



**Water Environment Services Advisory Committee  
AGENDA**

**Date:** March 14, 2024  
**Time:** 6:00 – 7:30 pm  
**Format:** Hybrid – In-person & Zoom  
**Location:** Red Soils Campus:  
 DSB Auditorium (Rm. 115)  
 150 Beaver Creek Road  
**Link to Zoom:** <https://clackamascounty.zoom.us/j/84643348162>

**Facilitator:** Greg DiLoreto, Chair

<b>Time</b>	<b>Topic</b>	<b>Action</b>
<b>6:00 pm</b> <i>2 minutes</i>	<b>Call to Order</b> <i>Greg DiLoreto, Chair</i>	<b>Roll Call</b>
<b>6:02 pm</b> <i>5 minutes</i>	<b>Director Updates</b> <i>Greg Geist, Director</i>	<b>Inform</b>
<b>6:07 pm</b> <i>5 minutes</i>	<b>Approve January Minutes</b> <i>Greg DiLoreto, Chair</i>	<b>Motion for Approval</b>
<b>6:12 pm</b> <i>6 minutes</i>	<b>Public Comment</b> <i>Each public member who would like to speak will have 3 min. The meeting adjourn time may vary depending on public comments.</i>	<b>Comment</b>
<b>6:18 pm</b> <i>20 minutes</i>	<b>2023 WES State of the District</b> <i>Greg Geist, Director</i>	<b>Inform</b>
<b>6:38 pm</b> <i>20 minutes</i>	<b>Financial Strategy Review and Budget Planning</b> <i>Erin Blue, WES Finance Manager</i>	<b>Inform</b>
<b>6:58 pm</b> <i>10 minutes</i>	<b>Appoint Budget Committee Members</b> <i>Greg DiLoreto, Chair</i>	<b>Motion to Appoint</b>
<b>7:08 pm</b> <i>10 minutes</i>	<b>Outfall Groundbreaking &amp; Tunnel Naming Update</b> <i>Alexa Morris, Utility Relations Coordinator</i>	<b>Inform</b>
<b>7:18 pm</b> <i>10 minutes</i>	<b>WES Advisory Committee Report-Outs</b> <i>Greg DiLoreto, Chair</i>	<b>Share</b>
	<b>Adjourn</b>	



## Minutes for Clackamas Water Environment Services (WES) Advisory Committee

Location: Zoom

Video link: <https://youtu.be/tuycvTbQDBw>

Time: 6:00-7:30pm

Date: January 11, 2024

Chair: Greg DiLoreto, Secretary: Chris Koontz

Approval of previous meeting's minutes: Yes

### Attendees:

Members in attendance: Christopher Bowker, Christina Brow, Carol Bryck, Richard Craven, Greg DiLoreto, William Gifford, David Golobay, Renee Harber, Brian Johnson, Adam Khosroabadi, Preston Korst, Denyse McGriff, Michael Milch, Kathryn Miller, Michael Morrow, Neil Schulman

Quorum was established.

Members not in attendance: Rita Baker, Anthony Fields, Roseann Johnson

Meeting called to order at 6:01PM by Greg Geist.

### Agenda items with timestamps from video linked above:

- **00:01:40:** Welcome & Updates – Presenter: Greg Geist, Director (Inform)
- **00:10:02:** Appoint Chair & Vice Chair – Facilitator: Greg Geist, Director (Appoint)
- **00:15:57:** Approve November Minutes – Facilitator: Greg DiLoreto, Chair (Consensus Approval)
- **00:16:19:** Public Comment – Facilitator: Greg DiLoreto, Chair (Comment)
- **00:16:57:** Committee Roles & Bylaws Reminder – Presenter: Greg DiLoreto, Chair (Inform)
- **00:19:06:** Welcome Utility Relations Coordinator & WES AC Schedule Review – Presenter: Shelly Parini-Runge, External Affairs (Inform)
- **00:24:17:** Inflow & Infiltration Partnerships Update – Presenter: Jessica Rinner, Civil Engineering Supervisor (Inform & Discuss)
- **01:05:28:** WES Advisory Committee Report-Outs (Share)

### Motions:

Chair Appointment: Greg DiLoreto was nominated and accepted the nomination. A vote was taken.

First to motion: William Gifford, seconded by Denyse McGriff.

all in favor/0 opposed/0 abstention. Motion to Elect Carries.

Vice-Chair Appointment: Denyse McGriff was nominated and accepted the nomination. A vote was taken.

First to motion: Michael Milch, seconded by Carol Bryck.

all in favor/0 opposed/0 abstention. Motion to Elect Carries.

**Announcements:** None

Meeting adjourned at 7:16pm by Chair DiLoreto

Respectfully submitted by:  
Chris Koontz



CLACKAMAS  
WATER  
ENVIRONMENT  
SERVICES

# 2023 Annual Report



# Vision & Mission

## VISION

Be a collaborative partner in building a resilient clean water future where all people benefit, and rivers thrive.

## MISSION

Clackamas Water Environment Services (WES) produces clean water, protects water quality and recovers renewable resources. We do this by providing wastewater services, stormwater management, and environmental education.

It's our job to protect public health and support the vitality of our communities, natural environment, and economy.



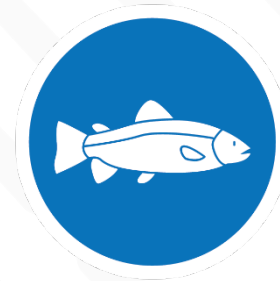
# Focus Areas



***Protecting  
Public Health***



***Investment in  
Our People***



***Stewardship of  
Healthy Waterways***



***Responsive  
Customer Service***



***Fiscal  
Responsibility***



***Water Resource  
Recovery***







CLACKAMAS  
WATER  
ENVIRONMENT  
SERVICES

- WES Service Area
- WES Wastewater Facilities
- WES Stormwater Facilities

- 1 Kellogg Creek Water Resource Recovery Facility
- 2 Tri-City Water Resource Recovery Facility
- 3 Boring Wastewater Treatment Facility
- 4 Hoodland Water Resource Recovery Facility
- 5 Fischer's Forest Park Wastewater Treatment Facility
- 6 3-Creeks Natural Area
- 7 Carli Creek Stormwater Wetland
- 8 WES Administration, Red Soils Campus



