



Minutes for Clackamas Water Environment Services (WES) Advisory Committee

Location: Zoom

Video link: <https://youtu.be/CX9JSYtJpKU>

Time: 6:00-7:30pm

Date: January 12, 2023

Chair: Diana Helm, Secretary: Chris Koontz

Approval of previous meeting's minutes: Yes

Attendees:

Members in attendance: Rita Baker, Mary Baumgardner, Christopher Bowker, Richard Craven, Greg DiLoreto, Anthony Fields, William Gifford, David Golobay, Renee Harber, Diana Helm, Brian Johnson, Adam Khosroabadi, Preston Korst, Denyse McGriff, Kathryn Miller, Neil Schulman

Quorum was established.

Members not in attendance: Roseann Johnson, Michael Morrow

Meeting called to order at 6:00PM by Chair Helm.

Agenda items:

- Welcome & New Member Recognition – Presenter: Greg Geist, Director (Inform)
- Appoint Chair & Vice-Chair – Presenter: Greg Geist, Director (Motions to Appoint)
- Approve November Minutes – Presenter: Diana Helm, Chair (Consensus Approval)
- Public Comment – Facilitator: Diana Helm, Chair (Comment)
- Committee Roles & Bylaws Reminders – Presenter: Diana Helm, Chair (Inform)
- WES Advisory Committee 2023 Schedule & Engagement Review – Presenter: Shelly Parini-Runge, External Affairs (Inform & Discuss)
- WES' Strategic Plan Overview – Presenters: Greg Geist, Director & Ron Wierenga, Assistant Director (Inform)
- WES Advisory Committee Report-outs – Presenter: Diana Helm, Chair (Share)

Motions to Appoint:

Chair: Diana Helm was nominated and accepted the nomination. A vote was taken.

First to motion: Greg DiLoreto, seconded by William Gifford.

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

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

First to motion: William Gifford, seconded by Diana Helm.

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

Announcements: None

Meeting adjourned at 7:25pm by Chair Helm

Respectfully submitted by:
Chris Koontz

Lunch & Learn Series 2023

Spring Topic (April)

- Climate Resiliency: Learn more about the role resource recovery plays at WES in mitigating climate challenges and rising energy costs.

Fall Topic (October)

- The Future of Clean Water: Learn more about the current and future states of regulations and emerging contaminants and how they are shaping the future of water quality at WES.





CLACKAMAS

WATER
ENVIRONMENT
SERVICES



2023-2024 Budget Preview

Erin Blue, Finance Manager



Presentation Outline

- Budget process overview
- FY 2022-23 Projections
- FY 2023-24 Budget Preview
 - WESAC Guidance and Long-Range Plan Assumptions
 - Major Themes
 - Planning Assumptions under Review
 - Next Steps

Budget Process

PUBLIC PROCESS

INTERNAL PROCESS



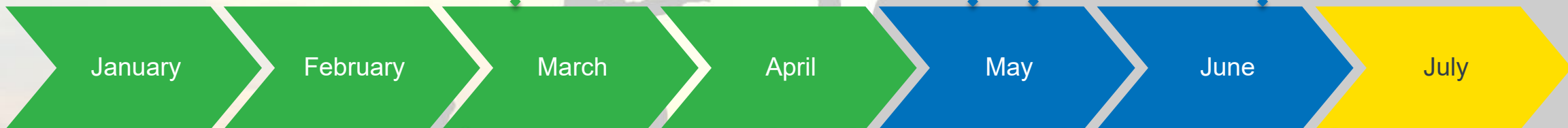
**March 9
Advisory Committee
Meeting**

Budget Committee Members
Appointed
Budget Preview

**May 11, *Exact Date TBD*
Advisory Committee
Budget Proposal Meeting**

**May 22-25, *Exact Date/Time TBD*
WES Budget Committee Meeting**

June 22 Budget Adopted



Budget development

**March 1
Management
Team Review**

**April 17
Final
Approval by
County
Administrator**

**April 28
Budget
document
distributed**

**May 30
Resolutions
prepared**

**July 1
Begin FY 2023-24**

FY 2022-23 Projections - Revenues

DESCRIPTION	2022-23 BUDGET	2022-23 PROJECTION	\$ VARIANCE	% VARIANCE
Beginning Fund Balance	\$ 179,927,783	\$ 188,127,779	\$ 8,199,996	4.6%
Sales and Services				
Sewer Charges – Retail	26,144,900	26,199,400	54,500	0.2%
City Payments for Sewer	15,342,700	15,354,100	11,400	0.1%
Surface Water Charges	6,044,700	6,073,500	28,800	0.5%
System Development Charges	6,484,100	4,134,650	(2,349,450)	-36.2%
Interest Income	1,259,400	1,907,600	648,200	51.5%
All Other Revenues	2,350,820	2,623,190	272,370	11.6%
State Revolving Fund Loan Proceeds	1,000,000	2,878,716	1,878,716	187.9%
Total Resources*	\$ 238,554,403	\$ 247,298,935	\$ 8,744,532	3.7%

