hopeful they will support moving forward with IGA discussions. We will be speaking to our City Commission on February 8, 2022. Our goal is to have an agreement in place by July 2022, to support the most recent interest in the development of the area.

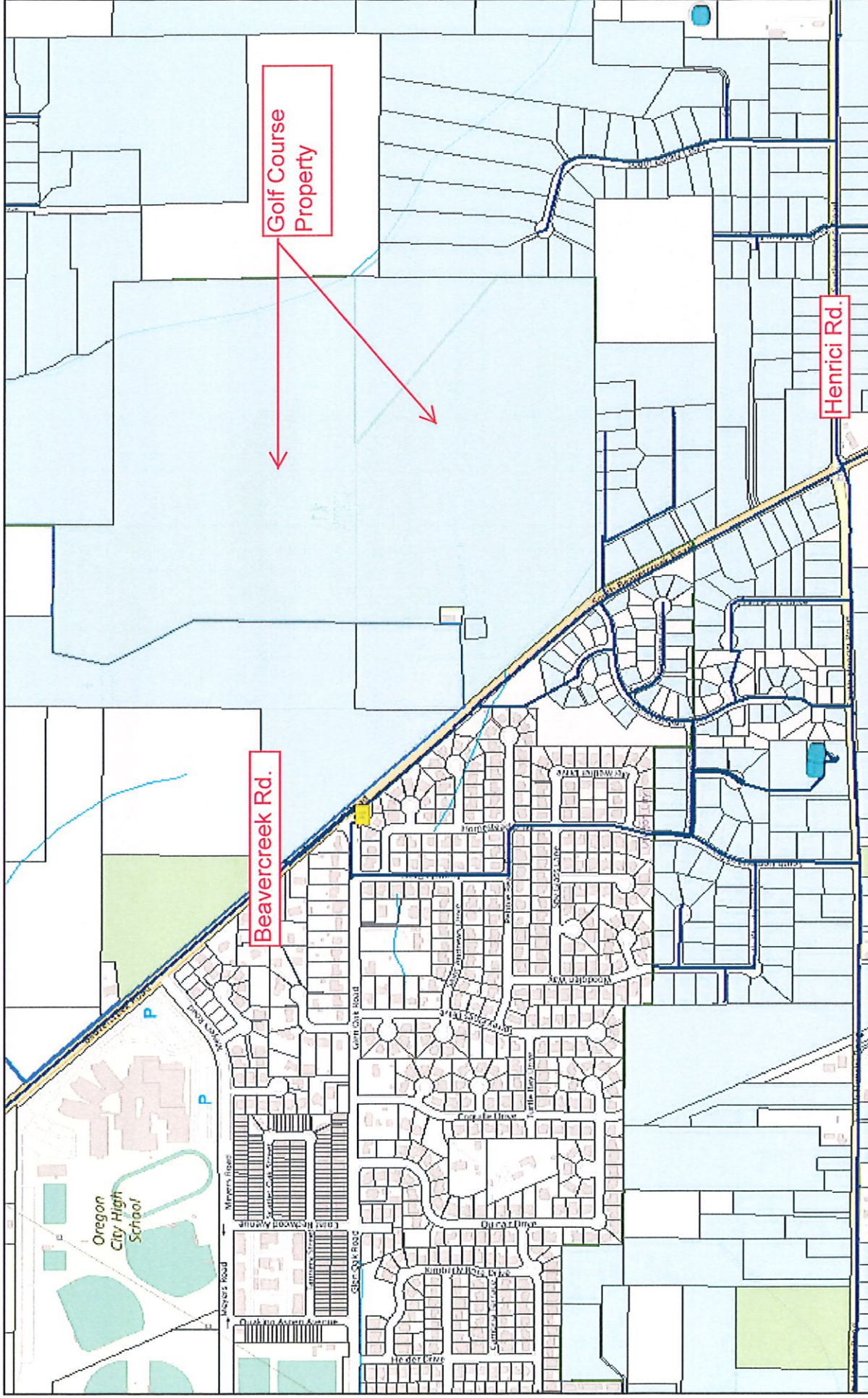
Regards,

M. Patty Nelson, P.E.
Senior Engineer

cc: John Lewis, Public Works Director
Dayna Webb, City Engineer
Josh Wheeler, Assistant City Engineer

EXHIBIT B

Oregon City Golf Course Property



January 18, 2022

Facilities

- Pumpstation
- Reservoir
- Intake Structures
- Abandoned Waterlines
- Private Waterlines
- Private Blowoffs
- Private Valves
- Private Hydrants
- Includes Documents
- No Documents