# Who we are



**5** Water Resource Recovery Facilities



**7** Billion gallons per year cleaned



**194k** Estimated population served



**23** Pump Stations



# Who we are



**358 Miles** of sanitary sewer pipes



**\$288,905,817** budget



**19,001** Surface water catch basins/manholes





# Our Strategic Plan

## *Core Strategies*

### **Strategy 1**

Workforce Planning

### **Strategy 2**

Utility Operations

### **Strategy 3**

Asset Management

### **Strategy 4**

Capital Planning and Delivery

### **Strategy 5**

Financial Viability

### **Strategy 6**

Customer Satisfaction

### **Strategy 7**

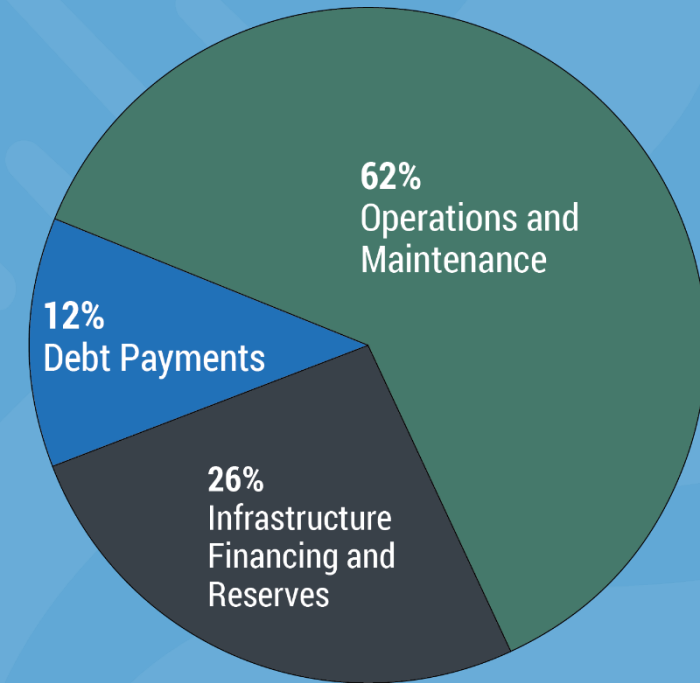
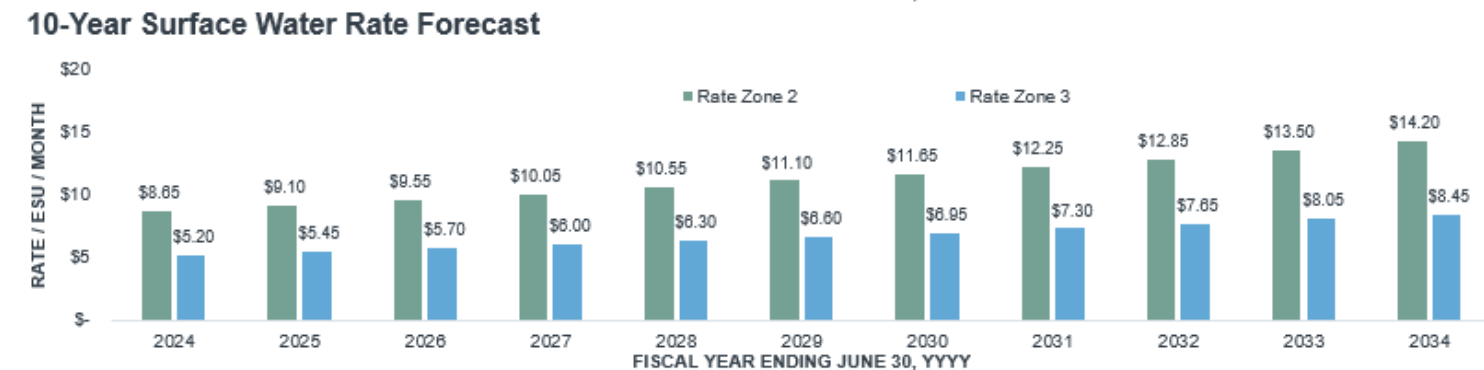
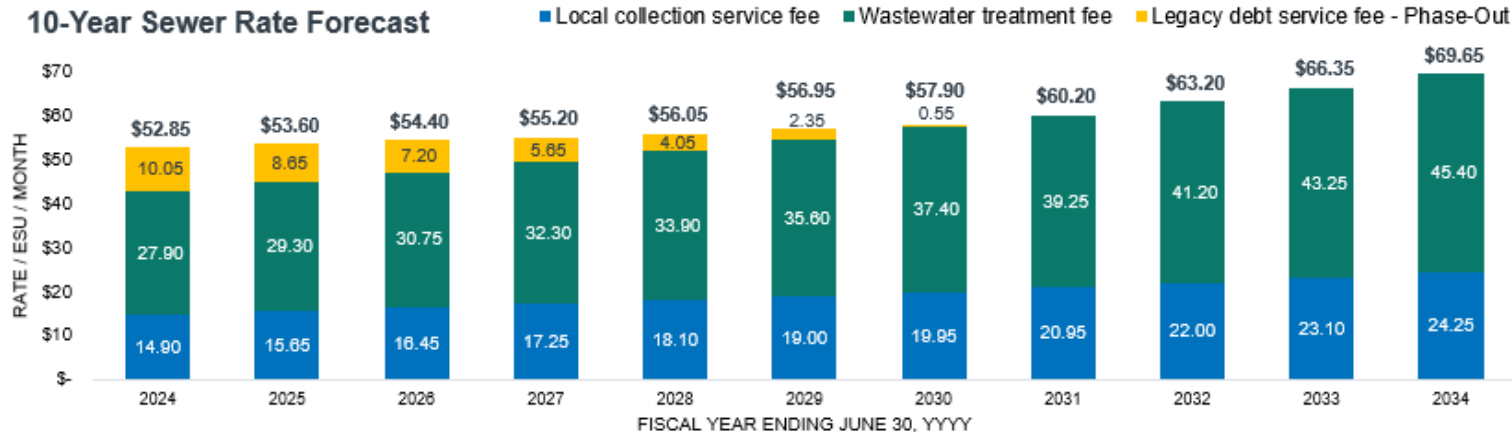
Stakeholder and Community  
Engagement



