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**Water Environment Services Advisory Committee
AGENDA**

Date: March 13, 2025
Time: 6:00 – 7:30 pm
Format: Zoom
Link to Zoom: <https://clackamascounty.zoom.us/j/87846849957>

Facilitator: Greg DiLoreto, Chair

Time	Topic	Action
6:00 pm <i>2 minutes</i>	Call to Order <i>Greg DiLoreto, Chair</i>	Roll Call
6:02 pm <i>4 minutes</i>	Director Updates <i>Greg Geist, Director</i>	Inform
6:06 pm <i>5 minutes</i>	Approve January Minutes <i>Greg DiLoreto, Chair</i>	Motion for Approval
6:11 pm <i>6 minutes</i>	Public Comment <i>Each public member who would like to speak will have 3 min. The meeting adjourn time may vary depending on public comments.</i>	Comment
6:17 pm <i>10 minutes</i>	Committee Roles & Bylaws <i>Greg DiLoreto, Chair</i>	Inform
6:27 pm <i>13 minutes</i>	WES 2024 State of the District <i>Greg Geist, Director</i>	Inform
6:40 pm <i>20 minutes</i>	SDC Discussion (part 2) <i>Erin Blue, Finance Manager & Ron Wierenga, Deputy Director</i>	Motion for Approval
7:00 pm <i>10 minutes</i>	Budget Preview <i>Erin Blue, Finance Manager</i>	Inform
7:10 pm <i>20 minutes</i>	WES Advisory Committee Discussion & Report outs <i>Greg DiLoreto, Chair</i>	Share
	Adjourn	



Minutes for Clackamas Water Environment Services (WES) Advisory Committee - DRAFT

Location: Zoom

Video link: <https://www.youtube.com/watch?v=uGUQTG2eoaU>

Time: 6:00-7:00pm

Date: January 16, 2025

Acting Chair: Greg DiLoreto, Secretary: Chris Koontz

Approval of previous meeting's minutes: Yes

Attendees:

Members in attendance: Christopher Bowker, Christina Brow, Greg DiLoreto, Anthony Fields, William Gifford, David Golobay, Brian Johnson, Adam Khosroabadi, Preston Korst, Larry Linstrom, Denyse McGriff, Michael Milch, Kathryn Miller, Michael Morrow, Colleen Rockwell, Neil Schulman

Quorum was established.

Members not in attendance: Rita Baker, Carol Bryck, Richard Craven

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

Agenda items with timestamps from video linked above:

- **00:01:20** New Year Welcome & Membership Update – Presenter: Greg Geist, Director (Inform)
- **00:04:55** Appoint Chair/Vice Chair – Greg DiLoreto, Chair (Motions to Appoint)
- **00:07:15** Approve October Minutes – Facilitator: Greg DiLoreto, Chair (Consensus Approval)
- **00:07:50** Public Comment – Facilitator: Greg DiLoreto, Chair (Comment)
- **00:08:12** Committee Roles & Bylaws Reminders – Presenter: Greg DiLoreto, Chair (tabled will present at March meeting)
- **00:08:45** SDC Discussion – Facilitator: Erin Blue, Finance Manager (Inform & Discuss)
- **01:01:09** WES Advisory Committee Discussion (Share)

Motions: Appoint Chair & Vice Chair:

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

First to motion: William Gifford, seconded by Neil Schulman.

Members in attendance: Christopher Bowker (Y), Christina Brow (Y), Greg DiLoreto (Y), Anthony Fields (Y), William Gifford (Y), David Golobay (Y), Brian Johnson (Y), Adam Khosroabadi (Y), Preston Korst (Y), Larry Linstrom (Y), Denyse McGriff (Y), Michael Milch (Y), Kathryn Miller (Y), Michael Morrow (Y), Colleen Rockwell (Y), Neil Schulman (Y)

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: Adam Khosroabadi, seconded by William Gifford.

Members in attendance: Christopher Bowker (Y), Christina Brow (Y), Greg DiLoreto (Y), Anthony Fields (Y), William Gifford (Y), David Golobay (Y), Brian Johnson (Y), Adam Khosroabadi (Y), Preston Korst (Y), Larry Linstrom (Y), Denyse McGriff (Y), Michael Milch (Y), Kathryn Miller (Y), Michael Morrow (Y), Colleen Rockwell (Y), Neil Schulman (Y)

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

Announcements: None

Meeting adjourned at 7:07pm by Chair DiLoreto

Respectfully submitted by:
Chris Koontz

DRAFT

2024 ANNUAL REPORT



CLACKAMAS

WATER
ENVIRONMENT
SERVICES

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.