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

FY 2022-23 Projections – Expenses

DESCRIPTION	2022-23 BUDGET	2022-23 PROJECTION	\$ VARIANCE	% VARIANCE
Materials and Services				
WES Labor	\$ 15,634,870	\$ 13,852,710	\$ (1,782,160)	-11.4%
All Other Materials and Services	14,457,520	12,821,194	(1,636,326)	-11.3%
Special Payments	1,215,100	1,164,200	(50,900)	-4.2%
Capital Outlay	30,269,772	16,652,325	(13,617,447)	-45.0%
Debt Service	13,277,055	11,692,860	(1,584,195)	-11.9%
Contingency	19,903,386	-		
Ending Fund Balance and Reserves	143,796,700	191,115,646	47,318,946	32.9%
Total Requirements*	\$ 238,554,403	\$ 247,298,935	\$ 8,744,532	3.7%

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

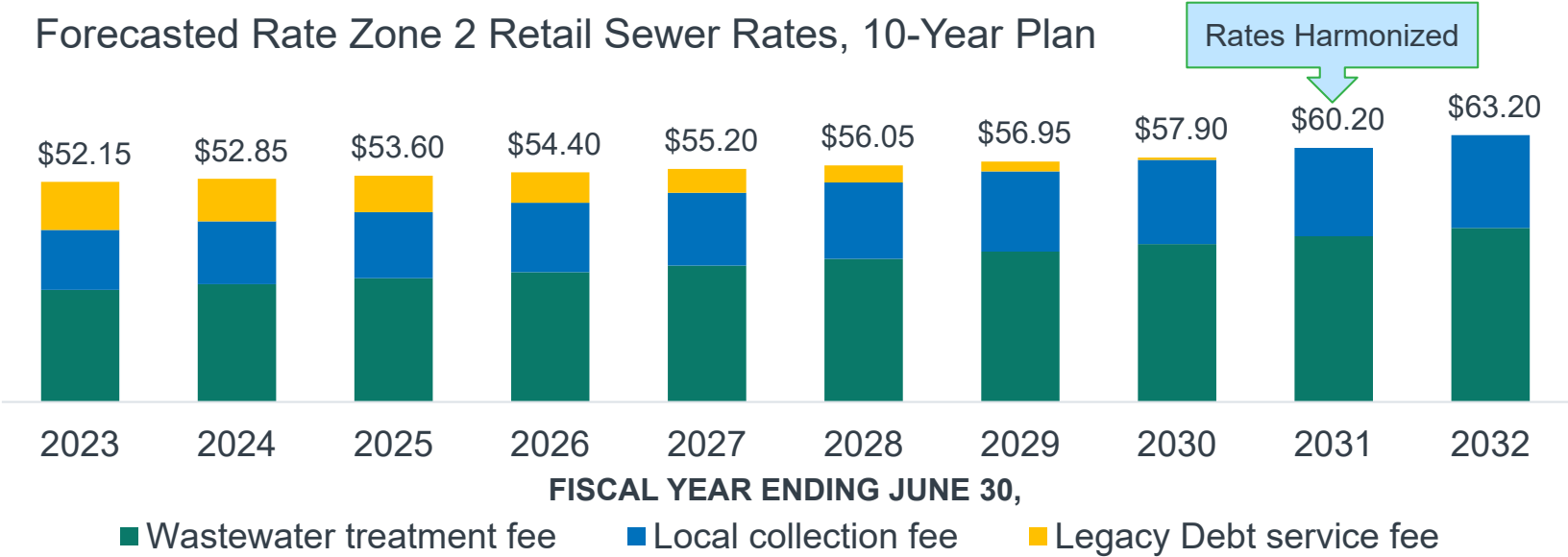
FY 2023-24 Budget Preview

WESAC Guidance

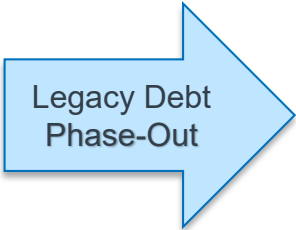
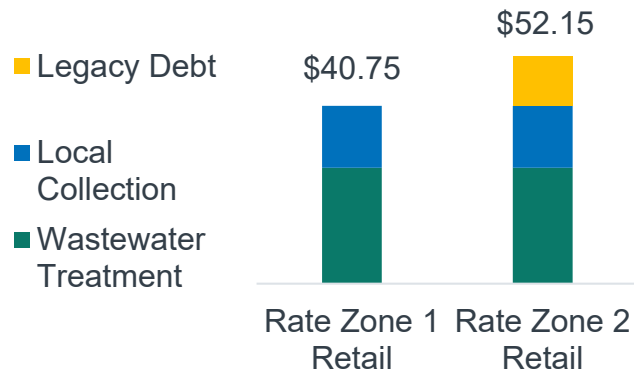
10-Year Financial Plan Summary

- Implementation of Sewer CIP (\$192.0 Million over 5 years; \$344.3 Million over 10)
- Rate harmonization by FY 2030/31 for services received
- Steady, predictable rate increases of 5% for Sewer
- Assumption of ~5% annual increase in operating and maintenance costs
- Assumption of ~1% annual population growth
- Debt financing needed in FY 2026/27

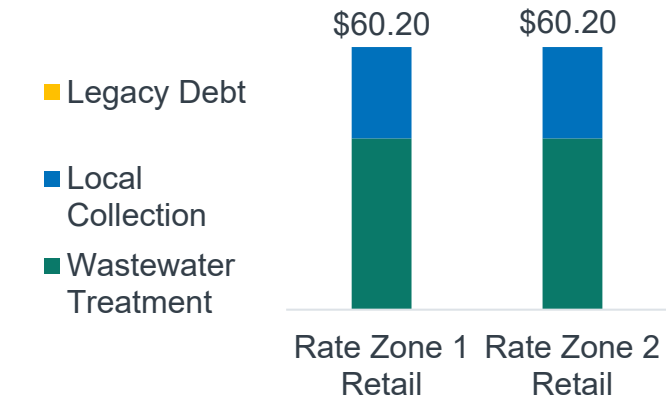
Sewer Rate Harmonization