# Financial Stewardship

## *Managing your rate payer dollars*

### Forecast of Monthly Rates



# Our Leaders

*Commissioners and Advisory Committee*





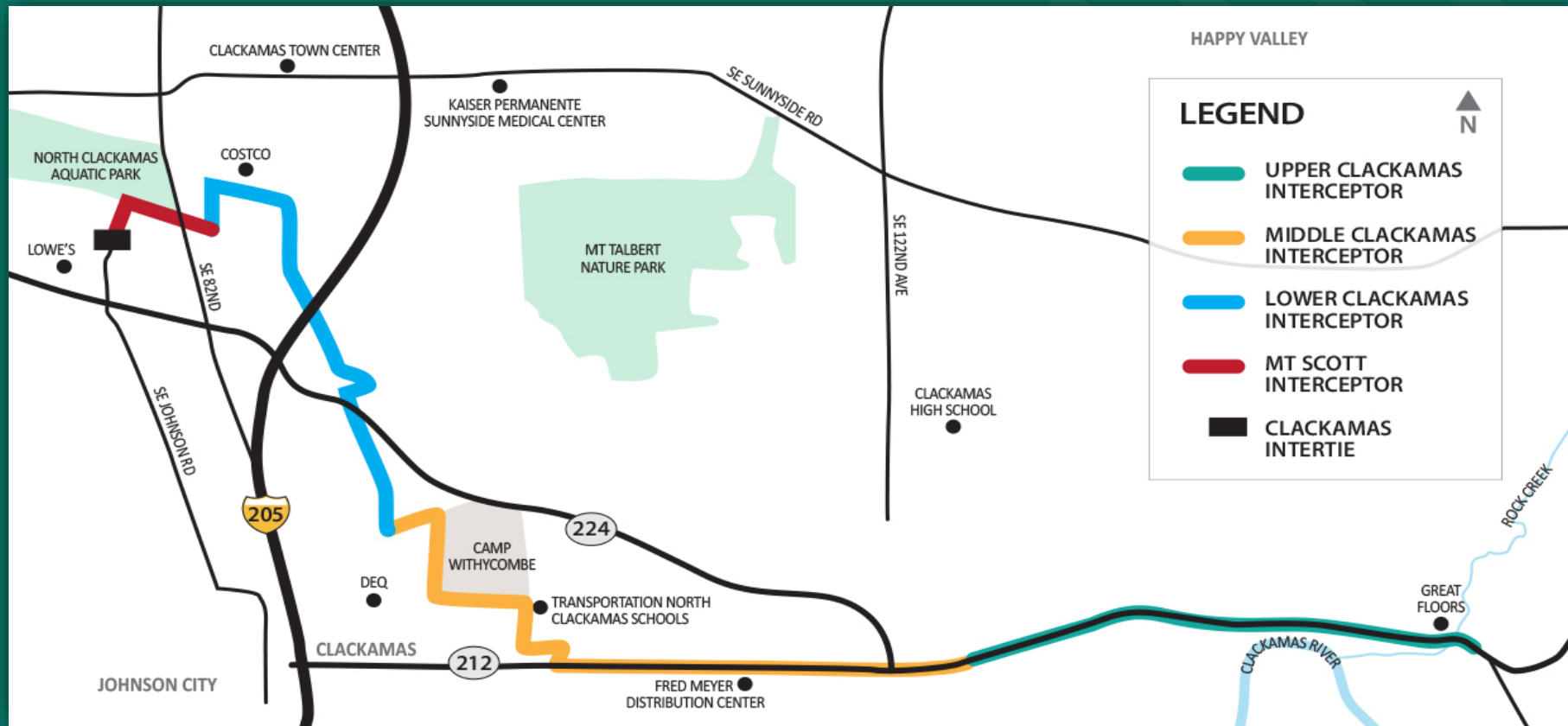
# Building for the Future

## *The WES Capital Improvement Plan*



# Upgrading and Upsizing to Fit the Community Needs

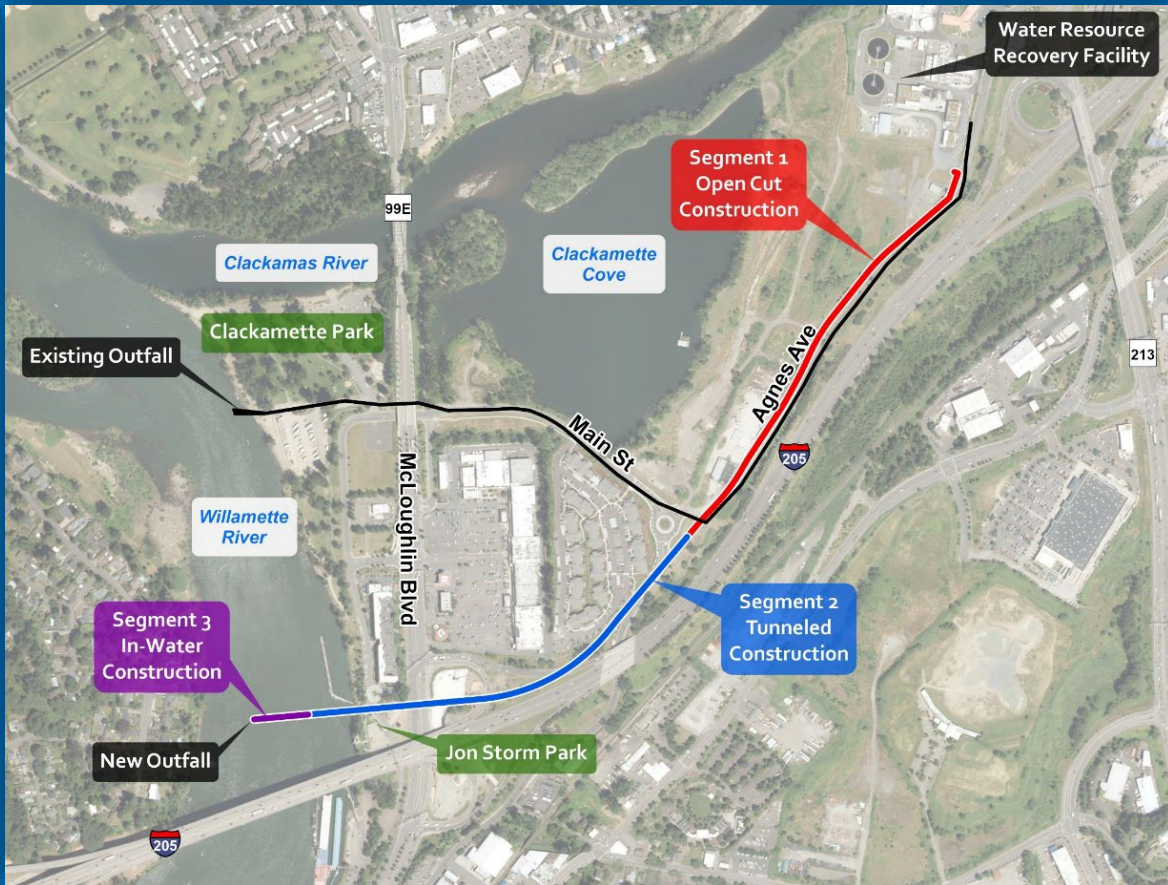
## *The Clackamas Area Interceptor Improvement Project*