1:9,157

0 0.07 0.15 0.3 mi
0 0.13 0.25 0.5 km

© OpenStreetMap (and) contributors, CC-BY-SA

Map data © OpenStreetMap contributors, CC-BY-SA |
Web AppBuilder for ArcGIS



Clackamas River Water

Oregon City Golf Course Property- Development Update

Presented by Adam Bjornstedt, PE, Chief Engineer

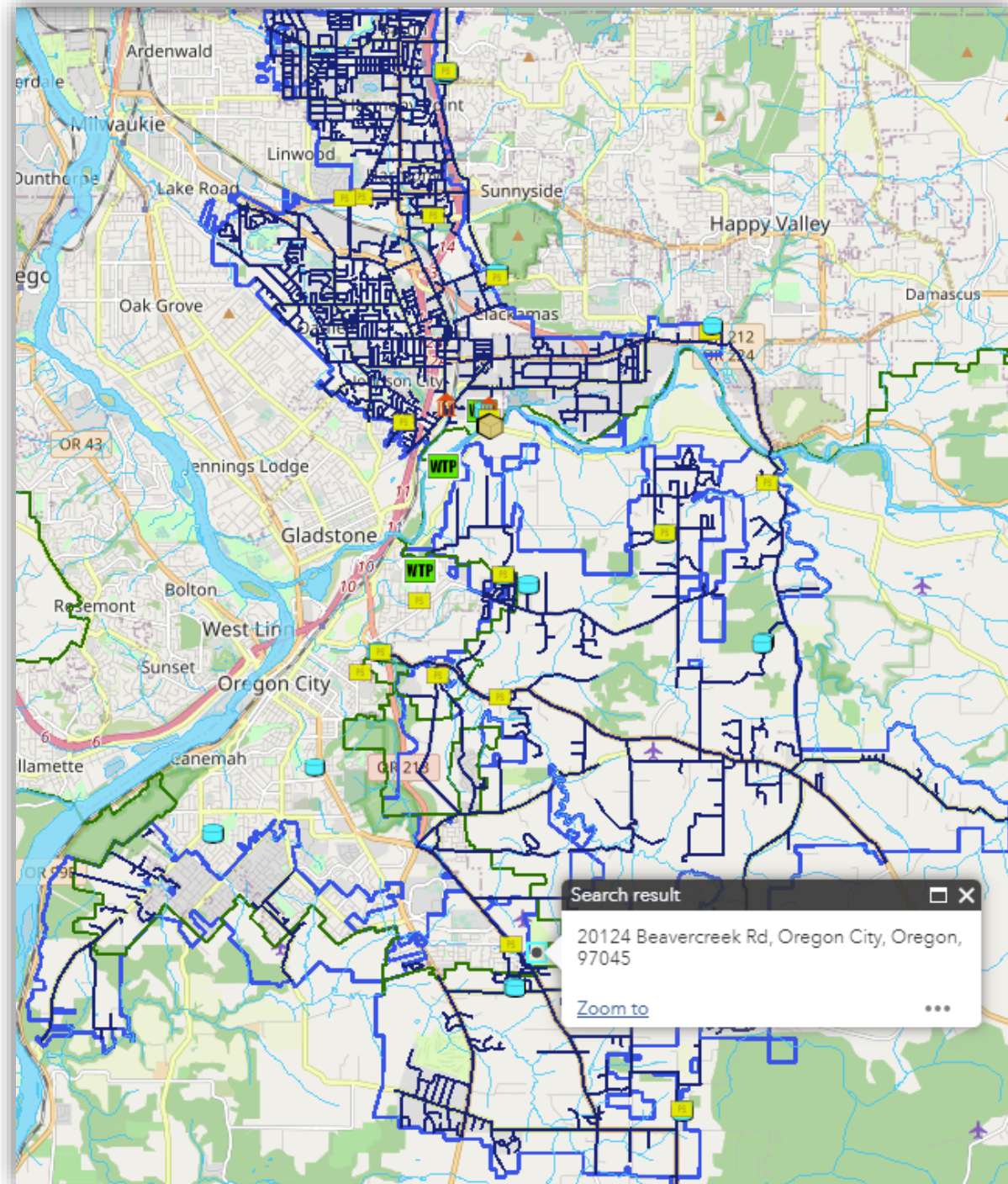
Board Work Session, January 24, 2022



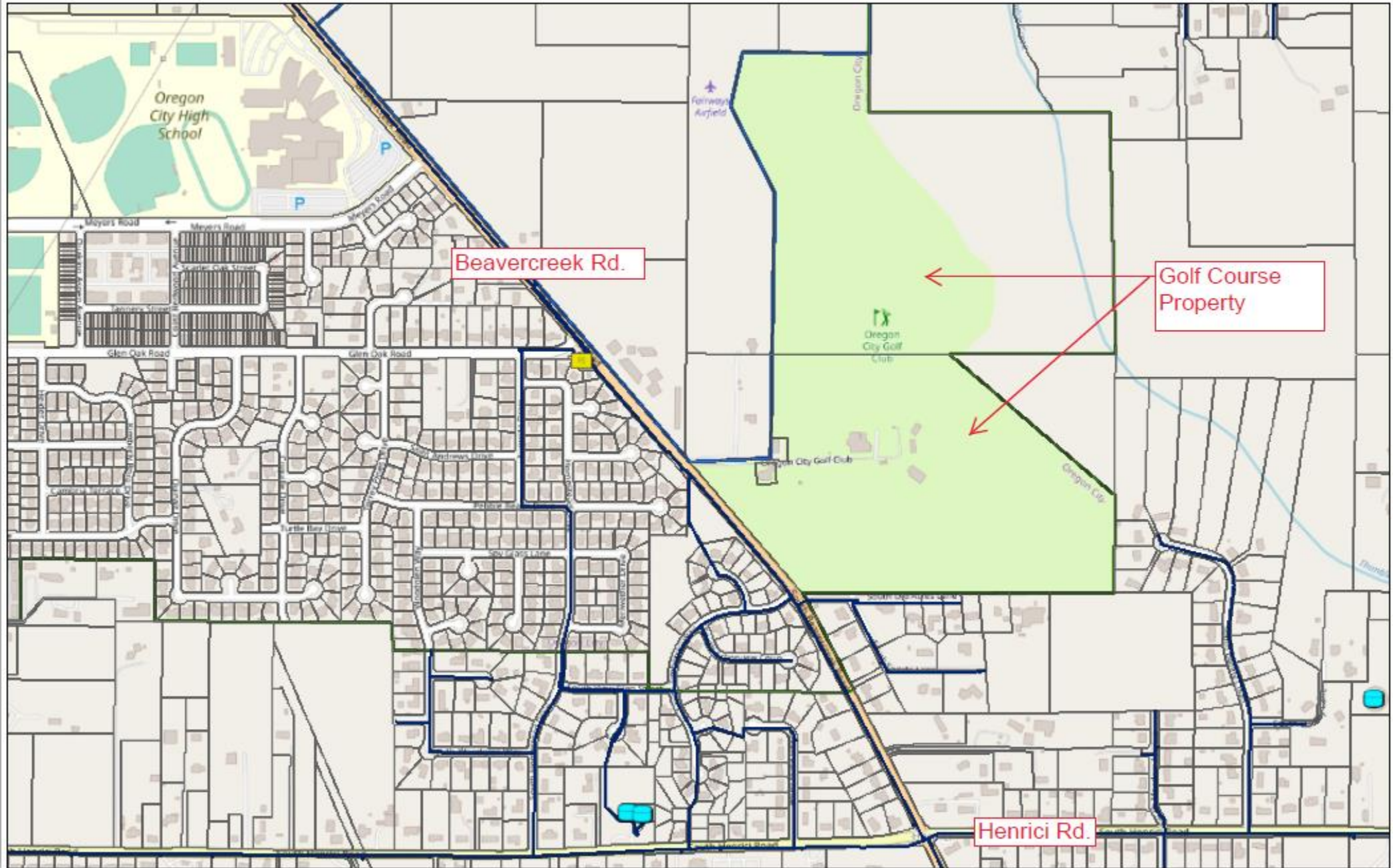
Background

- “Golf Course” is two parcels- Both properties annexed by City in 2017
- Property never withdrawn from CRW service area by City
 - City unable to provide water service due to existing City system limitations
- Property is a current CRW customer
 - Part of historic CRW service area and within CRW boundary

Overview Map



Oregon City Golf Course Property



Legalities of annexations and withdrawals

- State statute governs annexations and withdrawals
- ORS 222.120-540 (various sections)- City's ability to annex and withdraw territory from the District
 - ORS 222.520- When a city annexes property within CRW the city may include withdrawal with the annexation or withdraw the property at some point after the annexation.
 - ORS 222.524- For withdrawal separate from annexation, city holds a hearing, receives testimony, and enacts an ordinance to withdraw property from the district.
 - ORS 222.465- Timing of the withdrawal is determined when City's withdrawal ordinance is enacted (July 1 of current or following year)
 - City cannot withdraw property if it can't provide water service

Property Development Discussions

- Property included in recent Oregon City and CRW planning
 - **City** “Beavercreek Rd/Thimble Creek Concept Plan”
 - **City** “Water Master Plan”
 - **CRW** “Water System Master Plan”
 - **City** and **CRW** “Joint Engineering Study”
- Recent (2020-21) inquiries from developer to CRW about provision of water service
- CRW determination of feasibility
- City’s requests to consider alternative service plan due to City’s long term service goals for this area
 - City’s Letter (1/18/22)

Discussion Considerations

- **Provision of Service**
 - Traditional approach where CRW serves development; once City is ready to withdraw and serve, then services are transferred
 - Alternative approach where City serves development through wholesale water provided by CRW
- **Timeline**
 - City's project funding plan, project approvals and timeframes, developer's timing
 - Impacts to CRW system if current development doesn't contribute to improvements for future system demands
- **Compensation**
 - “Means and methods”, SDC, traditional vs. alternatives
- **Agreement** - IGA would be needed for any alternative service approach
- **Staff will be seeking Board direction on how to proceed**
- ***Questions?***

CLACKAMAS RIVER WATER

BOARD WORK SESSION

January 24, 2022

