**REVISED**

**CLACKAMAS RIVER WATER**

BOARD OF COMMISSIONERS

WORK SESSION, SPECIAL MEETING & EXECUTIVE SESSION

**August 26, 2019 at 6:00pm**

**AGENDA**

**16770 SE 82nd Drive, Clackamas, OR 97015**

Clackamas River Water

## Special Meeting @ 6:00pm

Call to Order, Pledge of Allegiance and Roll Call

a. Approval of the Agenda

1. **Consider Approval of Labor Sharing Agreement Between CRW and North Clackamas County Water Commission (NCCWC)-** *Todd Heidgerken, General Manager*

**Public Comment**

***Adjourn Special Meeting***

## Work Session- immediately following the Special meeting

Call to Order

1. **Capital Project Status Update and Reporting -** *Adam Bjornstedt, Chief Engineer & Carol Bryck, Chief Financial Officer*
2. **Clackamas Regional Water Supply Commission (CRWSC) Update-** *Todd Heidgerken, General Manager*
3. **Progress Update to 2019 Board Approved Goals for the General Manager-** *Todd Heidgerken, General Manager*
4. **Commissioner Communications-** *CRW Board of Commissioners*
5. **General Manager Update-** *Todd Heidgerken, General Manager*

**Public Comment**

***Adjourn Work Session***

## EXECUTIVE SESSION- will start immediately following the work session

1. Discuss information or records that are exempt by law from public inspection pursuant to ORS 192.660 (2) (f) and 192.355 (9)

2. Conduct deliberations with persons designated by the governing body to negotiate real property transactions ORS 192.660 (2) (e)

**Next Page**

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.

Agenda Item –1

# CLACKAMAS RIVER WATER

# SPECIAL BOARD MEETING

## August 26, 2019

**SUBJECT** Consider Approval of Labor Sharing Agreement between CRW and North Clackamas County Water Commission(NCCWC)

| | |
|---|---|
| **DRAFT MOTION** | Move the Board approve the Labor Sharing agreement between CRW and North Clackamas County Water Commission and approve the General Manager sign the letter of agreement |
| **EFFECTIVE DATE** | August 27, 2019 |

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

**DOCUMENTS ATTACHED** Labor Sharing Agreement Letter

**Agenda Summary**

**BACKGROUND** The North Clackamas County Water Commission (NCCWC) has requested that Clackamas River Water (CRW) assist NCCWC by making available a certified operator for consultation and non-routine operational assistance. The NCCWC's need for assistance was unanticipated yet is pressing which is the reason for the request being made at a special meeting.

Given the existing workload of CRW staff, CRW will work with the NCCWC General Manager on making staff available however, CRW will retain sole discretion as to when a certified operator will be available. CRW will bill NCCWC for hours when staff is providing assistance in addition to a standby fee.

Legal counsel for both CRW and NCCWC have reviewed the agreement.

Clackamas River Water

August 27, 2019

Wade Hathhorn
General Manager
North Clackamas County Water Commission
14496 SE River Road
Oak Grove, OR 97267

Dear Mr. Hathhorn:

The North Clackamas County Water Commission (NCCWC) has requested that Clackamas River Water (CRW) assist NCCWC by making available a certified operator for consultation and non-routine operational assistance. Upon request of the NCCWC General Manager, CRW will identify a certified operator to provide the assistance requested. The purpose of this letter is to set forth the terms for providing this assistance to the NCCWC. If acceptable, please return a countersigned copy of this letter to:

Todd Heidgerken
General Manager
Clackamas River Water
16770 SE 82nd Drive
Clackamas, OR 97015
(503) 722-9250
theidgerken@crwater.com

Work requests and scheduling contact should be sent to:

Suzanne DeLorenzo
Water Quality Manager
Clackamas River Water
16770 SE 82nd Drive
Clackamas, OR 97015
(503) 722-9241
sdelorenzo@crwater.com

OR

Rob Cummings
Water Resources Manager
Clackamas River Water

16770 SE 82nd Drive
Clackamas, OR 97015
(503)722-9247
rcummings@crwater.com

Scope of Work: A certified operator will be made available to provide on-call services (as available) to the NCCWC. CRW retains sole discretion as to when a certified operator will be available to the NCCWC. The scheduling of the certified operator will be set in mutual cooperation between the NCCWC and CRW.

The work will consist of being available for consultation on plant operations, including but not limited to: responding to SCADA alarms, adjusting water treatment and related chemical-feed processes, repairing various mechanical and pumping equipment adjusting flow in raw and finished water delivery systems, and quality control over plant operations and finished water production. The NCCWC General Manager shall provide direction for all tasks the certified operator performs for NCCWC as contemplated in this agreement.

Payment for Certified Operator: The NCCWC agrees to pay CRW for the certified operator's services at 1.1 times the CRW's fully loaded rate for the certified operator for actual time spent assisting the NCCWC. Any time that is over the certified operator's normal hours will be billed at the fully loaded overtime rate for the CRW employee. In addition, for the period of the assistance requested by the NCCWC General Manager, a standby fee of $225 per week or partial week will be charged. Any work during holidays will also be charged at the fully loaded amounts under the CRW Collective Bargaining Agreement.

Request for payment will be submitted to NCCWC in the form of a monthly invoice and will include copies of time sheets documenting the certified operator's work for NCCWC.

CRW will be responsible to the certified operator for all salary, PERS, worker's compensation, and other employee benefits, as an employee of CRW.

Liabilities: To the extent permitted by the Oregon Constitution, for all tasks the certified operator perform for NCCWC as contemplated in this agreement, the NCCWC shall indemnify, defend, and hold CRW harmless from any and all liabilities arising out of or resulting from the certified operator's acts or omissions to act, including liabilities for tort. Notwithstanding the foregoing, NCCWC shall not be liable for, nor be required to indemnify CRW for, any wage claims or other claims by the certified operator arising out of worker's compensation coverage or other employee benefits.