# Building a Clean Water Future

## *The Tri-City Outfall Project*





# Serving you 24/7

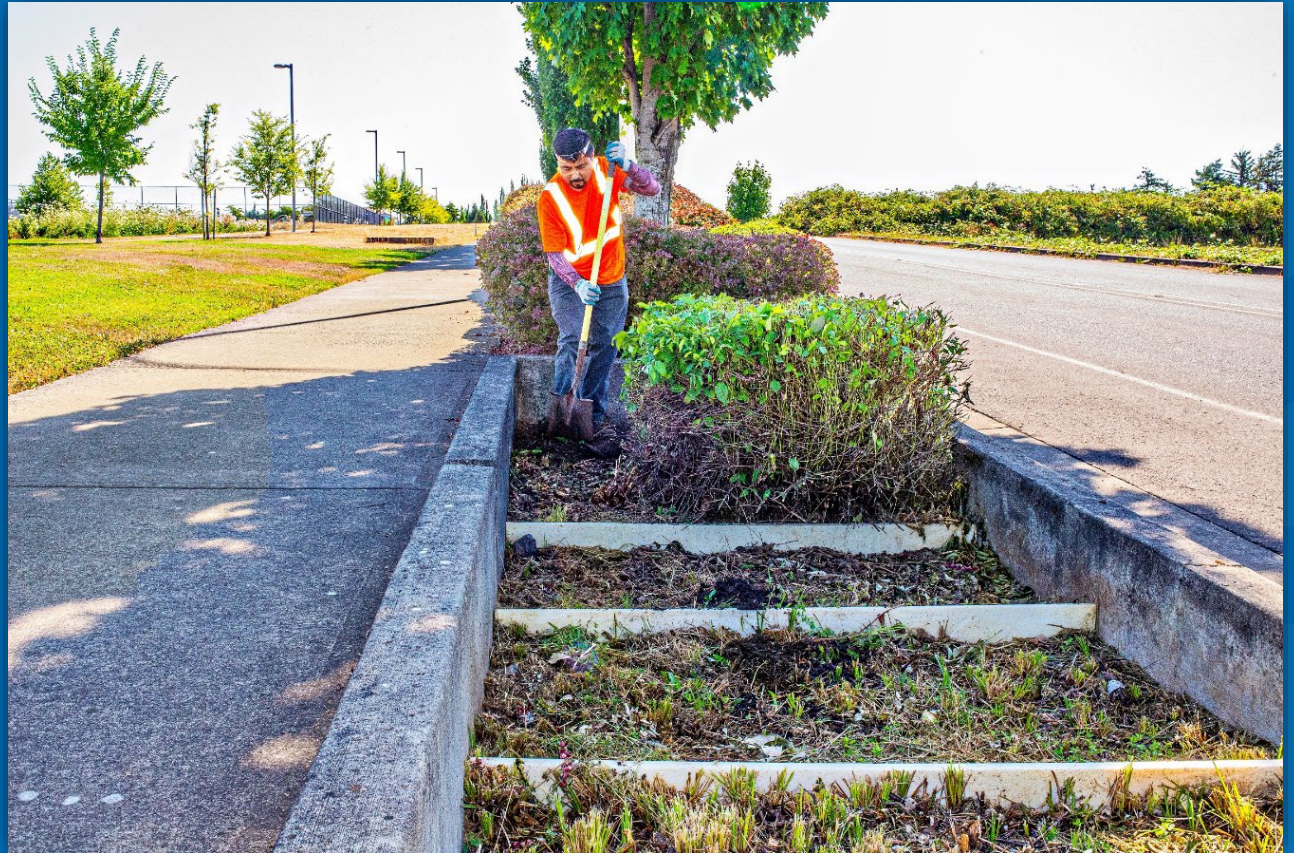
## *Facility Operations*





# Your Frontline Services

## *Field Operations*





# Our Shared Collection System

## *The Inflow and Infiltration Reduction Program (I/I)*

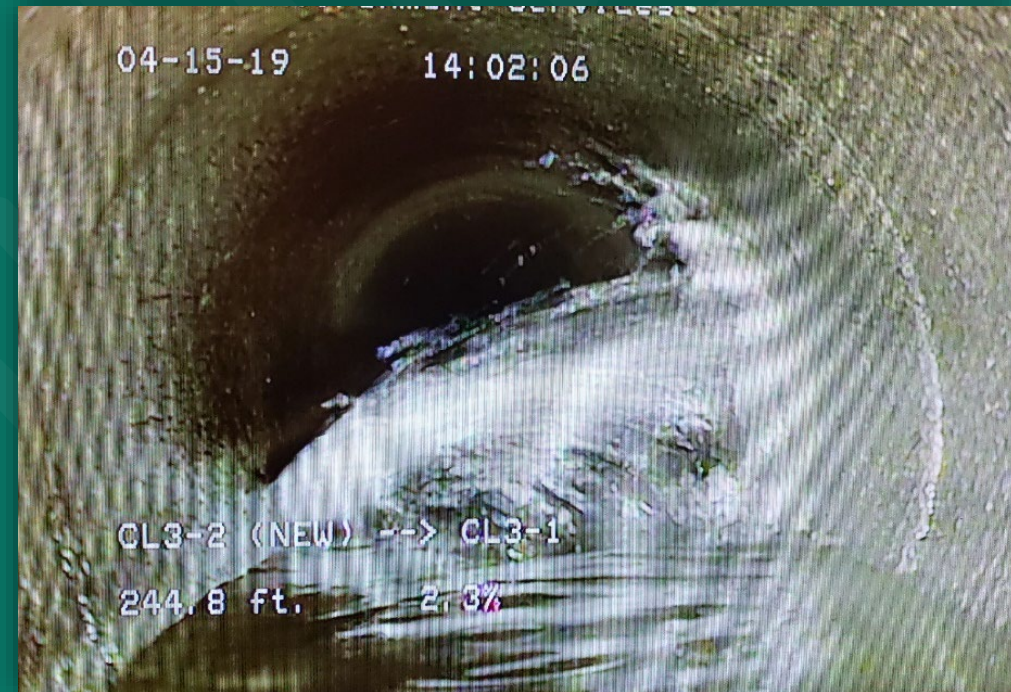
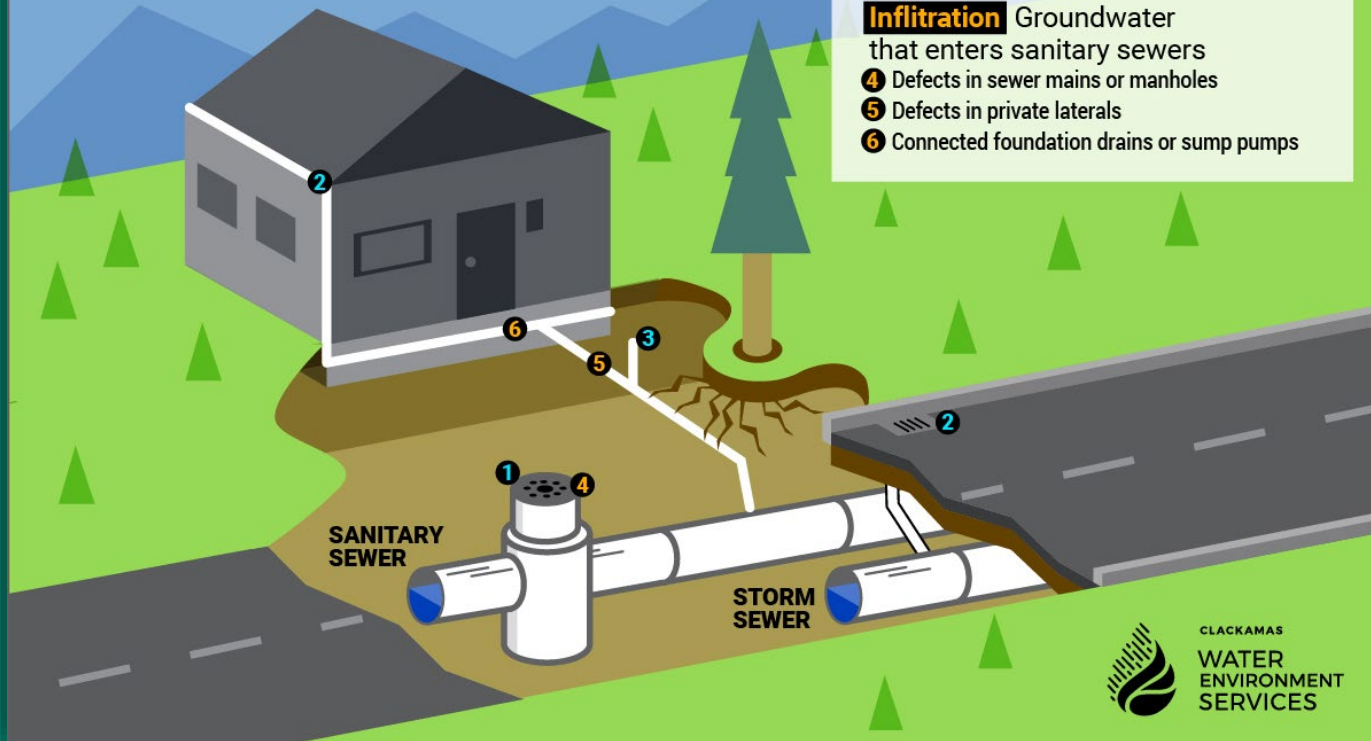
### Inflow and Infiltration 101

**Inflow** Surface water that flows into sanitary sewers

- 1 Rain water or stream flow into manholes
- 2 Catch basins, or area and roof drains connected to sanitary sewer lines
- 3 Missing cleanout caps

**Infiltration** Groundwater that enters sanitary sewers

- 4 Defects in sewer mains or manholes
- 5 Defects in private laterals
- 6 Connected foundation drains or sump pumps





# Our Commitment to Watershed Health

*The 3-Creeks Natural Area Floodplain Enhancement Project*





# Our Commitment to Watershed Health

## *The 3-Creeks Natural Area Floodplain Enhancement Project*

- Clackamas Partnership
- Confederated Tribes of the Grand Ronde
- Bob's Red Mill
- North Clackamas Parks & Recreation District
- Trackers Earth and Trackers Earth Forest School
- Clackamas Community College
- Linwood Neighborhood District Association
- Lower Columbia Estuary Partnership
- Ecology in Classrooms & Outdoors
- Clackamas Web Academy
- North Clackamas Watershed Council
- Unite Oregon



# Partnering with our Community

*Watershed Protection in Action!*





**“At WES, we all  
serve different  
functions, but we  
fit together to solve  
the clean water  
puzzle”**

Greg Geist  
*WES Director*





# Financial Strategy Review & Budget Planning

*Erin Blue, WES Finance Manager*



# Outline

- 1 / Long-Term Financial Plan – Objectives & Strategies**
- 2 / FY 2024-25 Budget Planning**
  - 1 Budget Process**
  - 2 FY 2023-24 Projections**
  - 3 Major Themes**
  - 4 Next Steps**