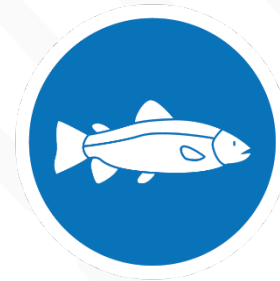
Focus Areas



***Protecting
Public Health***



***Investment in
Our People***



***Stewardship of
Healthy Waterways***



***Responsive
Customer Service***



***Fiscal
Responsibility***



***Water Resource
Recovery***

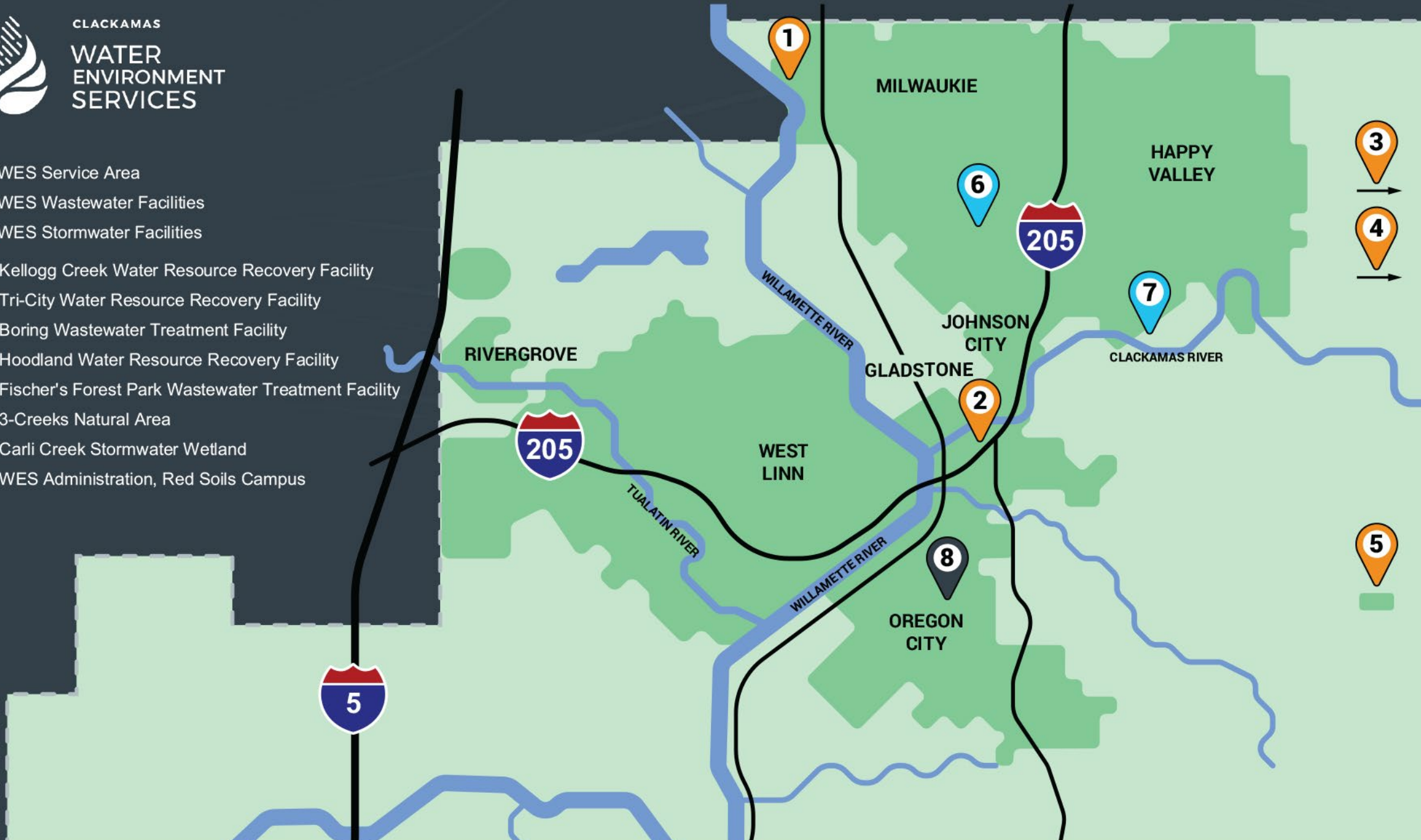




CLACKAMAS
WATER
ENVIRONMENT
SERVICES

- 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
- 198k** Estimated population served
- 23** Pump Stations
- 359** Miles of sanitary sewer pipes