Early Termination / Damages: NCCWC and CRW shall each have the right to terminate this agreement for services at any time. If terminated, the NCCWC will pay for the certified operator's time up to the termination point.

NCCWC shall not be entitled to any damages from either CRW or the certified operator for inadequate or insufficient performance of work.

We are pleased to assist the NCCWC by making available the services of a certified operator under these conditions. I know that the NCCWC will benefit from his work.

Sincerely,

Todd Heidgerken
General Manager
Clackamas River Water

Accepted:

North Clackamas County Water Commission

_____
Name: Wade Hathhorn
Title: General Manager
Date: _____

cc: CRW Human Resources

**Agenda Item – 1**

# CLACKAMAS RIVER WATER

# BOARD WORK SESSION

## August 26, 2019

| | |
|---|---|
| **SUBJECT** | Capital Project Status Update and Reporting |
| **PRINCIPAL STAFF PERSON** | Adam Bjornstedt, Chief Engineer and Carol Bryck, Chief Financial Officer |
| **DOCUMENTS ATTACHED** | Exhibit A – Recent Project Update Tables (from July 2019 Monthly Report)<br>Exhibit B – Project Funding Sources Schematic<br>Exhibit C – Alternative Format for Project Update Summary Table<br>Exhibit D – Typical CIP Checklist |

### Agenda Summary

**BACKGROUND/ ANALYSIS**

Through past discussions with Staff at Board Meetings and Work Sessions, the Board has expressed an interest in receiving more frequent information regarding capital project financial data and schedules. Topics of interest have included project budgeting and estimating, use and level of contingencies, change orders, phases of project execution, and presentation format of project financial information. The Board currently is presented with project information on a monthly basis, for the Backbone project and CIP/Other projects, as part of the Monthly Report (see Exhibit A). Additionally, project updates (quarterly or otherwise) have been presented to the Board during past meetings and work sessions.

Over the past several months, Staff has analyzed possible methods and styles of presentation to assist the Board's understanding and awareness of project financial and other information. We believe that frequently providing the Board with relevant, up-to-date information is beneficial to the Board's deliberation and decision making process. To that end, Staff is working to make continuous progress on reporting methods and data formatting to best achieve clarity and consensus in communications with the Board.

Key topics are analyzed below, and will be discussed further at the upcoming Work Session:

1) **Project Budgeting and Estimating:** Capital projects are identified using many factors, including the Master Plan, and prioritized through the biennial budgeting process. Project

funding may come from one or multiple sources, including the District's capital reserve fund (rates and SDCs), municipal bonding, grants, or other sources.

a. **Budget-level project estimates** include high level estimates based on a planning level (preliminary) design and layout, with higher contingencies to capture any undefined elements of scope. Projects more "typical" for the District, such as water main improvements, are simpler for the District to estimate given the higher degree of experience and recent historic costs. More "complex" projects, such as pump stations or reservoirs, are more difficult to accurately estimate at the budget "planning" level and thus may require greater contingencies to capture greater uncertainty between budgeting and final design-level estimates.
b. **Final design estimates ("bid-ready")** include all known scope and quantities of materials, labor and overhead to complete a project's construction. Note that this "engineer's estimate of probable cost" is based on a near-complete or complete design and unit costs referencing recent historic costs to construct similar facilities.
c. As a rule, **contingencies** are included in all levels of estimating. Whether budget phase or final design phase, assigning a contingency helps account for "unknowns" that can arise during execution of the project. Accounting for a contingency does not automatically mean that the contingency will be used; it is a "safety factor" in the event that unforeseen conditions are encountered.
d. **Change orders** may be required when unforeseen conditions require an expansion of scope. Change orders can be encountered in design and/or construction phases. It is important to note that no matter how complete we may consider a design, change orders in utility construction are a common occurrence and typically are not detrimental to a project's overall budget; in other words, funding exists within the project budget to fund a change order. Some common causes of change orders are unforeseen underground conditions (geotechnical issues, unlocated utility conflicts), or jurisdictional requirements (permit conditions for utility placement, pavement restoration, land use conditions, etc.).

2) **Phases of Project Execution:** Generally a project can be divided into the following phases. Note that Board involvement and/or approval (budgets, design and construction contracts, final acceptance) may be required in each phase.
   a. **Planning** includes scoping and determining feasibility of a project. It may or may not identify specific property or alignments for the project. It does not involve detailed design or other elements of work relegated to later phases.

Projects that are selected for the biennial budget have passed through the planning phase.

b. **Design** includes taking a project from a "conceptual" level to a detailed, construction-ready design. Significant detail to confirm and define scope and alignments is obtained through topographical surveys, geotechnical investigations, roadway impacts, stormwater analyses, and other environmental considerations. Typically project permitting is part of the design phase, given that jurisdictions require some form of design in order to review and assign a permit with conditions addressing impacts to jurisdictions they govern. Design may be completed in-house or via a design engineering contract. Once design is complete, a project is ready to be bid and constructed.

c. **Bidding and Construction** commences after final design. The bidding process includes providing the "engineer's estimate" and compiling the finished bid documents ("boilerplate" contract docs, technical specifications, and drawings). The District uses an online bid process via our website where interested bidders can download a copy of the bid set. Typically we use a "design-bid-build" process where the lowest responsive bidder is selected and a contract awarded. Preconstruction meetings and activities prepare for construction of the project, which is completed in accordance with the design drawings and specifications so that the District receives the required facilities.

d. **Close-out** is the wrap-up phase for the project. Included in this phase are finalizing work/punch lists, final payments, as-built drawings to record what was built (including any required changes), and Board acceptance of the completed project.