# Long-Term Financial Plan

## 5-key objectives



1

Provide all necessary services to protect public health and water quality



2

Ensure sufficient capacity to support economic development



3

Provide services in the most cost-effective manner for ratepayers



4

Honor foundational commitments regarding Legacy Debt payments



5

Achieve WESAC directive of charging by service received, not geographic location



# Financial Strategies

- Implement steady and predictable rate increases
- Limit annual increases in operating and maintenance costs to  $\leq 5\%$
- Allocate existing construction reserves for capital financing
- Maintain operating reserves to cover at least 60 days of annual budgeted operating expenses
- Achieve a debt coverage ratio of at least 140% of annual debt service
- Utilize System Development Charges (SDCs) for eligible debt service payments
- Seek and secure external funding and grants

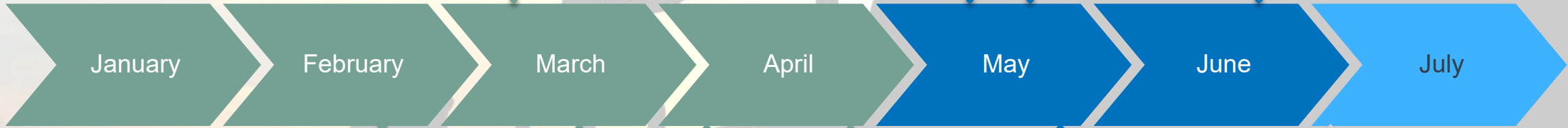


# Budget Process



PUBLIC PROCESS

INTERNAL PROCESS



**March 14  
Advisory Committee Meeting**  
Financial Strategies & Budget Planning  
Budget Committee Members Appointed

**May 16  
Advisory Committee Budget Proposal Meeting**

**May 28-31, *Exact Date/Time TBD*  
WES Budget Committee Meeting**

**June 20 Budget Adopted**

**Budget development**

**February 22  
Leadership Team Review**

**March 19-21  
Budget presented to  
County Administrator**

**April 5  
Final Approval by  
County Administrator**

**End of April  
Budget document distributed**

**May 30  
Resolutions prepared**

**July 1  
Begin FY 2024-25**





# FY 2023-24 Projections - Revenues

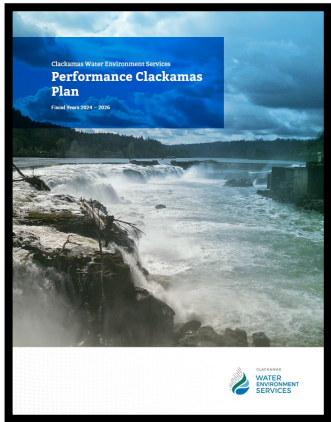
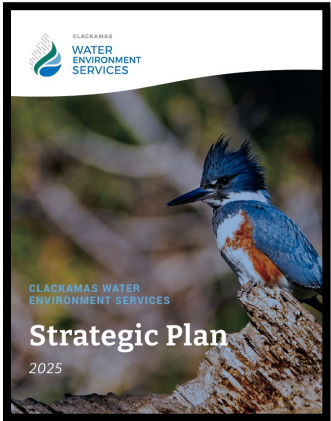
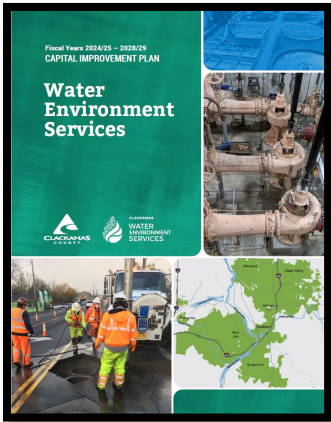
DESCRIPTION	2023-24 BUDGET	2023-24 PROJECTION	\$ VARIANCE	% VARIANCE
Beginning Fund Balance	\$ 193,428,346	\$ 194,353,873	\$ 925,527	0.5%
<b>Sales and Services</b>				
Sewer Charges – Retail	27,438,800	28,085,000	646,200	2.4%
City Payments for Sewer	16,082,500	16,069,500	(13,000)	-0.1%
Surface Water Charges	6,476,300	6,525,500	49,200	0.8%
System Development Charges	7,442,400	4,699,750	(2,742,650)	-36.9%
City Right-of-Way Fees	808,700	825,700	17,000	2.1%
Interest Income	2,901,400	6,512,000	3,610,600	124.4%
All Other Revenues	1,163,720	1,180,390	16,670	1.4%
State Revolving Fund Loan Proceeds	685,900	757,500	71,600	10.4%
<b>Total Resources*</b>	<b>\$ 256,428,066</b>	<b>\$ 259,009,213</b>	<b>\$ 2,581,147</b>	<b>1.0%</b>

*\*Total Resources above exclude Interfund Transfers, which have a zero net effect on the overall budget and projections*

# FY 2023-24 Projections – Expenses

DESCRIPTION	2023-24 BUDGET	2023-24 PROJECTION	\$ VARIANCE	% VARIANCE
<b>Materials and Services</b>				
WES Labor	\$ 16,314,750	\$ 15,283,090	\$ (1,031,660)	-6.3%
All Other Materials and Services	14,770,957	13,727,581	(1,043,376)	-7.1%
Special Payments	1,250,300	1,217,300	(33,000)	-2.6%
Capital Outlay	52,062,327	42,383,890	(9,678,437)	-18.6%
Debt Service	12,770,987	12,770,987	-	-
<b>Total Expenses</b>	<b>97,169,321</b>	<b>85,382,848</b>	<b>(11,786,473)</b>	<b>-12.1%</b>
Contingency	18,779,932	-	(18,779,932)	-100%
Ending Fund Balance and Reserves	140,478,813	173,626,365	33,147,552	23.6%
<b>Total Requirements*</b>	<b>\$ 256,428,066</b>	<b>\$ 259,009,213</b>	<b>\$ 2,581,147</b>	<b>1.0%</b>

*\*Total Requirements above exclude Interfund Transfers, which have a zero net effect on the overall budget and projections*