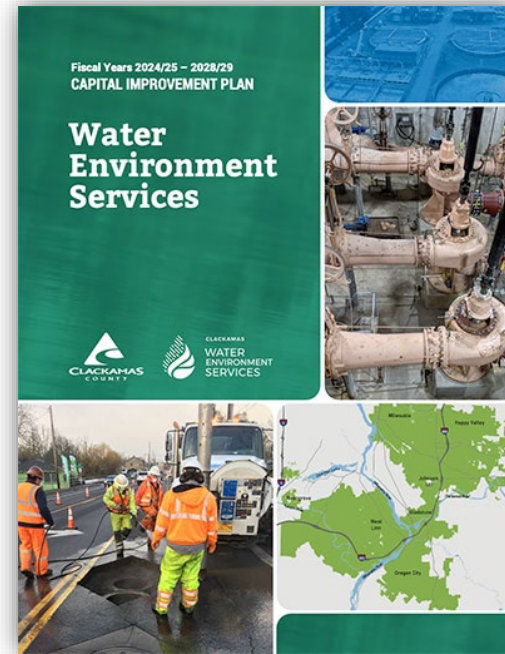
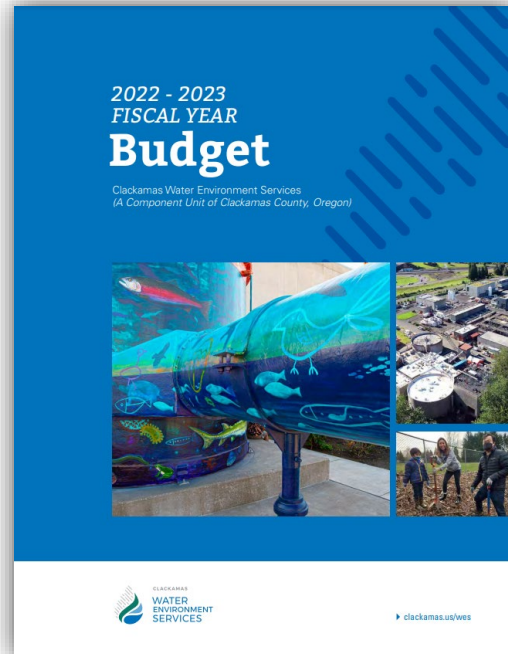
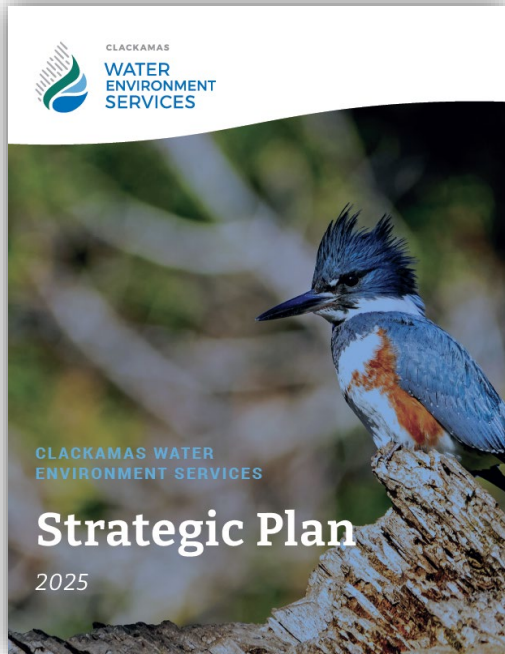
Our Leaders

Board of Directors and Advisory Committee



Planning for the Future

Core Strategies



Planning for the Future

Capital Improvement Plan



Financial Stewardship

Carefully Managing Your Ratepayer Dollars

Your
Rate

62%

Operations and
Maintenance

Dollars

9%

Debt
Payments

at

29%

Infrastructure Financing
and Reserves

Work



Your Frontline Crew

Field Operations



Preserving Watershed Health

Industrial/Commercial Stormwater Inspections



Upgrading and Upsizing Aging Infrastructure

Tri-City Water Resource Recovery Facility Outfall Project



Clack-A-Mole Emerges

Tri-City Water Resource Recovery Facility Outfall Project



Energy Conservation Wins

 4.1% reduction in energy consumption

 Enough to power 12 homes for a year

 \$44,484 incentive check from Energy Trust of Oregon

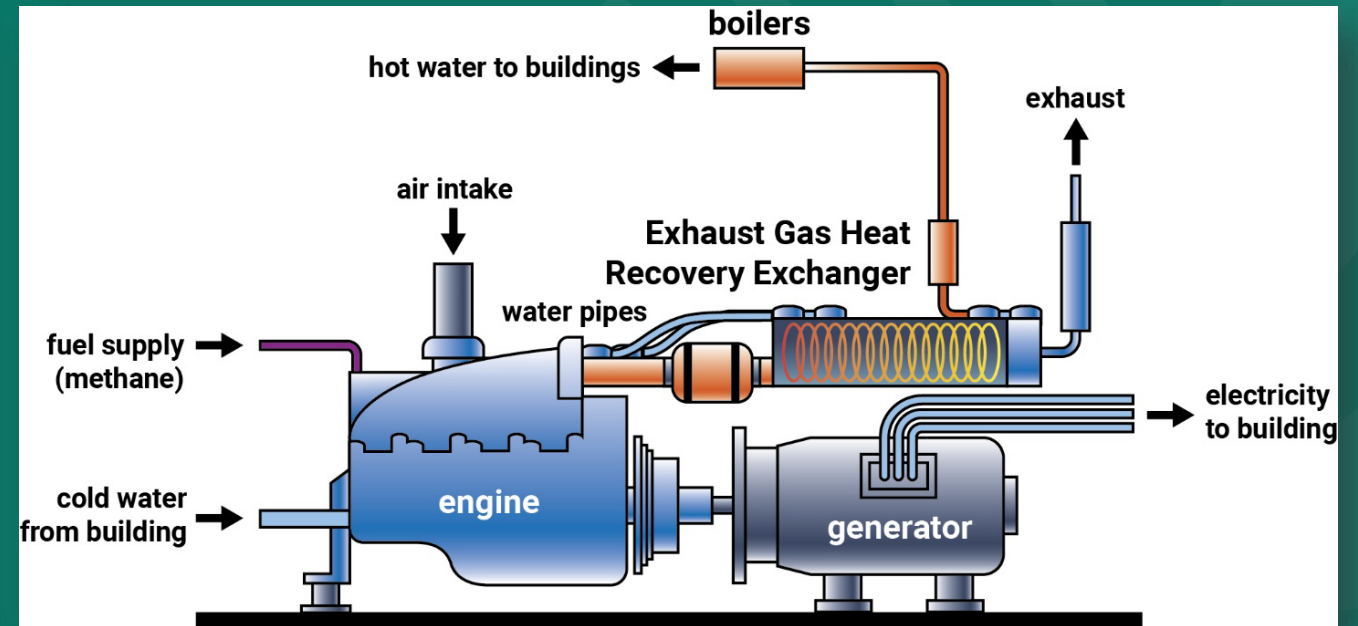


Our Seven Quick Wins with Conservation

- Turn it off
- Tune it up
- Fix the leaks
- Meet the load efficiently
- Question assumptions
- Do it right the first time
- Make it a habit



Transforming Waste into Energy



The 4,324 megawatts generated is enough to power approximately 400 homes a year!