3) **Presenting Project Information to the Board:** Several Exhibits accompany this agenda item narrative. These Exhibits are explained below; further discussion around these Exhibits will occur at the Work Session.

a. **Exhibit A: Recent Project Update Tables (from July 2019 Monthly Report)** – Information has been provided to the Board on a monthly basis via the Monthly Reports. These tables provide project status updates and summary financial information. During the Work Session, suggestions will be made on possibly revising these tables with further information- examples are presented in Exhibit C.

b. **Exhibit B: Project Funding Sources Schematic** – This schematic has been presented in the past during the budgeting process or Board orientations. It provides an

overview of possible funding sources for CRW capital projects.

c. **Exhibit C: Alternative Format for Project Update Summary Table** – In response to the Board's input, Staff has prepared this table as a possible alternative to past project reporting. Staff will discuss this table in greater detail at the Work Session.
d. **Exhibit D: Typical CIP Checklist** – The CIP checklist is used by CRW Engineering staff to track progress through the various phases and tasks of a typical project. As each project's scope and tasks are unique, the checklist can be modified to accommodate this variability.

Further discussion of the concepts, phases, information, and presentation options for project reporting will take place at the Work Session.

# EXHIBIT A

## Project Updates

Pipeline Projects *(as of end of July 2019)*

| Project No. | Name | Description | Budget | Spent | Phase | Status |
|---|---|---|---|---|---|---|
| **16-5205 Private** | Glen Oak Master Meter | Master Meter to Oregon City | N/A | N/A | Design | No activity with CRW this month. Developer is communicating with OC regarding inspection requirements. |
| **16-5206 Private** | Rosewood Terrace | 200+ Multi-family housing 6" meter | N/A | N/A | Const. | Punch list underway |
| **17-5219 DTD** | CRC Mobility Project | Transportation improvements on Sunnyside Rd. | N/A | N/A | Design | No activity this month. |
| **17-5219 ODOT** | OR212: UPRR-Rock Cr | Pavement restoration and ADA upgrades | N/A | N/A | Design | No activity this month. |
| **17-5219 ODOT** | OR224: Rusk – I-205 | Road widening, drainage and safety improvements | N/A | N/A | Design | No activity this month |
| **18-5232 Private** | Copper Heights | Residential 30 lot subdivision on difficult site | N/A | N/A | Design | No activity this month |
| **17-5209 CO** | Commercial Meters | Meter Replacement at Alder Cr. Middle School | $ 70k | N/A | Bidding | Working on alternative procurement plan. |
| **18-5239 CIP** | Edgewood WL | Waterline replacement | $1.2M | $79.4k | Const. | Contract award - July 11. Const. start anticipated at the end of 2019. |
| **19-5241 CIP** | Sunnybrook Loop WL | New waterline | $60k | $12.5k | Bidding | Preparing for procurement in the fall. |
| **14-5162 CIP** | Neibur Rd. W/L | New waterline | $65k | $2k | Bidding | Preparing for bidding in the fall. |
| **19-5250 CIP** | Mather Res. Control Valve | Reservoir level control valve with telemetry | $210k | $0 | Design | Consultant preparing scope. |

## *Backbone Phase 1 - Project Management Report – June 2019*

| Project Number and Name | Description | Current Phase | Status | Original Cost Estimate (2015) | Projected Total Expenditures (All Phases) *a* | Expenditures to Date (All FY's) *b* | Actual or Projected Completion |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| 5187- Backbone General Administration | General Planning and Management | | Ongoing | $0 | $250,000 | $207,000 | 12/31/2019 |
| 5160- Butterfield Lane Transmission Main **(1)** | 10,300' of 16" water main | Complete | Complete | $2,930,000 | $2,567,000 | $2,567,000 | 7/1/2017 |
| 5217- Carver-Springwater Transmission Main **(2)** | 3,000' of 18" water main | Complete | Complete | $790,000 | $1,875,000 | $1,872,000 | 6/30/2018 |
| 5188- 152nd Ave Reservoir **(3)** | 6 MG concrete reservoir, water main and appurtenances | Construction | Reservoir prestressing complete; initial fill and backfilling work to begin in late August | $10,015,000 | $9,400,000 | $8,613,000 | 12/31/2019 |
| 5195- Redland Reservoir No. 3 **(4)** | 1.25 MG steel reservoir and appurtenances | Construction | Complete; minor site restoration punchlist items remaining | $2,160,000 | $4,128,000 | $3,738,000 | 6/30/2019 |
| 5189- Highway 224 Intertie **(5)** | 6,000' of 20" water main | Construction | Complete | $1,746,000 | $2,293,000 | $2,223,000 | 5/31/2019 |
| 5190- Hattan Road Pump Station **(6)** | 5.6 MGD pump station | Construction | Electrical work in progress | $2,190,000 | $4,402,000 | $2,817,000 | 9/30/2019 |
| 5191- Hattan Road Transmission Main **(7)** | 10,150' of 18" and 20" water main | Construction | Final tie ins scheduled for early August; punchlist work including site restoration remaining. | $3,465,000 | $3,845,000 | $3,766,000 | 8/31/2019 |
| Phase 2 Project Work charged to Phase 1 | Property acquisition, etc. | Planning | Property consultant continuing dialogue with various owners | $0 | $375,000 | $89,000 | 12/31/2019 |
| **TOTALS** | | | | **$23,296,000** | **$29,135,000** | **$25,892,000** | **12/31/2019** |

*Notes:* ***a*** *- "Projected Total Expenditures" includes all costs through all project phases (planning, design, construction, etc.), spanning multiple years as applicable.*

***b*** *- "Expenditures to Date" includes all project costs through end of prior month, rounded to the nearest thousand.*