# FY 2024/25 Budget Planning - Inputs

Input	Relation to the Budget	Previous Actions
<p>5-Year Capital Improvement Plan (CIP)</p>	<ul style="list-style-type: none"> <li>Serves as basis for the annual Capital Budget</li> </ul>	<p>FY 2024/25-2028/29 CIP recommended by WESAC in November 2023; approved by Board in February 2024</p>
<p>Comprehensive Strategic Plan</p>	<ul style="list-style-type: none"> <li>Summarizes goals and actions WES will take to realize Vision</li> </ul>	<p>Plan update initially presented for WESAC review in January 2023 with finalization in November 2023</p>
<p>Performance Clackamas Plan</p>	<ul style="list-style-type: none"> <li>Links WES' budget to countywide priorities</li> </ul>	<p>Updates to key policies recommended by WESAC in January 2022; new debt policy approved by Board in October 2022</p>
<p>Financial Policies</p>	<ul style="list-style-type: none"> <li>Guides management of financial activities</li> </ul>	<p>Updates to key policies recommended by WESAC in January 2022; new debt policy approved by Board in October 2022</p>

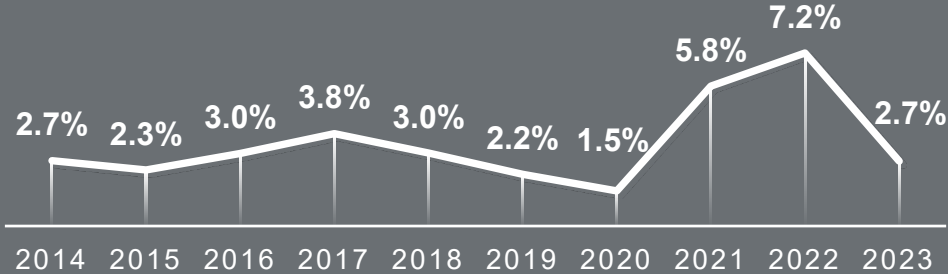
# FY 2024/25 Budget Planning – Inputs

*(continued)*

Input	Relation to the Budget	Previous Action
<p>Long-Term Financial Plan</p>	<ul style="list-style-type: none"> <li>• Specific strategies for: financial stability and predictability; cost-effective service delivery; reserves; revenue sufficiency; operating budget sustainability; and debt management.</li> </ul>	<p>Recommended by WESAC in March 2022; incorporated into current FY 2023-24 budget and prior FY 2022-23 budget</p>
<p>Economic Outlook</p>	<p>Used to inform:</p> <ul style="list-style-type: none"> <li>• Operating Cost Increases</li> <li>• Construction Cost Index – SDC adjustments</li> <li>• Service Area Growth Estimates</li> </ul>	<p>N/A</p>



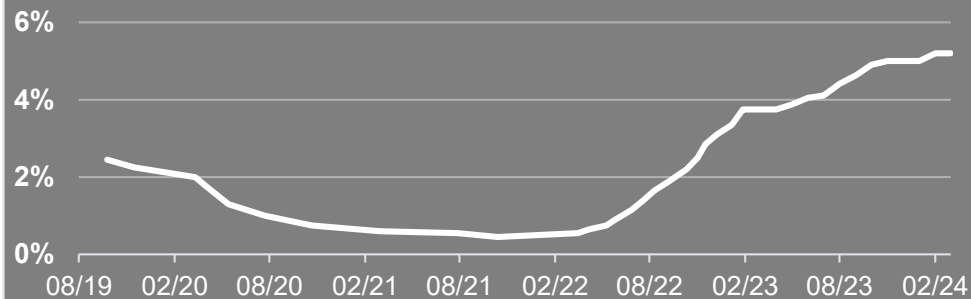
ENGINEERING NEWS RECORD  
CONSTRUCTION COST INDEX  
ANNUAL % CHANGE, LAST 10 YEARS



	2015-2020 Actual AAGR	Medium Growth Projection
<b>RATE ZONE 1</b>		
Gladstone	1.0%	0.2%
Oregon City	1.5%	1.2%
West Linn	0.6%	0.3%
<b>RATE ZONE 2</b>		
Happy Valley	6.0%	2.6%
Johnson City	-1.2%	0.0%
Milwaukie	0.5%	0.4%
Unincorporated	0.7%	0.9%

AAGR = annual average growth rate.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP)  
INTEREST RATES, AUG 2019 TO FEB 2024



# FY 2024/25 Budget Planning Economic Outlook

- 2023 Construction Cost Index increase of 2.7%
- Electricity: PGE approved ~15% increase
- Labor: ~6% increase
  - 4.5% COLA
  - 5 - 11% increases in health insurance
- County Allocated Costs: ~14% increase
- Average 1% growth in service area
- Higher interest rates

# FY 2024-25 Budget Planning – Major Themes

Item	Impact on Budget
Updated 5-Year CIP Adopted	<ul style="list-style-type: none"><li>• Continuing implementation of CIP, increased capital spending for FY 2024/25</li></ul>
Persistent Inflationary Pressures in Operating Costs	<ul style="list-style-type: none"><li>• Prioritization and/or reductions in non-essential line items</li><li>• Continued incorporation of frictional vacancy assumptions</li></ul>
Implementation of new Comprehensive Strategic Plan and Performance Clackamas Plan	Objectives in plans: <ul style="list-style-type: none"><li>• Relate directly to budgeting and rates</li><li>• Require resources</li><li>• Reduce costs</li></ul>