Serving Your Wastewater Needs

Facility Operations



Sign up to tour one of our facilities
bit.ly/WESFacilities



Building Partnerships



Find educational and volunteer opportunities on our event calendar

bit.ly/WES-Events



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

- Greg Geist, WES Director





System Development Charge Update

Ron Wierenga, Deputy Director
Erin Blue, Finance Manager

Agenda

- 1 / System Development Charges (SDCs) Overview**
- 2 / 2024 SDC Calculations**
- 3 / Request for Motion**



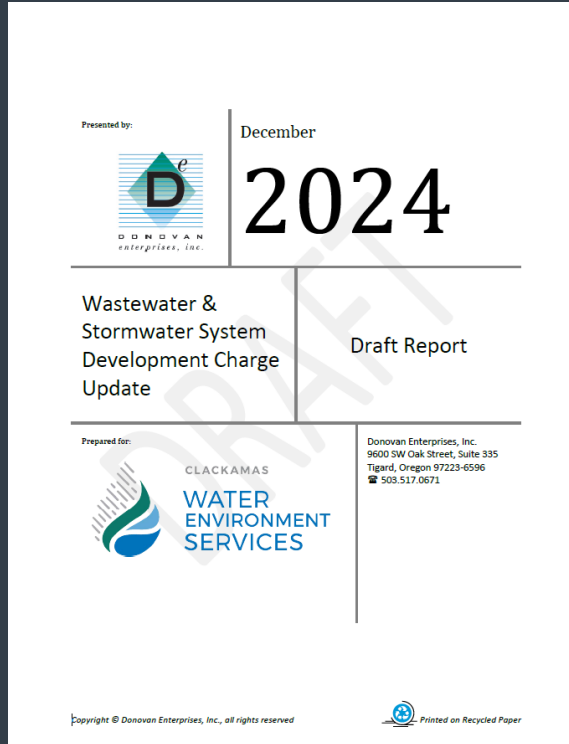
SDC Overview

- What are SDCs?
 - One-time fees charged for new development or changes to existing development
- SDC Methodology
 - Application of statutory framework (ORS) and organizational policy (WES Rules)
- Establishment and Modification

Type of Change	Action Required	Notice Required
Methodology Update	Adoption at a public hearing	90 day notice 60 day review
Increase based on updated Project List	Adoption by resolution or order; public hearing <u>if requested</u>	30 day notice
Periodic Inflationary Adjustment	Adoption by resolution or order	



Purpose of 2024 SDC Analysis



- Incorporate updated Project List based on FY 2025/26 -2029/30 CIP
- Incorporate updated growth projections from 2022 population study
- Review the basis for charges to ensure a consistent methodology
- Provide formal documentation of assumptions, methodology, and results



2024 SDC Calculation - Wastewater

Reimbursement Fee

Utility Plant in Service (adjusted NBV)	\$ 219,151,609
Less: Donated Assets	(46,598,208)
Less: Principal on long term debt	(119,926,939)

Reimbursement Fee Cost Basis **\$ 52,626,462**

Existing and future EDUs 92,000

Reimbursement Fee per EDU **\$ 572**

Improvement Fee

SDC-Eligible Projects in Proposed CIP	\$ 99,635,000
Less: SDC Fund Balance	(50,880,971)

Improvement Fee Cost Basis **\$ 48,754,029**

Future EDUs 4,381

Improvement Fee per EDU **\$ 11,128**

Total Wastewater SDC

Component	Calculated SDCs	SDCs as of July 1, 2024
Reimbursement Fee	\$ 572	\$ -
Improvement Fee	11,128	9,100
Compliance Fee*	585	-
Total WES Wastewater SDC per EDU	\$ 12,285	\$ 9,100

**compliance fees are based on an assumed flat 5% fee on total calculated reimbursement and improvement fees*

2024 SDC Calculation - Stormwater

Reimbursement Fee

Utility Plant in Service (adjusted NBV)	\$ 27,036,093
Less: Donated Assets	(13,705,277)
Less: Principal on long term debt	(826,379)

Reimbursement Fee Cost Basis **\$ 12,504,437**

Existing and future EDUs 60,431

Reimbursement Fee per ESU **\$ 207**

Improvement Fee

SDC-Eligible Projects in Proposed CIP	\$ 3,820,000
Less: SDC Fund Balance	(2,883,946)