EXHIBIT A

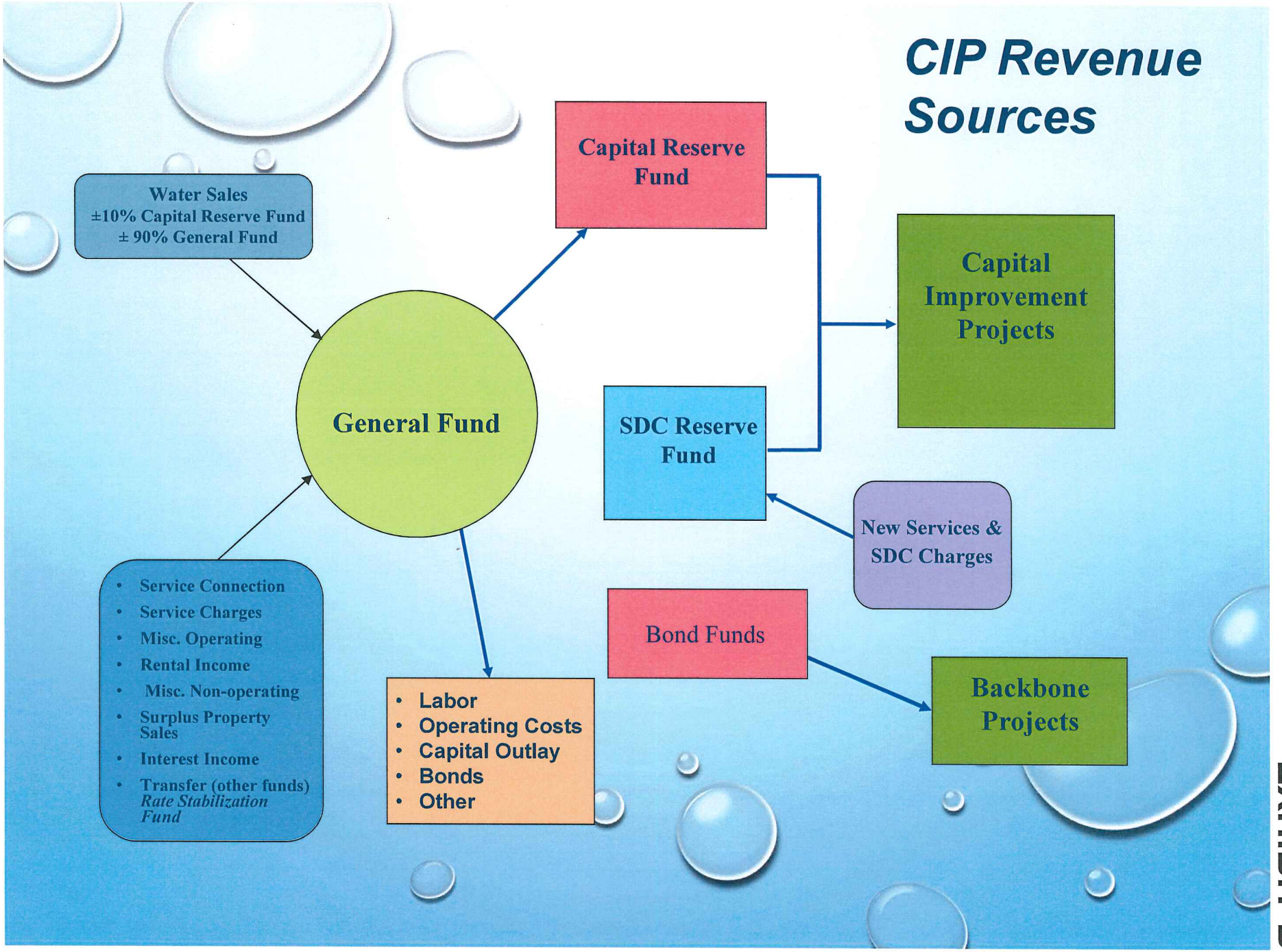
CIP Revenue Sources
Water Sales
±10% Capital Reserve Fund
± 90% General Fund
Capital Reserve Fund
Capital Improvement Projects
General Fund
SDC Reserve Fund
New Services & SDC Charges
Service Connection
Service Charges
Misc. Operating
Rental Income
Misc. Non-operating
Surplus Property Sales
Interest Income
Transfer (other funds) Rate Stabilization Fund
Labor
Operating Costs
Capital Outlay
Bonds
Other
Bond Funds
Backbone Projects

EXHIBIT B

Exhibit C

**CIP Project Reporting BN 2019-2021**

| | Project # | Exp prior to this Budget Cycle | BN 2019-21 Budget | FY 2020 through 8/20/19 | Remaining Budget | Total Project Spend to Date |
|---|---|---|---|---|---|---|
| ODOT/City/Clackamas County DTD Adjustments | 5249 | $ - | $ 236,000 | $ 16,301 | $ 219,699 | $ 16,301 |
| CRC Mobility (subset of 5249) | 5243 | 6,309 | 50,000 | - | 50,000 | 6,309 |
| Edgewood Neighborhood Waterline | 5239 | 91,467 | 1,045,000 | - | 1,045,000 | 91,467 |
| Forsythe Road Waterlline | 5251 | - | 572,000 | - | 572,000 | - |
| Leland Road Master Meter and Waterline | TBD | - | 480,000 | - | 480,000 | - |
| 82nd Drive Waterline - Phase 1 | TBD | - | 814,000 | - | 814,000 | - |
| Orchid Waterline and Meter | TBD | - | 74,000 | - | 74,000 | - |
| Mather Reservoir Control Valve | 5250 | - | 210,000 | - | 210,000 | - |
| 90th Avenue Pump Station Valve Replacement | 5248 | - | 150,000 | - | 150,000 | - |
| | | $ 97,776 | $ 3,631,000 | $ 16,301 | $ 3,614,699 | $ 114,077 |