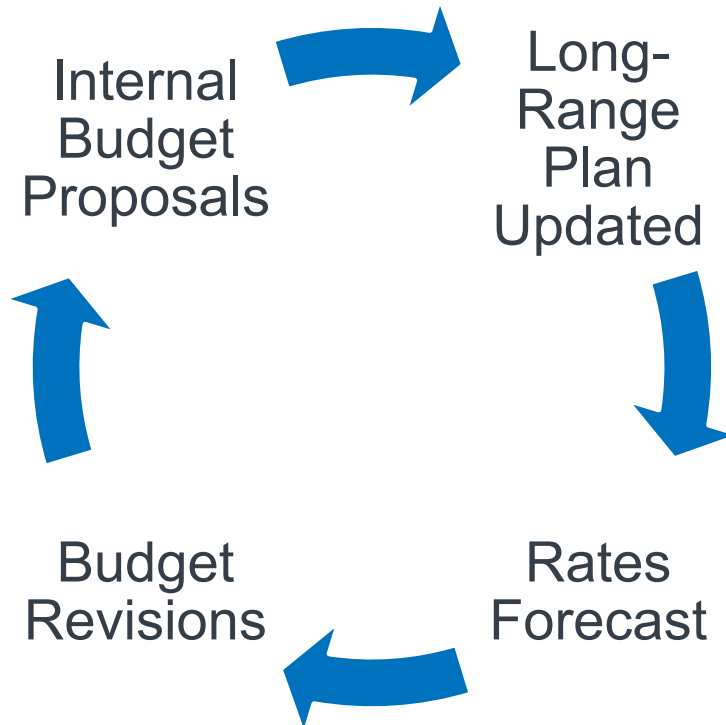
# FY 2024-25 Budget Planning – Strategic Plan Implementation

- Objectives directly related to budgeting and rates
  - Develop and adopt monthly service rates that meet the EPA metric for affordability
  - Complete highest priority growth, reliability and regulatory-driven capital projects consistent with the annual five-year Capital Improvement Plan schedule
  - Develop and implement an updated low-income discount program
  - Update system development charge methodologies to reflect adopted CIPs for both sewer and surface water programs
- Objectives that may require budgeted resources to accomplish
  - Configure and implement a records management system for WES' critical records, including agreements, plans, easements and deeds, and correspondence
  - Manage flow monitoring and rain gauge networks to ensure high quality data that supports WES' Hydraulic Model updates
- Objectives that may help us reduce costs
  - Reduce energy consumption through ongoing participation in energy management at WES facilities - 10% reduction in overall consumption of energy at WES' WRRFs
  - Plan and execute scheduled preventative maintenance programs for critical assets



# Next Steps

## Internal Review and Finalization



## Stakeholder Input

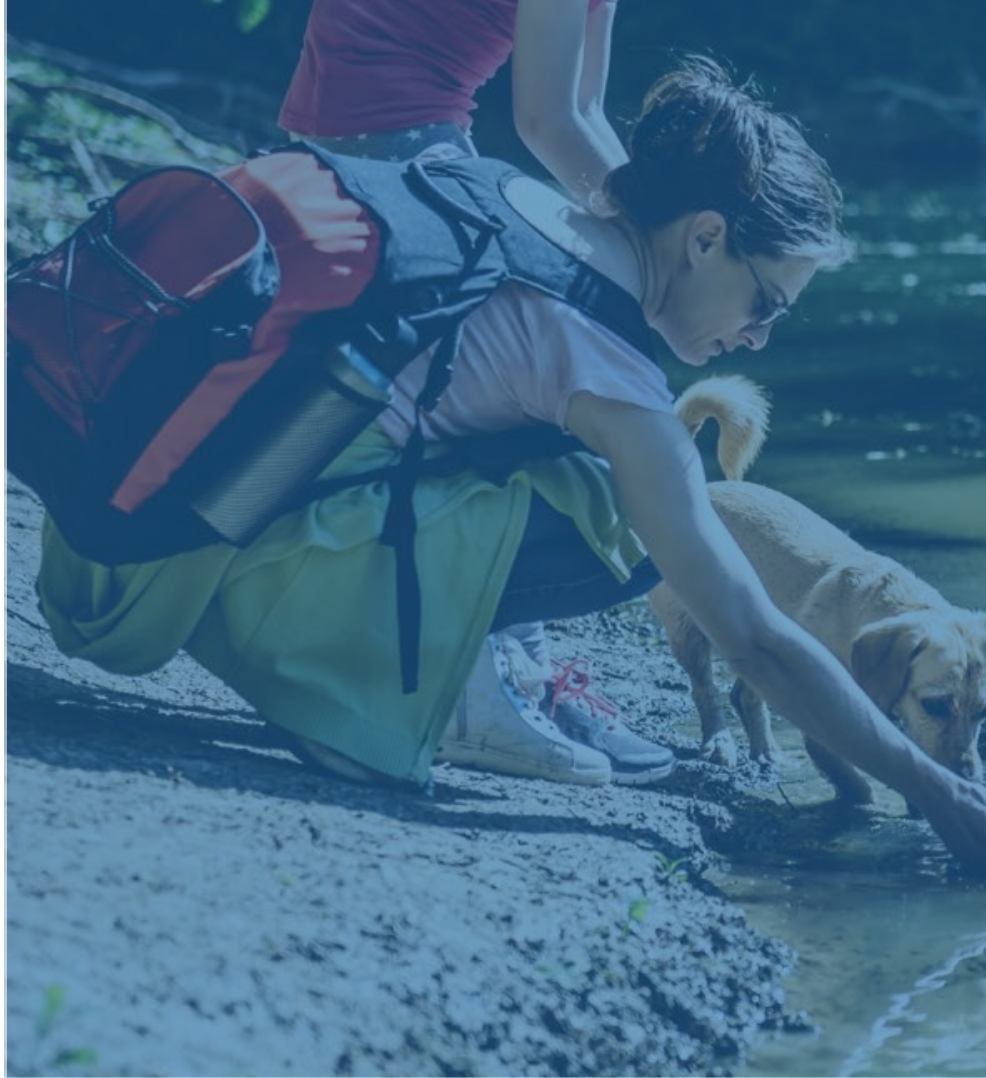
4/29 – Budget Document Distributed

5/16 – WESAC Budget Review

5/28 – 5/31\* - Budget Committee Meeting

6/20 – Board Adoption

*\*Tentative date set - exact meeting times/dates are to be determined*



Questions?





# Tri-City Outfall Project Groundbreaking





# Tri-City Outfall Project Groundbreaking



# Tunnel Boring Machine Naming Update



- Over 650 names submitted
- Top 30 was selected
- WES Staff gave us their top 5 favorites
- Top 5 names went to the Board of Commissioners for a final decision





# Tunnel Boring Machine Naming Update



## Top 5 Names!

- Chewrocka
- Chuck Borris
- Clackamole
- Happy Drillmore
- The WES Express

And the winner is...