Improvement Fee Cost Basis **\$ 936,054**

Future EDUs 3,735

Improvement Fee per ESU **\$ 251**

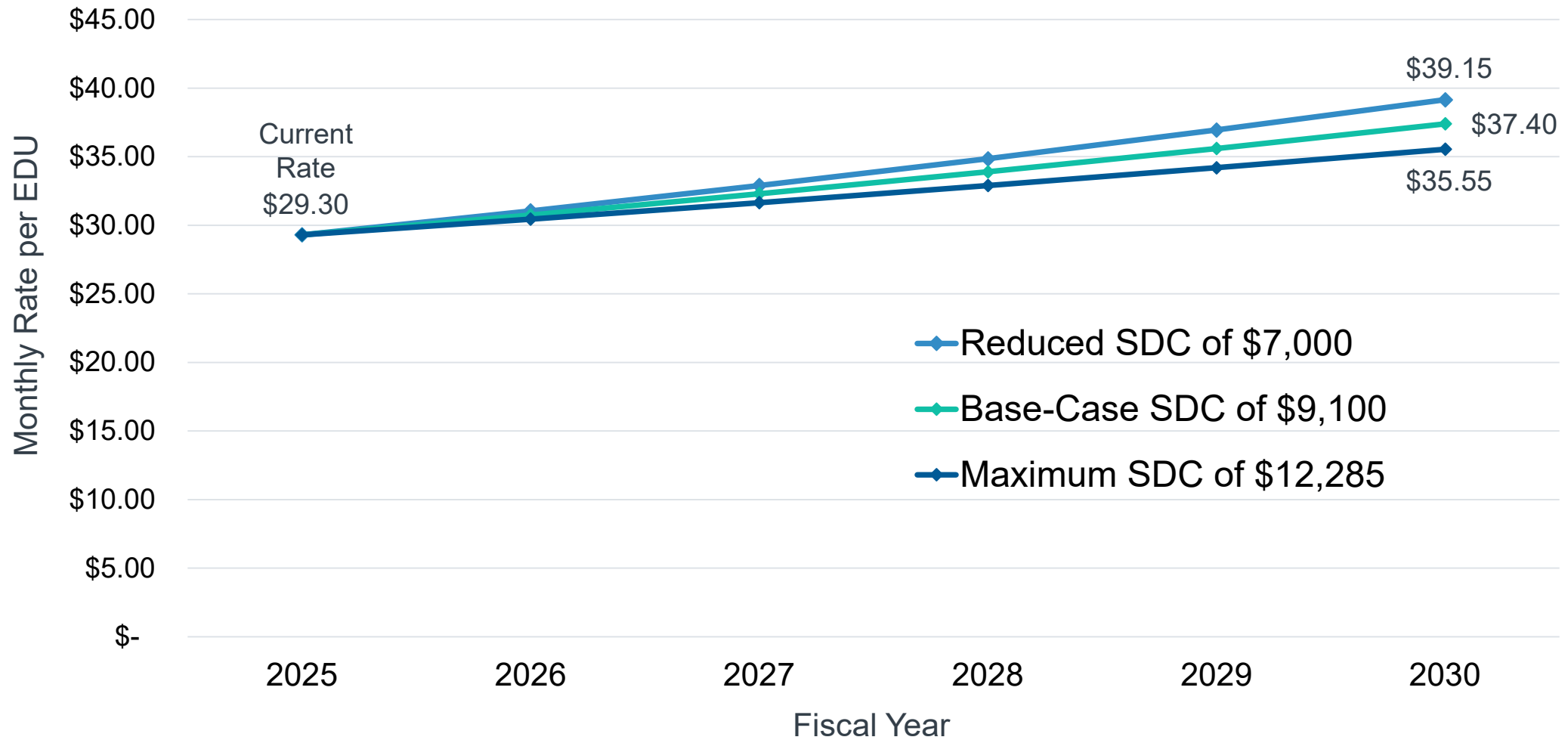
Total Stormwater SDC

Component	Calculated SDCs	SDCs as of July 1, 2024
Reimbursement Fee	\$ 207	\$ -
Improvement Fee	251	246.50
Compliance Fee*	22	-
Total WES Stormwater SDC per ESU	\$ 480	246.50

**compliance fees are based on an assumed flat 5% fee on total calculated reimbursement and improvement fees*

Hypothetical SDC Impact on Monthly Rates

Wastewater Treatment Monthly Rates under Reduced, Base-Case, and Maximum SDCs



Discussion and Recommendation

- Staff requests a motion to recommend to the WES Board approval of the SDC Methodology Update.
- Recommendation to the WES Board for consideration during the budget process:
 - Keep the current SDC and continue to make annual inflationary adjustments
 - Adopt the calculated SDC in the methodology
 - Phase-in full or partial increase of the calculated SDC in the methodology
 - Reduce the SDC from current





CLACKAMAS

WATER
ENVIRONMENT
SERVICES

MARCH 13, 2025 | WES ADVISORY COMMITTEE



FY 2025/26 Budget Preview

Erin Blue, WES Finance Manager



Outline

- 1 Budget Process**
- 2 FY 2024-25 Projections**
- 3 Inputs and Major Themes**
- 4 Next Steps**
 - 1 Confirm Budget Committee Members**

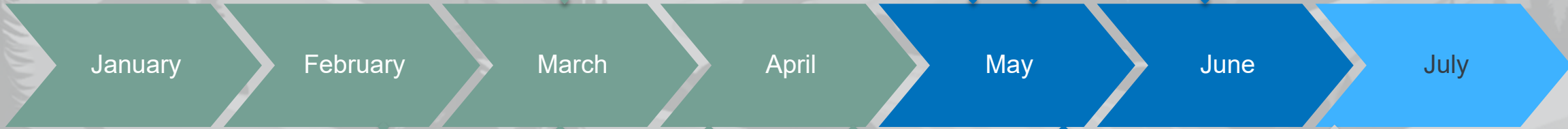


Budget Process



PUBLIC PROCESS

INTERNAL PROCESS



March 13
Advisory Committee Meeting
FY 25/26 Budget Planning and Preview
Budget Committee Members Confirmed