**CIP Bond Construction Fund Reporting BN 2019-2021**

| | Project # | Exp prior to this Budget Cycle | BN 2019-21 Budget | FY 2020 through 8/20/19 | Remaining Budget | Total Project Spend to Date |
|---|---|---|---|---|---|---|
| 152nd Avenue Reservoir | 5188 | $ 7,979,006 | $ 1,410,000 | $ 8,335 | $ 1,401,665 | $ 7,987,340 |
| Hattan Road Pump Station | 5190 | 3,420,758 | 1,322,000 | 417,128 | 904,872 | 3,837,886 |
| Hattan Road Transmissoin Main | 5191 | 3,765,879 | 382,000 | 76,694 | 305,307 | 3,842,572 |
| Grasle Road Transmission Main (Phase 2) | 5235 | 26,894 | - | 218 | (218) | 27,112 |
| Beaverlake Pump Station (Phase 2) | 5236 | 33,379 | - | 2,215 | (2,215) | 35,594 |
| Bradley Road Tranmission Main (Phase 2) | 5237 | - | - | 1,072 | (1,072) | 1,072 |
| General Project Administration | 5187 | 207,076 | 25,000 | - | 25,000 | 207,076 |
| | | $ 15,432,992 | $ 3,139,000 | $ 505,661 | $ 2,633,339 | $ 15,938,653 |

EXHIBIT C-1

**Capital Project Reporting**
**S Edgewood St Waterline Replacement**
Project # 5239
Report Date: 8/20/19

**Status:** Contract awarded 7/11/19, construction to begin prior to year end 2019.

**Background and Scope:** For BN 2017-19 CRW anticipated this project's scope to include design and construction of 1,150 LF of 8-inch DI pipe to replace existing failing piping along Edgewood Street. Project design confimred the need and value of replacing additional sections of failing neighborhood piping (Edgewood Court and Ewdgewood Lane) as a more comprehensive overall replacement.

The project includes a budget of $1,045,000 for construction of 4,000 LF of 8-inch DI waterline, 40 service upgrades, valves, hydrants and other related water infrastructure along S Edgewood Street, Court and Lane.

| | Total Budget | Engineering Est for Construction with contingency | Inside Work (Includes labor/services/overhead) | Outside work (Includes engineering/survey/pemits/legal/overhead) |
|---|---|---|---|---|
| BN 2017-19 Budget (1) | $ 375,000 | $ 270,000 | $ 56,700 | $ 48,300 |
| Actual Costs BN 2017-19 | $ 91,467 | $ - | $ 9,301 | $ 82,166 |
| Remaining Budget | $ 283,533 | $ 270,000 | $ 47,399 | $ (33,866) |
| | | | | |
| BN 2019-21 Budget | $ 1,045,000 | $ 868,800 | $ 58,800 | $ 117,400 |
| Contracts Awarded (2) | 654,945 | 654,945 | | |
| Actual Costs to Date | - | - | - | - |
| Remaining Available Budget | $ 390,055 | $ 213,855 | $ 58,800 | $ 117,400 |
| | | | | |
| Total Project Costs to date | $ 91,467 | $ - | $ 9,301 | $ 82,166 |

(1) BN 17-19 incurred actual costs against prior period budget (primarily for design and scoping of project) and does not impact BN 19-21 budget dollars.

(2) These dollars are encumbered and anticipated to be spent this budget period.

# CLACKAMAS RIVER WATER - CIP CHECKLIST

updated 10/16/17

**Project Name:** _____ **Project No:** _____

**Consultant:** _____

## PLANNING AND DESIGN

| Phase | Task | Initial | Date | Comments | Admin Contract Coordinator Assistance (Initial&Date) |
|---|---|---|---|---|---|
| *Planning* | | | | | |
| | Identify System Deficiency | | | Hydraulic Analysis, Master Plan, Leak Data, etc. | |
| | Preliminary Cost & Narrative- Budget FY____ | | | | |
| | Project Summary & Scope- Budget FY____ | | | Multi-yr Project? YES NO | |
| | Inside/Outside Design Decision | | | | |
| | Inside/Outside Construction Decision | | | | |
| | Notify Admin Contract Coordinator | | | In/Out Design/Construction Decision | |
| | Notify Board of CIP Project- Budget FY____ | | | | |
| | Revised Cost Estimate | | | If Necessary | |
| | Board Approves CIP | | | | |
| | New Project Request Form | | | Approved by FACS | |
| | Project Kick-Off Meeting | | | Engineering, Ops, etc. | |
| | BOLI WH118 & WH119- Budget FY____ | | | Submit 30d before Budget adoption | |
| | | | | | |
| *Pre-Design* | | | | | |
| | Solicit for Survey | | | If Necessary/If Separate from Design PSA | Solicit for Surveying |
| | Survey PSA Review | | | If Necessary/If Separate from Design PSA | Evaluate Proposals |
| | Survey & Review | | | If Necessary | Notice of Intent to Award- Surveyor |
| | Stakeholder Meetings | | | | GM/Board Approves Surveying PSA |
| | | | | | Notice to Proceed- Surveying Consultant |
| *Design* | | | | | |
| | Solicit for Design Consultant | | | If Applicable | Solicit for Design Consulting |
| | 30% Design - Drawings | | | | Evaluate Proposals |
| | 60% Design - Drawings & Specifications | | | | Notice of Intent to Award- Consultant |
| | Refresh Utility Locates | | | If Necessary | GM/Board Approves Design PSA |
| | 90% Design - Drawings & Specifications | | | | Notice to Proceed- Design Consultant |
| | Oregon Health Authority (OHA) Review | | | If Necessary | |
| | Easements - Temporary and Permanent | | | | |
| | Permits - City, County, State | | | | |
| | Final Design Delivered | | | | |
| | | | | | |
| *Contract & Bidding* | | | | | |
| | Assemble Contract | | | | |
| | Draft Contract Legal / Admin Review | | | GM Initials (or Designee) | |
| | Draft Contract Front End to Insurance for Review | | | If Necessary | |
| | Advertisement For Bids | | | Formal Public Ad for projects >$100k | |
| | Pre-Bid Meeting | | | If Necessary | |
| | Bid Addenda | | | If Necessary | |
| | Maintain Plan Holders List | | | | |
| | Respond to Contract Questions | | | | |
| | Bid Opening | | | | |
| | First Tier Sub Opening | | | | |
| | Check Bids for Irregularities | | | | |
| | Bid Tally | | | | |
| | Identify Apparent Low Bidder | | | | |
| | Issue Notice of Intent to Award | | | | |
| | Distribute Final Planholder List & Bid Tally | | | | |
| | BOLI Contractor Reference Check | | | | |
| | Contract Award | | | Incl. Board award if req'd (>$50k) | |
| | Notice of Award | | | | |
| | Issue Notice of Award Letter | | | | |
| | Executed Contract Front End to Insurance for Review | | | | |
| | CRW Sign and Distribute Contracts | | | 1-CRW, 1-Contractor, 1-Consultant (if appl.) | |
| | Solicit for Special Inspection Services | | | If Necessary | |
| | Special Inspection Services Award & PSA | | | | |
| | Return Bid Bonds to Other Bidders | | | | |
| | CCB Responsible Bidder Form | | | Within 30 days of Award- submit online | |
| | BOLI WH81 & WH39 Forms | | | Within 30 days of Award | |
| | | | | | |