SUBJECT Future Water Rates Discussion and Timeline

PRINCIPAL STAFF PERSON Carol Bryck, Chief Financial Officer

DOCUMENTS ATTACHED None

Agenda Summary

BACKGROUND In March 2014, the Board of Commissioners approved an eight-year rate plan to accommodate our Capital Planning with the intent of delivering water from our water treatment plant to our customers in the South service area. This was implemented and provided us with the ability to:

1. Present to rating agencies to improve our bond ratings.
2. Provide sufficient revenue to support debt service payments and to meet debt covenant requirements on newly issued debt (March 2016)
3. Restructure rates to increase the fixed portion (base rate) in the first three years of the rate plan.
4. Allowed us to provide longer term certainty to CRW related to revenue and to our customers related to their costs in the future.

The eighth year of the rate increase was implemented in May 2021. During this time, we were not required to hold rate hearings and we did provide reminders to our customers each year prior to the rate increase. The Board also delayed the year seven increase from May 1, 2020 to November 1, 2020 due to economic impacts to our customers from COVID-19.

Looking ahead, the District continues to have capital needs that cannot be met entirely from rates, so additional borrowing will need to occur to meet those needs. Future rate increases will also address inflationary impacts on operating costs.

During the eight years of scheduled rate increases the District has completed the Water System Master Plan, the Water Treatment Plant Facilities Plan and a six-year capital plan. These plans identify priorities and specific projects that will likely result in the need for selling revenue bonds within the next six years.

Rate increases are needed to support these goals of maintaining, improving, and adding to our infrastructure. Previous discussions with the

Board have suggested five percent increases going forward. Given the changes previously made to the rate structure under the 2014 eight-year rate plan, staff has not identified a need to consider restructure rates.

Staff is seeking direction from the Board regarding the effective date of a rate increase and the length of a rate plan. Staff will provide information on what this will look like if the timing was aligned to our biennial budgeting cycles.



Future Rates and Timing

Presented by Carol Bryck, CPFO, CTP

January 24, 2022



Purpose for the Original 8-year plan

- Restructure rates (greater emphasis on fixed portion)
- Significant increases early in the plan
- Provide some predictability in the future once larger increases were initially adopted
- Demonstrated a long-term perspective to rating agencies
- Address the need to significantly increase rate revenue to accommodate new debt

After Eight Years - What now?