FY 2022-23 Retail Rates



FY 2030-31 Retail Rates



FY 2023-24 Budget Preview

Major Themes	Impact on Budget
Surface Water Master Plan and Updated Long-Range Financial Plan Completed	Implementation -> Increased SW capital requirements -> Rates proposed to support plan
Updated 5-Year CIP Adopted	Continuing implementation of CIP and proposal of 2 new engineering positions
2022 Annual Construction Cost Index of 7%	Project-specific costs higher than adopted CIP projections -> Increased sewer capital budget and near-term projections
Persistent Operating Cost Increases	Reductions in non-essential line items to offset increases

FY 2023-24 Budget Preview

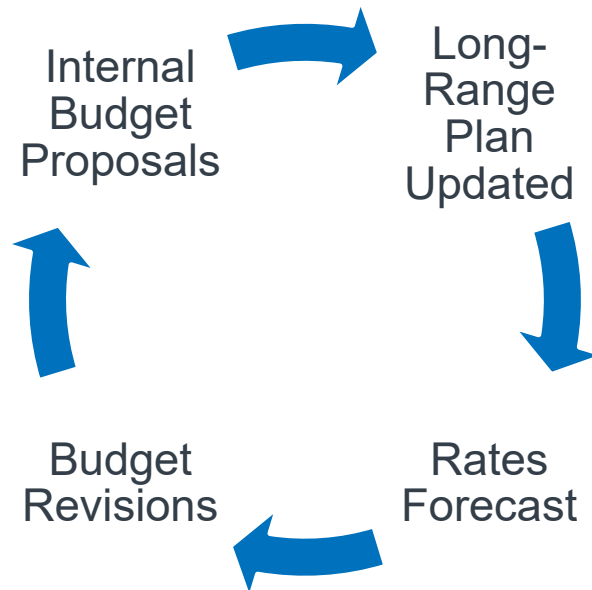
Planning assumptions under review

- Charges for Services provided by other County Departments
- Construction Cost Index for Long-Range Planning/Rate Forecast
- Integration of Updated Population Study

	2016 Study Projections	2015-2020 Actual AAGR	Current Assumptions	Med Population Growth Projection
RATE ZONE 1				
Gladstone	-0.78%	1.0%	0.24%	0.20%
Oregon City	3.46%	1.5%	1.50%	1.20%
West Linn	1.13%	0.6%	0.24%	0.30%
RATE ZONE 2				
Happy Valley	3.91%	6.0%	3.50%	2.60%
Johnson City	-0.32%	-1.2%	0%	0%
Milwaukie	0.76%	0.5%	0.18%	0.40%
Unincorporated	1.98%	0.7%	0.74%	0.90%
<i>AAGR = annual average growth rate.</i>				