**Contractor:** _____

## CONSTRUCTION

| Phase | Task | Initial | Date | Comments | Admin Contract Coordinator Assistance (Initial&Date) |
|---|---|---|---|---|---|
| *Construction* | | | | | |
| | Pre-Construction Meeting | | | | |
| | Issue Pre-Construction Meeting Minutes | | | | |
| | Notice to Proceed | | | | |
| | Submittal Review | | | | |
| | Construction Start | | | | |
| | CRW Daily Inspection Reports | | | | |
| | Weekly Progress Meetings | | | If Necessary | |
| | Review & Process Change Orders | | | If Necessary- CO#1___, CO#2___, CO# | GM and Board Approval of CO's if reqd |
| | Prepare Monthly Payments | | | | |
| | System Testing | | | | |
| | Pressure Testing & Disinfection | | | | |
| | Approved Bac-T Test Result | | | | |
| | Pre-Final Inspection Punch List | | | | |
| | Receive As-Built Information from Contractor | | | | |
| | Punch List Completion | | | | |
| | Final Inspection | | | | |
| | Special Inspection Reports Summary | | | If Necessary | |
| | Final Quantities Adjustment Change Order | | | | GM and Board Approval of CO's if reqd |
| | Contractor Signs Release of Liens Form | | | | |
| | Issue Completion / Lien Letters to Suppliers | | | If Necessary | |
| | Receive 1-yr Maintenance Bond from Contractor | | | | |
| | Final Payment (Including Retainage) | | | | |
| | Start Maintenance Bond Period- Receive Wrty Bond | | | Include Donation of Assets/Easement recording as necessary | |
| | Final Acceptance by Board | | | | |
| | BOLI Fee Adjustment Form WH40 | | | Within 30 days of Final Payment (if contract incr.>0.1%) | |
| | Write Final Report / Documentation to File | | | | |
| | Coordinate As-Built / Record Drawings | | | | |
| | Complete Record Drawings | | | | |
| | Complete Valve Maps & Hydrant Form(s) | | | | |
| | Scan As-Built Drawings Into AIM | | | | |
| | | | | | |
| *Close-Out* | | | | | |
| | Record Asset & Report to FACS | | | | |
| | Prepare Project Files for Retention/Docuware | | | Coordinate with Admin Contract File | |
| | Monitor Project During Maintenance Bond Period | | | | |
| | Release Maint. Bond After One Year | | | | |
| | Close and Archive Project (w/FACS) | | | | |
| | | | | | |

EXHIBIT D

# Capital Project Status Update and Reporting

CLACKAMAS RIVER WATER

BOARD WORK SESSION

AUGUST 26, 2019

*Clackamas River Water*

# Discussion Outline

*(Refer to Agenda Item write-up in Board Packet for details)*

**Project Budgeting and Estimating**

- BUDGET LEVEL PROJECT ESTIMATES
- FINAL DESIGN ESTIMATES
- CONTINGENCIES
- CHANGE ORDERS

**Phases of Project Execution**

- PLANNING
- DESIGN
- BIDDING AND CONSTRUCTION
- CLOSE-OUT

**Exhibits**

# EXHIBIT A

## Project Updates

Pipeline Projects

*(as of end of July 2019)*

| Project No. | Name | Description | Budget | Spent | Phase | Status |
|---|---|---|---|---|---|---|
| **16-5205 Private** | Glen Oak Master Meter | Master Meter to Oregon City | N/A | N/A | Design | No activity with CRW this month. Developer is communicating with OC regarding inspection requirements. |
| **16-5206 Private** | Rosewood Terrace | 200+ Multi-family housing 6" meter | N/A | N/A | Const. | Punch list underway |
| **17-5219 DTD** | CRC Mobility Project | Transportation improvements on Sunnyside Rd. | N/A | N/A | Design | No activity this month |
| **17-5219 ODOT** | OR212: UPRR-Rock Cr | Pavement restoration and ADA upgrades | N/A | N/A | Design | No activity this month |
| **17-5219 ODOT** | OR224: Rusk – I-205 | Road widening, drainage and safety improvements | N/A | N/A | Design | No activity this month |
| **18-5232 Private** | Copper Heights | Residential 30 lot subdivision on difficult site | N/A | N/A | Design | No activity this month |
| **17-5209 CO** | Commercial Meters | Meter Replacement at Alder Cr. Middle School | $ 70k | N/A | Bidding | Working on alternativ procurement plan. |
| **18-5239 CIP** | Edgewood WL | Waterline replacement | $1.2M | $79.4k | Const. | Contract award - July Const. start anticipate the end of 2019. |
| **19-5241 CIP** | Sunnybrook Loop WL | New waterline | $60k | $12.5k | Bidding | Preparing for procurement in the fa |
| **14-5162 CIP** | Neibur Rd. W/L | New waterline | $65k | $2k | Bidding | Preparing for bidding i the fall. |
| **19-5250 CIP** | Mather Res. Control Valve | Reservoir level control valve with telemetry | $210k | $0 | Design | Consultant preparing scope. |