CRW has completed an eight-year rate plan with the final rate increase effective May 1, 2021. During this time frame, CRW has:

- Borrowed nearly \$20 million for capital improvements to connect the WTP to the South Service area;
- Completed an updated Water System Master Plan;
- Completed the Water Treatment Plant Facilities Plan and;
- Six-year capital plan.

The eight-year rate plan allowed us to manage our debt covenant requirements, cover our debt service and our operating expenses, and continue to fund reserves for CIP projects.

Rate Philosophies - Timing

- Throughout the region there are various philosophies about timing rate increases. Some common plans:
 - January 1 – rate increases follow the calendar year. Increases occur during winter months when consumption is lower.
 - July 1 – rate increases follow the fiscal year allowing for ease in revenue forecasting for the budgetary cycle.
 - Sometime in the fall when the high use period has ended. Reduces “sticker shock” from having increases in rates and consumption at the same time.
 - CRW has been implementing rate increases effective in May.

Rate Philosophies - Structure

- Two primary components of rates – fixed and consumption
- Water utilities have high fixed costs, so water providers have been moving to increase the fixed portion of the water rates to provide that stability. CRW has done this.
- Consumption charges are important to reflect the additional costs of water during high demand periods. CRW does this.
 - Inclining block rate
 - Encouraged Conservation

Recommended Timeline

Increase Effective November Billing Cycle

July 14, 2022
Rate Hearing
1st reading of Ord.

August 10, 2022
2nd Reading of Ord
and Adoption

Earliest effective
date – September
10, 2022

Mid-July to Mid-Sept Commercial
Consumption

Mid-Sept to Mid-Nov Commercial
Consumption

Com. Bills Sep 30
– Old Rate

Com. Bills Nov 30
– New Rate

Mid-Aug to Mid-Oct Residential Consumption

Mid-Oct to Mid-Nov Residential Consumption

Res. Bills Oct 31
– Old Rate

Res. Bills Dec 31
– New Rate

November Rate Increase Proposal

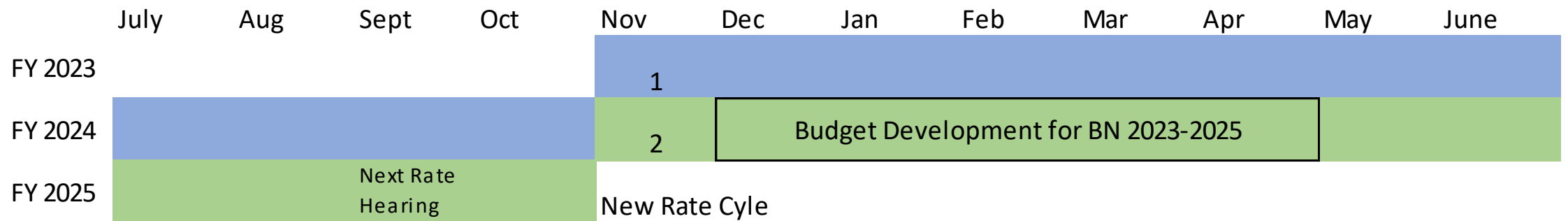
- Rate hearing July 14, 2022 and 1st reading by title only of Ordinance.
- 2nd reading by title only of Ordinance and adoption by Board August 10, 2022. Can not increase rates for any consumption prior to September 10, 2022.
- Commercial reads for September 30 billing are from mid-July to mid-September, so September billing must be at old rates.
- Residential reads for October 31 billing are from mid-August to mid-October, so October billing must be at old rates.
- Billing for all cycles after those read dates can be at the new rate.

November Rate Increase Proposal

- Multi-year?
 - CRW has completed an eight-year plan that started with significant increases to the base rate and transitioned to across-the-board increases.
 - New rate increases are needed to accomplish capital improvements within the distribution system and to the Water Treatment Plant per the planning documents.
 - Alignment with budget cycles would make future forecasting of revenues simpler.
 - Initial rate hearing could look at a two-year plan through November 1, 2023 effective date – then two-year cycles going forward to match biennial budget.

November Rate Increase Proposal

- Multi-year? Timing for two-year rate plan



How much?

Impact of 5% rate increase

How Much?

- Previous discussions with the Board have suggested a 5% annual increase would meet District needs.
- Many variables may impact this number:
 - Interest rates available on bonds issued
 - Addition of FEMA Grant funding – potential to cover 75% of cost
 - Other low interest funding
 - Sharing with regional partners
- Reason for a lesser term rate plan to allow for timely adjustments as unknowns become knowns

Revenue Impact of 5% annual rate increases

Forecasted Revenue (in thousands) *

	FY 2022	FY 2023	FY 2024	FY 2025
Current Budget	\$ 12,739	\$ 12,830	N/A	N/A
New Forcast with Rate Increase in November	\$ 12,739	\$ 13,164	\$ 13,603	\$ 14,056

* Assumes consumption remains consistent with prior years.

* Based on current billed accounts.