May 15
Advisory Committee
Budget Proposal Meeting

May 19-29, *Exact Date/Time TBD*
WES Budget Committee Meeting

June 12 Budget Adopted



February 24-28
Management
Team Reviews

March 10-18
Budget
presented to
County
Administrator

April 4
Final
Approval by
County
Administrator

End of April
Budget
document
distributed

May 30
Resolutions
prepared

July 1
Begin FY 2024-25



FY 2024-25 Projections - Revenues

DESCRIPTION	2024-25 BUDGET	2024-25 PROJECTION	\$ VARIANCE	% VARIANCE
Beginning Fund Balance	\$ 175,953,785	\$ 184,492,936	\$ 8,539,151	4.9%
Sales and Services				
Sewer Charges – Retail	28,839,300	29,072,800	233,500	0.8%
City Payments for Sewer	16,764,000	16,725,600	(38,400)	-0.2%
Surface Water Charges	6,906,100	6,880,500	(25,600)	-0.4%
System Development Charges	7,794,200	4,971,800	(2,822,400)	-36.2%
City Right-of-Way Fees	886,200	882,800	(3,400)	-0.4%
Interest Income	5,195,600	7,379,700	2,184,100	42.0%
All Other Revenues	3,341,160	2,173,670	(1,167,490)	-34.9%
State Revolving Fund Loan Proceeds	162,400	623,621	461,221	284%
Total Resources*	\$ 245,842,745	\$ 253,203,427	\$ 7,360,682	3.0%

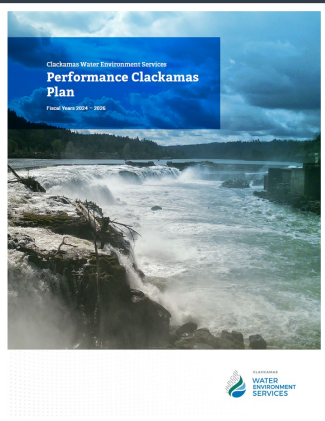
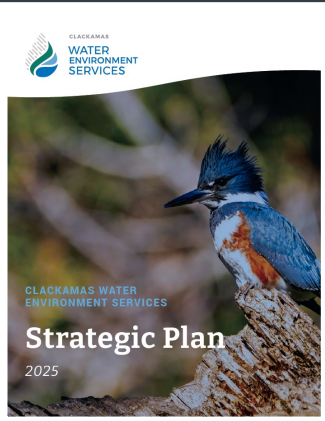
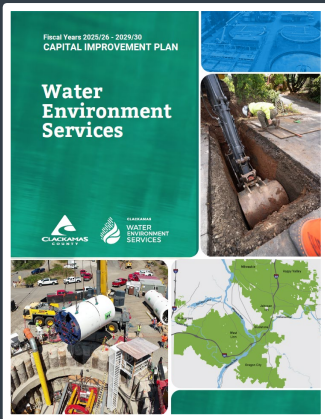
**Total Resources above exclude Interfund Transfers, which have a zero net effect on the overall budget and projections*

FY 2024-25 Projections – Expenses

DESCRIPTION	2024-25 BUDGET	2024-25 PROJECTION	\$ VARIANCE	% VARIANCE
Materials and Services				
WES Labor	\$ 16,857,890	\$ 17,082,180	\$ 224,290	1.3%
All Other Materials and Services	15,693,201	14,308,119	(1,385,082)	-8.8%
Special Payments	1,327,900	1,284,700	(43,200)	-3.3%
Capital Outlay	79,546,000	65,528,250	(14,017,750)	-17.6%
Debt Service	13,038,622	12,956,022	(82,600)	-0.6%
Total Expenses	126,463,613	111,159,271	(15,304,342)	-12.1%
Contingency	25,311,500	-	(25,311,500)	-100%
Ending Fund Balance and Reserves	94,067,632	142,044,156	47,976,524	51.0%
Total Requirements*	\$ 245,842,745	\$ 253,203,427	\$ 7,360,682	3.0%

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

Budget Inputs



Input	Relation to the Budget	Previous WESAC Actions
<p>5-Year Capital Improvement Plan (CIP)</p>	<ul style="list-style-type: none"> Serves as the basis for the annual Capital Budget 	<p>FY 2025/26-2029/30 CIP recommended by WESAC in November 2024; approved by Board in February 2025</p>
<p>Strategic Plans</p>	<ul style="list-style-type: none"> Summarize goals and actions WES will take to realize Vision Link WES' budget to countywide priorities 	<p>Plan update initially presented for WESAC review in January 2023 with finalization in November 2023</p>
<p>Financial Policies</p>	<ul style="list-style-type: none"> Guide management of financial activities 	<p>Updates to key policies recommended by WESAC in January 2022; new debt policy approved by Board in October 2022</p>

Budget Input: Long-Term Financial Plan

Relation to the Budget

- 5-key objectives define funding priorities for essential services and infrastructure, and ensure resources align with long-term financial sustainability.