## Project Updates

Pipeline Projects

*Backbone Phase 1 - Project Management Report – June 2019*

| Project Number and Name | Description | Current Phase | Status | Original Cost Estimate (2015) | Projected Total Expenditures (All Phases) *a* | Expenditures to Date (All FY's) *b* | Actual or Projected Completion |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| 5187- Backbone General Administration | General Planning and Management | | Ongoing | $0 | $250,000 | $207,000 | 12/31/2019 |
| 5160- Butterfield Lane Transmission Main **(1)** | 10,300' of 16" water main | Complete | Complete | $2,930,000 | $2,567,000 | $2,567,000 | 7/1/2017 |
| 5217- Carver-Springwater Transmission Main **(2)** | 3,000' of 18" water main | Complete | Complete | $790,000 | $1,875,000 | $1,872,000 | 6/30/2018 |
| 5188- 152nd Ave Reservoir **(3)** | 6 MG concrete reservoir, water main and appurtenances | Construction | Reservoir prestressing complete; initial fill and backfilling work to begin in late August | $10,015,000 | $9,400,000 | $8,613,000 | 12/31/2019 |
| 5195- Redland Reservoir No. 3 **(4)** | 1.25 MG steel reservoir and appurtenances | Construction | Complete; minor site restoration punchlist items remaining | $2,160,000 | $4,128,000 | $3,738,000 | 6/30/2019 |
| 5189- Highway 224 Intertie **(5)** | 6,000' of 20" water main | Construction | Complete | $1,746,000 | $2,293,000 | $2,223,000 | 5/31/2019 |
| 5190- Hattan Road Pump Station **(6)** | 5.6 MGD pump station | Construction | Electrical work in progress | $2,190,000 | $4,402,000 | $2,817,000 | 9/30/2019 |
| 5191- Hattan Road Transmission Main **(7)** | 10,150' of 18" and 20" water main | Construction | Final tie ins scheduled for early August; punchlist work including site restoration remaining. | $3,465,000 | $3,845,000 | $3,766,000 | 8/31/2019 |
| Phase 2 Project Work charged to Phase 1 | Property acquisition, etc. | Planning | Property consultant continuing dialogue with various owners | $0 | $375,000 | $89,000 | 12/31/2019 |
| **TOTALS** | | | | **$23,296,000** | **$29,135,000** | **$25,892,000** | **12/31/2019** |

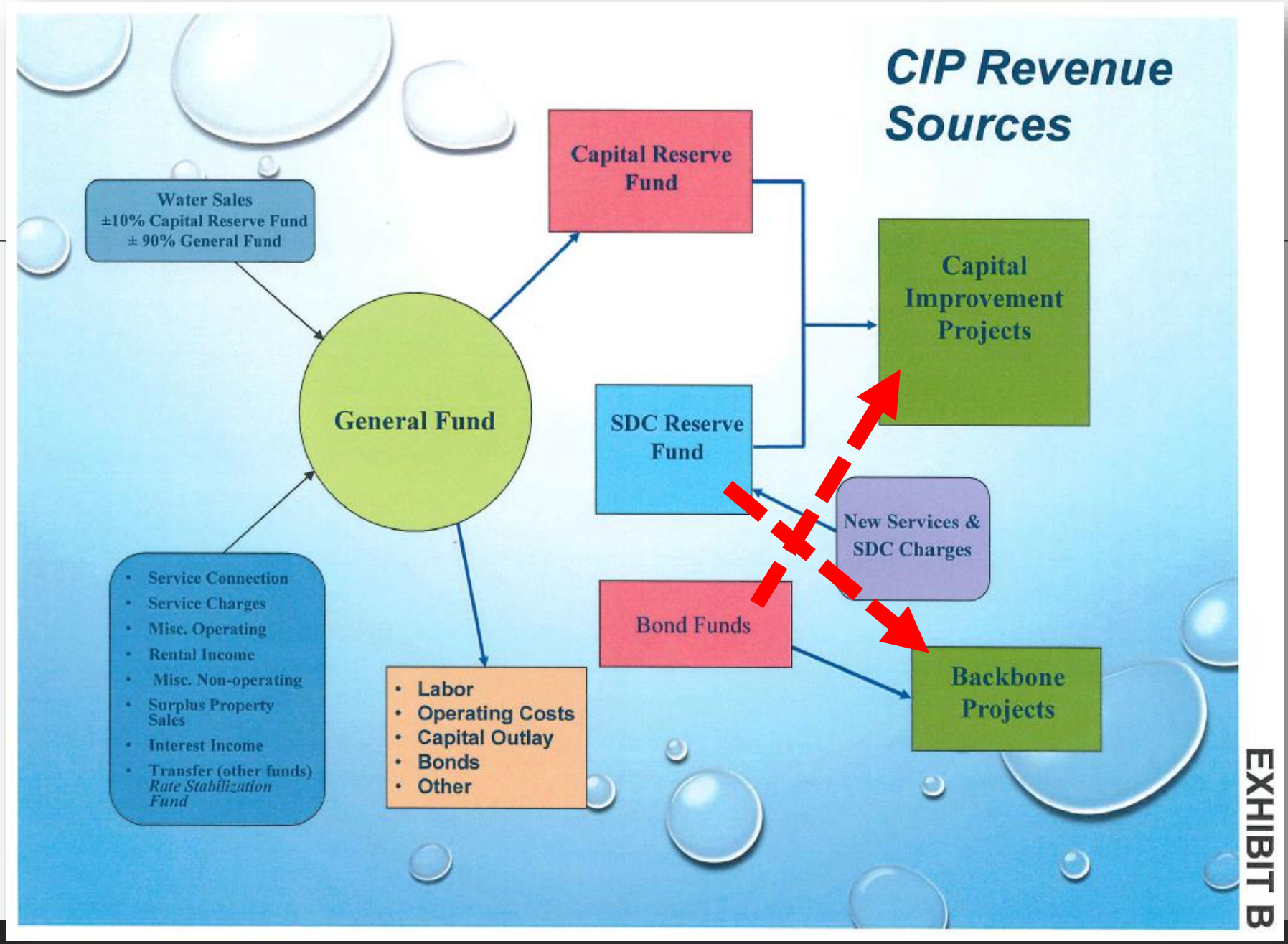
CIP Revenue Sources
Water Sales
±10% Capital Reserve Fund
± 90% General Fund
Capital Reserve Fund
Capital Improvement Projects
General Fund
SDC Reserve Fund
New Services & SDC Charges
Service Connection
Service Charges
Misc. Operating
Rental Income
Misc. Non-operating
Surplus Property Sales
Interest Income
Transfer (other funds)
Rate Stabilization Fund
Bond Funds
Backbone Projects
Labor
Operating Costs
Capital Outlay
Bonds
Other
EXHIBIT B