Typical Bill

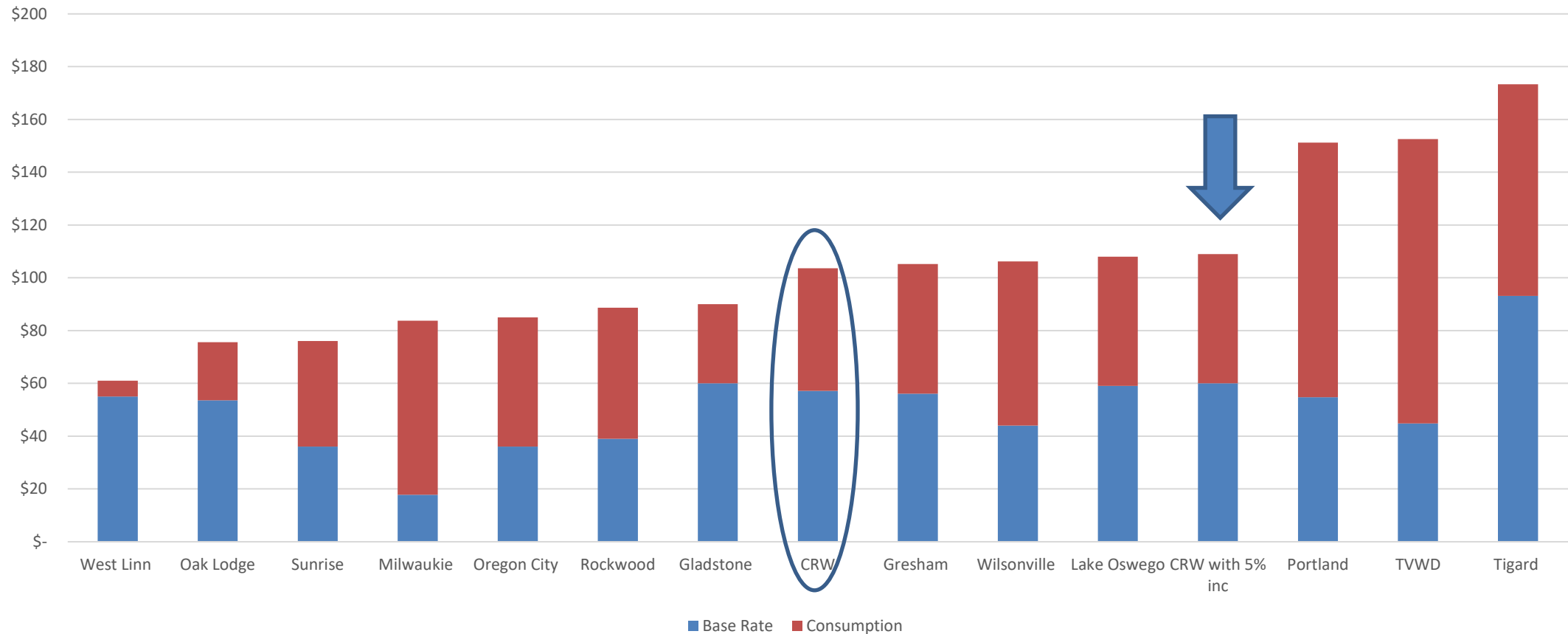
CRW Average customer uses 16 ccf in the bi-monthly billing cycle

This average use (16 ccf) is high for the region primarily due to larger parcels in the South Service Area. We use bi-monthly billing and consumption of 16 ccf in our comparisons with other water providers so we are comparing apples to apples.

	<u>Current</u>	<u>Plus 5%</u>
Base Charge 3/4" meter	\$ 57.18	\$ 60.04
Consumption Charges (16 ccf)		
4 ccf @ Block 1 (1-4 ccf)	9.76	10.25
4 ccf @ Block 2 (5 - 8 ccf)	10.84	11.38
8 ccf @ Block 3 (9 - 24 ccf)	25.84	27.13
Total Consumption	<u>\$ 46.44</u>	<u>\$ 48.76</u>
Total Bill	<u><u>\$ 103.62</u></u>	<u><u>\$ 108.80</u></u>

Regional Comparisons

Bi-Monthly Bills - 16ccf



Questions and Discussion

CLACKAMAS RIVER WATER

BOARD WORK SESSION

January 24, 2022

SUBJECT Quarterly Report – 2nd Quarter FY 2022

PRINCIPAL STAFF PERSON Carol Bryck, Chief Financial Officer

DOCUMENTS ATTACHED Exhibit A - Revenue Status Report – FY 2021-2022
Exhibit B- Expenditure Status Report – FY 2021-2022
Exhibit C - Capital Improvements Project Fund – FY 2021-2022
Exhibit D - System Development Charges - FY 2021-2022

Agenda Summary

BACKGROUND Each quarter the Board is provided with summary data of budget to actual by line item. This report shows activity through the second quarter of fiscal year 2022, July 1, 2021, through December 31, 2021. This is 25% through the biennial budget.

General Fund

- Revenue is 31.6% of biennial budget. We continue to trend above forecast due to the August billing cycle which showed the highest consumption we have seen.
- Personnel Services is 19.9% of biennial budget.
- Materials & Services are at 21.4% of the biennial budget.
- Capital Outlay is 6.4% of the biennial budget.

Capital Improvements Fund

- Expenditures at 3% of biennial budget.

System Development Charges Fund revenue is 27.9% of biennial budget.

Clackamas River Water
Revenue Status Report
Biennium 2021-2023

GENERAL FUND	Budget					
Account Title	Appropriation	Actual	Actual	Year-to-Date	Balance	Percent
	BN 2021-	July-Sept	Oct-Dec	FY 2021-22		Received
	2023	2021	2021			
Operating Revenue	25,975,000	4,753,407	3,649,104	8,402,511	17,572,489	32.3%
Water Sales	25,569,000	4,707,761	3,592,951	8,300,712	17,268,288	32.5%
Service Connection Fees	250,000	7,408	21,161	28,569	221,431	11.4%
Service Charges	136,000	35,974	29,826	65,799	70,201	48.4%
Miscellaneous - Operating	20,000	2,265	5,166	7,431	12,569	37.2%
Non-Operating Revenue	448,500	(1,348)	83,827	82,478	366,022	18.4%
Rental Income	246,400	19,855	30,676	50,531	195,869	20.5%
Earnings from Investments	104,000	4,443	4,874	9,317	94,683	9.0%
Miscellaneous - Non Operating	10,000	(29,949)	40,708	10,760	(760)	107.6%
Surplus Property Sales	40,000	-	-	-	40,000	0.0%
Grants - Non-Operating	-	-	-	-	-	-
Right of Way Fee	48,100	4,303	7,568	11,870	36,230	24.7%
Transfers from Other Funds						
CRWSC Activity Fund	1,850,000	-	450,000	450,000	1,400,000	24.3%
Total Revenue	\$ 28,273,500	\$ 4,752,059	\$ 4,182,930	\$ 8,934,989	\$ 19,338,511	31.6%