Next Steps

Internal Review and Finalization ➡ Stakeholder Input



4/28 – Budget Document Distributed

5/11* – WESAC Budget Review

5/22 – 5/25* - Budget Committee Meeting

6/22 – Board Adoption

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

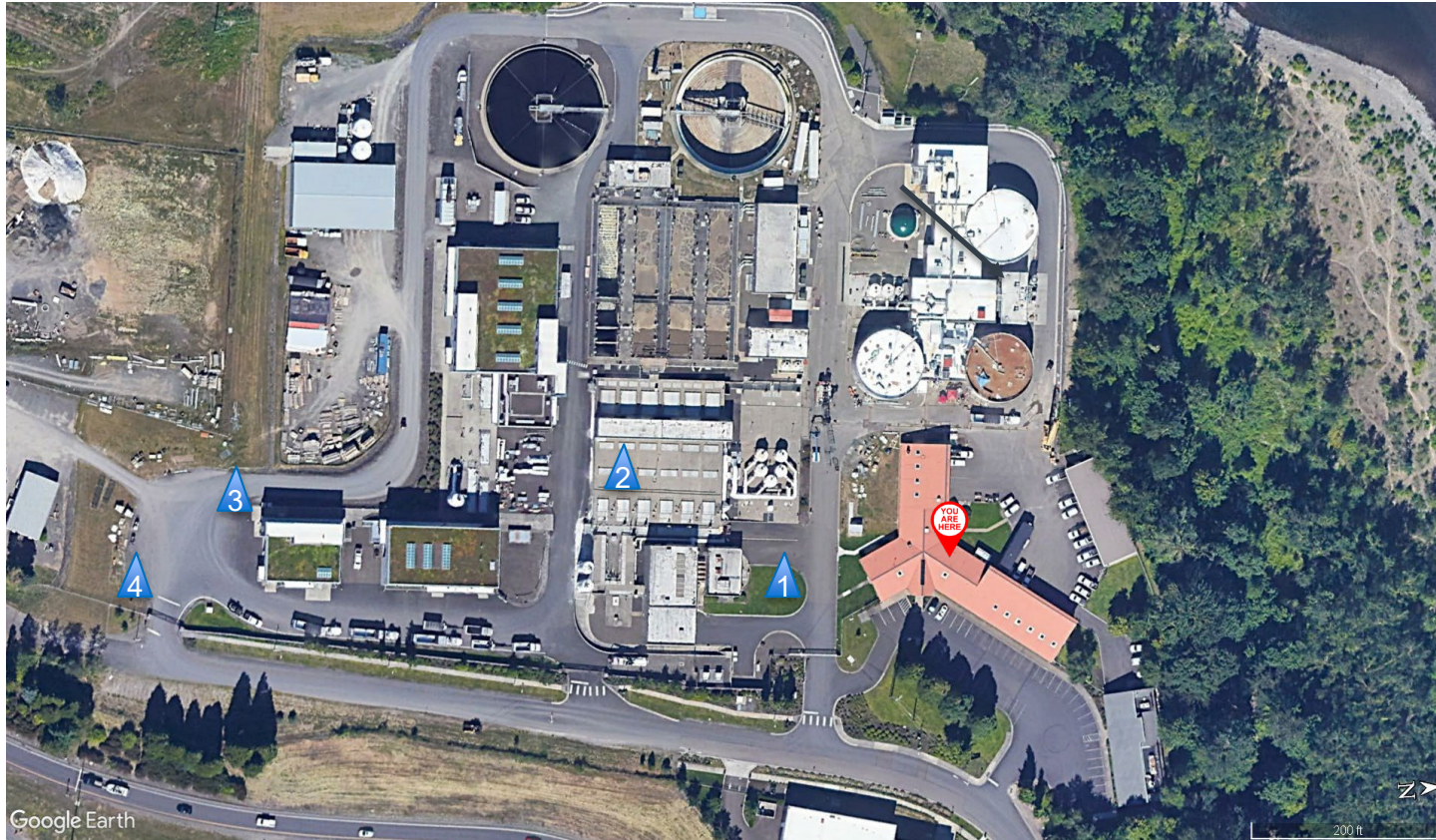


Thank You!



CLACKAMAS
WATER
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Tri City WRRF Tour



Tour Stops

- 1 - Influent Pump Station
- 2 - Primary Clarifiers
- 3 - Wet Weather Expansion
- 4 - Outfall