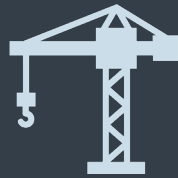
Previous WESAC Actions

Recommended by WESAC in March 2022; incorporated into current FY 2024-45 budget and prior FY budgets



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

Budget Input: Economic Outlook

Relation to the Budget

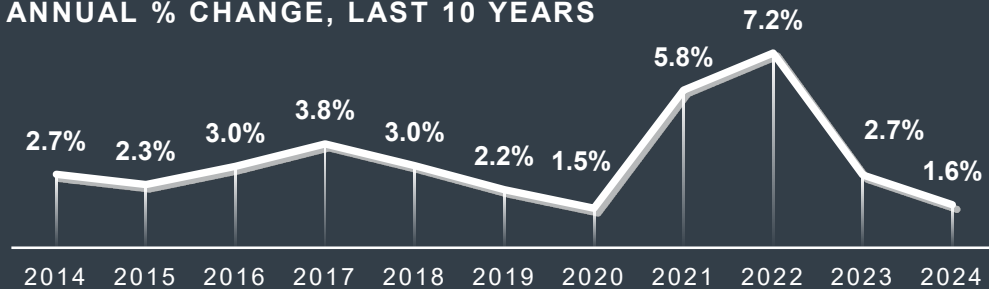
Used to inform:

- Operating Budget Increases, Revenue Forecasts, and SDC Rate Adjustments

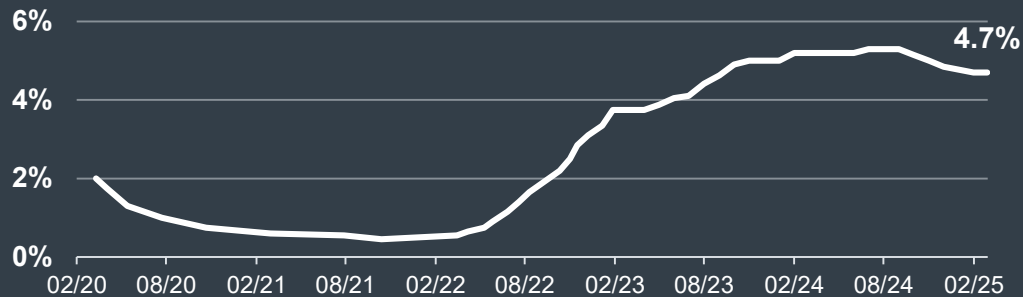
Previous WESAC Actions

N/A

ENR CONSTRUCTION COST INDEX
ANNUAL % CHANGE, LAST 10 YEARS



LOCAL GOVERNMENT INVESTMENT POOL (LGIP)
INTEREST RATES, FEB 2020 TO FEB 2024



	Known Factors	Anticipated FY 25/26 Impact
Requirements	Labor	~7.5% preliminary increase
	Electricity	5 - 7% increase in cost of service
	County Allocated Costs	~14% <u>d</u> ecrease
Resources	Service Area Growth	Average 1% across service area
	Interest Rates	Higher interest earnings
	Construction Cost Index	1.6% for 2024

Budget Input: Unknown Factors

- Tariffs
- Federal Grant Programs
- State Legislative Actions
- Regulatory Changes