Clackamas River Water
Expenditure Status Report
Biennium 2021-2023

GENERAL FUND	Budget	Actual	Actual	Year-to-Date	Balance	Percent
Account Title	Appropriation	July-Sept	Oct-Dec 2021	FY 2021-22	Used	Used
BN 2021-2023	2021	2021	2021	2021-22	2021-22	Percent
Personnel Services						
Salaries and Wages	7,496,200	705,936	853,467	1,559,403	5,936,797	20.8%
Commissioner Stipend	19,200	400	1,750	2,150	17,050	11.2%
Manager	1,393,800	135,846	141,743	277,589	1,116,211	19.9%
Engineering Manager	105,000	14,498	10,775	25,272	79,728	24.1%
Professional & Technical - NR	751,400	57,861	90,284	148,145	603,255	19.7%
Professional & Technical	1,619,300	154,803	190,501	345,304	1,273,996	21.3%
Water Treatment Specialist	1,159,100	116,390	142,279	258,670	900,430	22.3%
Water Worker Distribution	1,434,300	160,457	196,580	357,037	1,077,263	24.9%
Administrative Specialist	511,400	53,964	62,234	116,198	395,202	22.7%
Overtime	178,000	8,152	10,605	18,757	159,243	10.5%
Holiday Pay	14,000	1,615	3,790	5,406	8,594	38.6%
Other Benefits	309,500	1,950	2,925	4,875	304,625	1.6%
Awards	1,200	-	-	-	1,200	0.0%
Benefits and Taxes	4,577,100	407,790	432,085	839,876	3,737,224	18.3%
FICA - Social Security	590,900	55,492	63,763	119,256	471,644	20.2%
Worker's Compensation	78,700	35,704	-	35,704	42,996	45.4%
Pension	1,743,900	152,970	179,811	332,781	1,411,119	19.1%
Health Insurance	1,832,300	132,176	167,805	299,982	1,532,318	16.4%
Dental Insurance	145,200	9,165	11,304	20,469	124,731	14.1%
Life Insurance	38,100	3,782	4,949	8,731	29,370	22.9%
HRA VEBA	87,000	18,500	-	18,500	68,500	21.3%
Tri-Met Tax	61,000	-	4,453	4,453	56,547	7.3%
Total Personnel Services	\$ 12,073,300	\$ 1,113,726	\$ 1,285,552	\$ 2,399,278	\$ 9,674,022	19.9%

Clackamas River Water
Expenditure Status Report
Biennium 2021-2023

GENERAL FUND	Budget					
Account Title	Appropriation	Actual	Actual	Year-to-Date		Percent
	BN 2021-2023	July-Sept	Oct-Dec 2021	FY 2021-22	Balance	Used
		2021				
Materials & Services						
Customer Services	478,800	59,856	93,705	153,562	325,238	32.1%
Bad Debt	32,000	(6)	(7)	(13)	32,013	0.0%
Credit Card Processing Fees	340,500	44,588	84,273	128,861	211,639	37.8%
Collection Expenses	17,200	636	3,745	4,380	12,820	25.5%
Customer Credit Allowance	15,800	10,000	-	10,000	5,800	63.3%
Customer Statement Processing	58,900	4,639	4,961	9,600	49,300	16.3%
Promotional Items	6,000	-	169	169	5,831	2.8%
Public Notices	8,400	-	564	564	7,836	6.7%
Facilities & Security	797,000	40,754	69,489	110,242	686,758	13.8%
Assessments & Taxes	73,700	6,620	12,766	19,386	54,314	26.3%
Building & Grounds Maintenance	626,500	22,886	44,795	67,680	558,820	10.8%
Security	96,800	11,248	11,928	23,176	73,624	23.9%
General Administration	1,046,900	151,979	79,543	231,522	815,378	22.1%
Bank Charges	110,000	5,761	9,206	14,967	95,033	13.6%
Dues & Memberships	354,900	39,263	70,337	109,600	245,300	30.9%
Insurance	542,000	106,955	-	106,955	435,045	19.7%
Insurance Deductible	40,000	-	-	-	40,000	0.0%
Materials	423,000	27,463	11,028	38,491	384,509	9.1%
Inventory	300,000	16,870	-	16,870	283,130	5.6%
Maintenance Supplies	123,000	10,593	11,028	21,621	101,379	17.6%
Office	171,700	10,479	10,001	20,479	151,221	11.9%
Office Supplies	22,300	1,791	1,955	3,746	18,554	16.8%
Postage	96,700	7,450	8,114	15,564	81,136	16.1%
Printing	37,400	1,216	(237)	979	36,421	2.6%
Miscellaneous	15,300	22	169	191	15,109	1.3%
Other Support Costs	350,600	14,015	21,236	35,251	315,349	10.1%
Books & Publications	4,000	113	353	467	3,533	11.7%
Certifications	11,200	98	5,205	5,303	5,898	47.3%
Employee Relations	43,500	2,229	2,811	5,040	38,460	11.6%
Medical Exams	8,500	90	175	265	8,235	3.1%
Payroll Processing Fees	36,600	3,958	2,839	6,796	29,804	18.6%
Protective Clothing	43,400	2,058	3,136	5,194	38,206	12.0%
Safety & Health	28,000	3,954	1,402	5,357	22,643	19.1%
Training	172,400	1,516	5,284	6,800	165,600	3.9%
Travel - Local	3,000	-	30	30	2,970	1.0%

Clackamas River Water
Expenditure Status Report
Biennium 2021-2023

GENERAL FUND	Budget					
Account Title	Appropriation	Actual	Actual	Year-to-Date	Balance	Percent
	BN 2021-2023	July-Sept	Oct-Dec 2021	FY 2021-22		Used
		2021				
Professional & Contracted Servi	1,821,600	108,035	229,011	337,046	1,484,554	18.5%
Audit	69,400	-	27,345	27,345	42,055	39.4%
Contract Work	1,209,200	94,538	176,442	270,980	938,220	22.4%
Engineer Service	343,000	5,085	5,551	10,636	332,364	3.1%
Legal	200,000	8,412	19,674	28,086	171,914	14.0%
Equipment	972,100	110,027	75,634	185,662	786,438	19.1%
Computers, Peripherals & Softwar	56,200	6,424	6,746	13,170	43,030	23.4%
Equipment Maintenance	179,900	6,854	14,589	21,443	158,457	11.9%
Equipment Rental	64,800	6,942	4,035	10,977	53,823	16.9%
Maintenance Agreements	432,800	74,837	22,684	97,522	335,278	22.5%
Small Tools & Equipment	101,600	7,137	14,417	21,554	80,046	21.2%
Vehicle Maintenance	136,800	7,833	13,163	20,996	115,804	15.3%
Utilities	1,857,400	183,491	198,034	381,525	1,475,876	20.5%
Telecommunications	141,600	6,926	7,357	14,282	127,318	10.1%
Utilities	1,715,800	176,565	190,677	367,242	1,348,558	21.4%
Water Purchases & Treatment	2,215,300	337,120	226,363	563,483	1,651,817	25.4%
Permits	56,600	2,579	3,553	6,132	50,468	10.8%
Telemetry	20,000	-	1,605	1,605	18,395	8.0%
Water Purchases	1,534,800	289,010	170,343	459,353	1,075,447	29.9%
Watershed Management	119,700	988	5,015	6,003	113,697	5.0%
Water Treatment & Analysis	484,200	44,543	45,846	90,390	393,810	18.7%
Materials & Services - Subtotal	10,134,400	1,043,218	1,014,044	2,057,263	8,077,137	20.3%
Overhead, Labor & Equip	(643,700)	(16,970)	(12,554)	(29,524)	(614,176)	4.6%
Materials & Services - TOTAL	\$ 9,490,700	\$ 1,026,248	\$ 1,001,490	\$ 2,027,739	\$ 7,462,961	21.4%
Capital Outlay	1,799,300	57,397	57,537	114,934	1,684,366	6.4%
Land	-	-	-	-	-	-
Improvements	950,000	46,795	473	47,267	902,733	5.0%
Vehicles	288,500	6,528	10,355	16,883	271,617	5.9%
General Equipment & Tools	328,000	-	5,943	5,943	322,057	1.8%
Computer Equipment	82,800	4,074	40,767	44,841	37,959	54.2%
Other	150,000	-	-	-	150,000	0.0%
Capital Outlay - TOTAL	\$ 1,799,300	\$ 57,397	\$ 57,537	\$ 114,934	\$ 1,684,366	6.4%
InterFund Transfers	6,477,000	-	1,807,150	1,807,150	4,669,850	27.9%
Operating Contingency	750,000	-	-	-	750,000	0.0%
General Fund - TOTAL	\$ 30,590,300	\$ 2,197,370	\$ 4,151,730	\$ 6,349,101	\$ 24,241,199	20.8%

Clackamas River Water
Expenditure Status Report
Biennium 2021-2023

CAPITAL IMPROVEMENT PROJECTS FUND

Account Title	Budget	Actual	Actual	Year-to-Date	Balance	Percent
	Appropriation					
	BN 2021-2023	2021	2021			
Manager	-	1,343	627	1,969	(1,969)	
Engineering Manager	-	10,344	19,800	30,144	(30,144)	
Professional & Technical	-	8,008	4,895	12,904	(12,904)	
Water Treatment Specialist	-	-	-	-	-	
Water Worker Distribution	-	5,530	1,138	6,668	(6,668)	
Contract Work	-	72,079	-	72,079	(72,079)	
Engineer Services	-	-	37,776	37,776	(37,776)	
Legal	-	68		68	(68)	
Materials Inventoried	-	106		106	(106)	
Miscellaneous	-	-		-	-	
Overhead, Labor & Equip Cap	-	16,970	12,554	29,524	(29,524)	
Capital Outlay	6,288,000	-		-	6,288,000	
Total Expenditures	\$ 6,288,000	\$ 114,449	\$ 76,790	\$ 191,239	\$ 6,096,761	3.0%

Clackamas River Water
Revenue Status Report
Biennium 2021-2023

**SYSTEM DEVELOPMENT
 CHARGES RESERVE
 FUND**

Account Title	Budget Appropriation BN 2021- 2023	Actual July-Sept 2021	Actual Oct-Dec 2021	Year-to-Date FY 2021-22	Remaining Balance	Percent Received
Revenue	1,763,900	284,828	210,101	494,929	1,268,971	28.1%
SDC Reimbursement	838,400	123,721	90,532	214,253	624,147	25.6%
SDC Improvements	925,500	161,107	119,569	280,676	644,824	30.3%
Non-Operating Revenue	25,500	2,520	1,966	4,486	21,014	17.6%
Earnings from Investments	25,500	2,520	1,966	4,486	21,014	17.6%
Total Revenue	\$ 1,789,400	\$ 287,348	\$ 212,067	\$ 499,415	\$ 1,289,985	27.9%