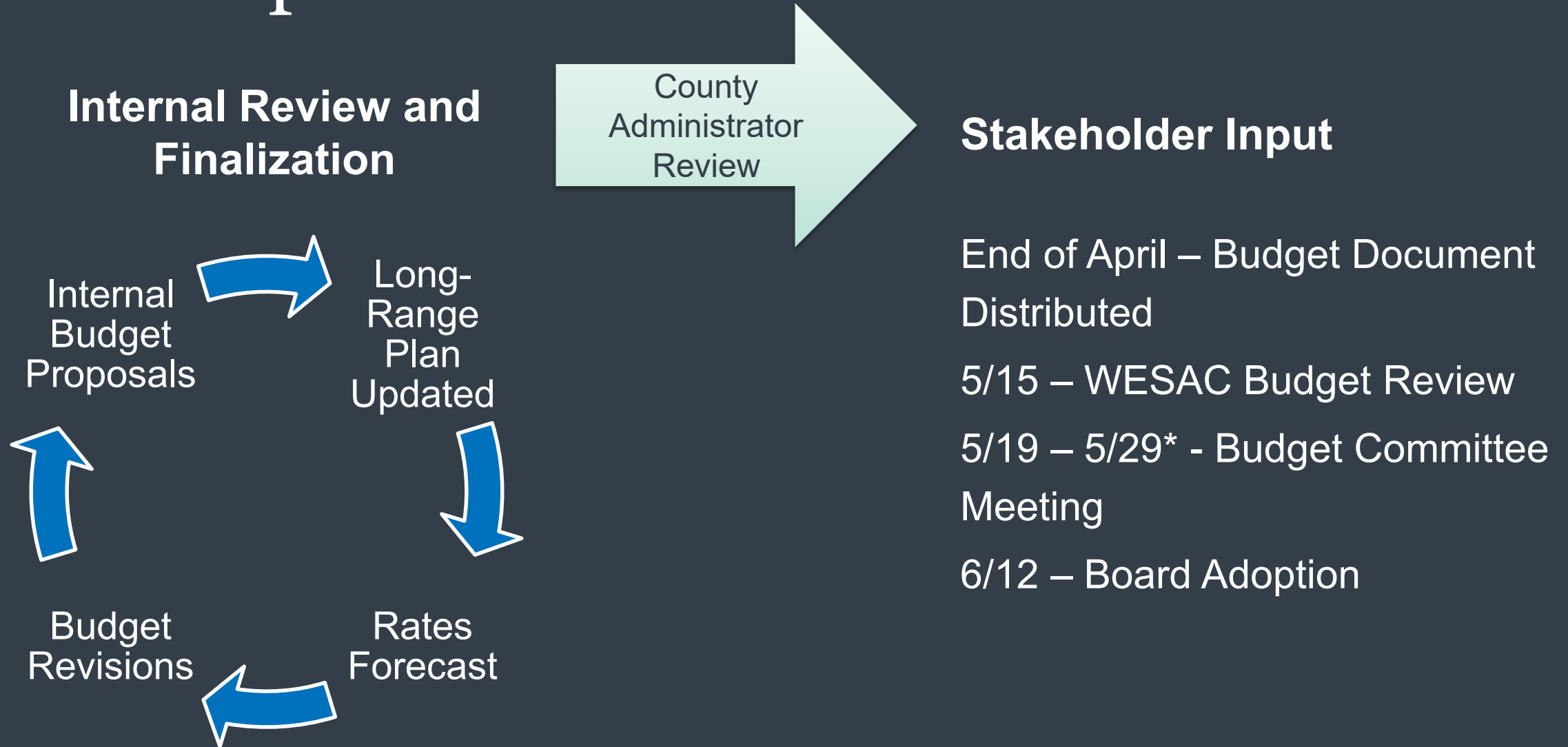


Major Themes

- Financial Strategies
 - Steady, predictable rate increases
 - Legacy debt phase-out
 - Use of reserves for capital financing
 - Operating budget cost control
 - Risk management
- Continuing implementation of CIP
- Strategic Plan Initiatives



Next Steps



**Exact date TBD*

WES Budget Committee

- Five-member subcommittee of WESAC serves as WES budget committee, which will perform duties consistent with County practices and state law
- Budget Committee Members serve 3-year terms
- Role is to review and revise proposed budget, then formally approve the budget at the May Budget Committee Meeting

WES Budget Committee Members

Christopher Bowker

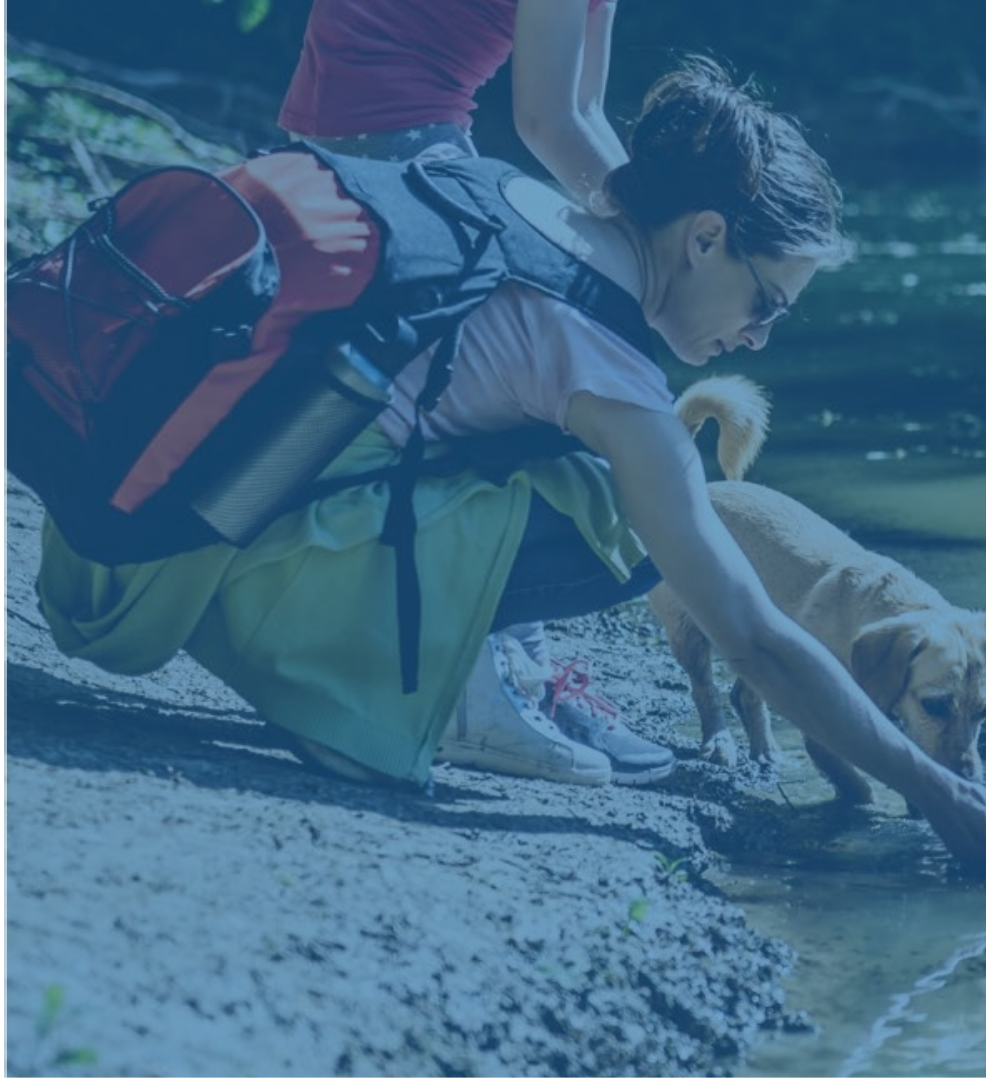
Carol Bryck

William Gifford

Denyse McGriff

Neil Schulman





Questions?