Clackamas River Water

Clackamas River Water

2nd Quarter Update – Fiscal Year 2022

Board Work Session – January 24, 2022

Carol Bryck, CPFO, CTP



2nd Quarter Update – FY 2022

- 2nd Quarter – First year of Biennium – October 1, 2021 through December 31, 2021
- Showing costs through 6 of 24 periods (July 1, 2021 through December 31, 2021) for the Biennium – 25%

2nd Quarter Update – FY 2022 Revenue

Through the second quarter (July 1, 2021 through December 30, 2021) of Fiscal Year 2022. This is in year one of the 2021-2023 Biennium. We are 25% through the budget.

Total General Fund Revenue is 31.6% of the biennial budget.

Water sales budget is \$25,569,000 for the biennium and we have recorded \$8,402,511 through December. Water sales are 32.5% of the biennial budget.

2nd Quarterly Update – FY 2022

General Fund Expenses

- Personnel Services
 - 19.9 % of biennial budget
 - Total costs 2nd Quarter Fiscal Year 2022 - \$2.4 million
 - 12.5% of budgeted amount - \$3.0 million
- Includes:
 - Annual Workers Compensation Insurance payment
 - First HRA VEBA contribution (half of fiscal year amount)
- Excludes:
 - Second quarter transit tax
 - Vacant positions in System Operations, Water Resources and Administration
 - Vacant Positions in FACS – two employees resigned in October 2021.





2nd Quarterly Update

– FY 2022

General Fund Expenses

- Materials & Services – 21.4%
 - Analysis of categories that are greater than 25% reveal that these are items where payments are made annually, semi-annually or that have seasonal components.

- Capital Outlay – 6.4%
 - Including encumbered amounts (orders placed but not yet received) we are at \$366,927 and 33.8%.
 - This year we anticipate long lead times, so not certain when those will be recorded as actual expenditures.
 - Reminder that Capital Outlay items come in larger chunks and can move up quickly

Other Funds

SDC Revenue and CIP expenditures

2nd Quarterly Update – FY 2022

new demand

e
 v
 e
 l
 growth
 p
 m
 revenues
 n
 capacity
 o
 n
 extension
 t
 equity
 m
 new customers
 f
 improvements
 e
 expansion
 r
 e
 i
 m
 b
 u
 r
 s
 e
 m
 e
 n
 t
 s



SDC Revenues

- Biennial Budget - \$1,789,400
- Actual to Date - \$499,415 – 27.9%
- Potentially ahead of budget due to increased SDC rates. These rates were not adopted by the Board until after completion of the Budget.



New Construction

2nd Quarterly Update – FY 2022

Capital Improvements Project Fund

Project #	Description	BN 21-23 Budget	FY 2022 Actual	Remaining Budget	% of Budget
5274	ODOT/City/County DTD Adj	\$ 250,000	\$ 2,499	\$ 245,916	1.63%
5243	CRC Mobility (see 5274 budget)	-	1,585		N/A
5275	Athens Dr Waterline Replacement	641,000	36,397	\$ 604,603	5.68%
5276	Fawn Dr Waterline Replacement	277,000		\$ 277,000	0.00%
5277	Leland Rd Waterline & Master Meter	493,000		\$ 493,000	0.00%
5273	Redland Rd Waterline - Phase 1	1,080,000	3,313	\$ 1,076,687	0.31%
5270	Linwood Rd Improvements	328,000	63,506	\$ 264,494	19.36%
5278	Monroe St Improvements	940,000		\$ 940,000	0.00%
5279	Maplelane Rd Waterline	846,000	27,744	\$ 818,256	3.28%
5280	Pump Station Supplemental Chlorine	168,000		\$ 168,000	0.00%
5281	WTP Polymer Feed System Replacement	476,000		\$ 476,000	0.00%
5282	WTP Filter Valve Replacement	692,000	4,612	\$ 687,388	0.67%
5253	82nd Dr Waterline - Phase 1 (carryover)	97,000	46,974	\$ 50,026	48.43%
5287	Easement Maint 90th St Pump Station	-	4,609	\$ (4,609)	
		<u>\$ 6,288,000</u>	<u>\$ 191,239</u>	<u>\$ 6,096,761</u>	<u>3.04%</u>

The background is a solid blue color with numerous water droplets of various sizes scattered across it. The droplets are more densely packed in the upper right and lower right areas, while the left side has fewer, larger droplets. The lighting creates highlights and shadows on the droplets, giving them a three-dimensional appearance.

Questions or comments ?

CLACKAMAS RIVER WATER

BOARD WORK SESSION

January 24, 2022

SUBJECT Commissioner Communications

PRINCIPAL STAFF PERSON CRW Board of Commissioners

DOCUMENTS ATTACHED

Agenda Summary

BACKGROUND Time is being set aside during the work session to provide an opportunity for Commissioners to:

- Identify topics for consideration at future works sessions or board meetings;
- Discuss future agenda items.

CLACKAMAS RIVER WATER

BOARD WORK SESSION

January 24, 2022

SUBJECT General Manager Update

**PRINCIPAL STAFF
PERSON** Todd Heidgerken, General Manager

**DOCUMENTS
ATTACHED** None

Agenda Summary

BACKGROUND Time has been set aside to briefly update and inform the Board on topics since the January Board Meeting.