Exhibit C

**CIP Project Reporting BN 2019-2021**

| | Project # | Exp prior to this Budget Cycle | BN 2019-21 Budget | FY 2020 through 8/20/19 | Remaining Budget | Total Project Spend to Date |
|---|---|---|---|---|---|---|
| ODOT/City/Clackamas County DTD Adjustments | 5249 | $ - | $ 236,000 | $ 16,301 | $ 219,699 | $ 16,301 |
| CRC Mobility (subset of 5249) | 5243 | 6,309 | 50,000 | - | 50,000 | 6,309 |
| Edgewood Neighborhood Waterline | 5239 | 91,467 | 1,045,000 | - | 1,045,000 | 91,467 |
| Forsythe Road Waterlline | 5251 | - | 572,000 | - | 572,000 | - |
| Leland Road Master Meter and Waterline | TBD | - | 480,000 | - | 480,000 | - |
| 82nd Drive Waterline - Phase 1 | TBD | - | 814,000 | - | 814,000 | - |
| Orchid Waterline and Meter | TBD | - | 74,000 | - | 74,000 | - |
| Mather Reservoir Control Valve | 5250 | - | 210,000 | - | 210,000 | - |
| 90th Avenue Pump Station Valve Replacement | 5248 | - | 150,000 | - | 150,000 | - |
| | | $ 97,776 | $ 3,631,000 | $ 16,301 | $ 3,614,699 | $ 114,077 |

**CIP Bond Construction Fund Reporting BN 2019-2021**

| | Project # | Exp prior to this Budget Cycle | BN 2019-21 Budget | FY 2020 through 8/20/19 | Remaining Budget | Total Project Spend to Date |
|---|---|---|---|---|---|---|
| 152nd Avenue Reservoir | 5188 | $ 7,979,006 | $ 1,410,000 | $ 8,335 | $ 1,401,665 | $ 7,987,340 |
| Hattan Road Pump Station | 5190 | 3,420,758 | 1,322,000 | 417,128 | 904,872 | 3,837,886 |
| Hattan Road Transmissoin Main | 5191 | 3,765,879 | 382,000 | 76,694 | 305,307 | 3,842,572 |
| Grasle Road Transmission Main (Phase 2) | 5235 | 26,894 | - | 218 | (218) | 27,112 |
| Beaverlake Pump Station (Phase 2) | 5236 | 33,379 | - | 2,215 | (2,215) | 35,594 |
| Bradley Road Tranmission Main (Phase 2) | 5237 | - | - | 1,072 | (1,072) | 1,072 |
| General Project Administration | 5187 | 207,076 | 25,000 | - | 25,000 | 207,076 |
| | | $ 15,432,992 | $ 3,139,000 | $ 505,661 | $ 2,633,339 | $ 15,938,653 |

EXHIBIT C-1

**Capital Project Reporting**
**S Edgewood St Waterline Replacement**
Project # 5239
Report Date: 8/20/19

**Status:** Contract awarded 7/11/19, construction to begin prior to year end 2019.

**Background and Scope:** For BN 2017-19 CRW anticipated this project's scope to include design and construction of 1,150 LF of 8-inch DI pipe to replace existing failing piping along Edgewood Street. Project design confimred the need and value of replacing additional sections of failing neighborhood piping (Edgewood Court and Ewdgewood Lane) as a more comprehensive overall replacement.

The project includes a budget of $1,045,000 for construction of 4,000 LF of 8-inch DI waterline, 40 service upgrades, valves, hydrants and other related water infrastructure along S Edgewood Street, Court and Lane.

| | Total Budget | Engineering Est for Construction with contingency | Inside Work (Includes labor/services/overhead) | Outside work (Includes engineering/survey/pemits/legal/overhead) |
|---|---|---|---|---|
| BN 2017-19 Budget (1) | $ 375,000 | $ 270,000 | $ 56,700 | $ 48,300 |
| Actual Costs BN 2017-19 | $ 91,467 | $ - | $ 9,301 | $ 82,166 |
| Remaining Budget | $ 283,533 | $ 270,000 | $ 47,399 | $ (33,866) |
| BN 2019-21 Budget | $ 1,045,000 | $ 868,800 | $ 58,800 | $ 117,400 |
| Contracts Awarded (2) | 654,945 | 654,945 | | |
| Actual Costs to Date | - | - | - | - |
| Remaining Available Budget | $ 390,055 | $ 213,855 | $ 58,800 | $ 117,400 |
| Total Project Costs to date | $ 91,467 | $ - | $ 9,301 | $ 82,166 |

(1) BN 17-19 incurred actual costs against prior period budget (primarily for design and scoping of project) and does not impact BN 19-21 budget dollars.

(2) These dollars are encumbered and anticipated to be spent this budget period.

# EXHIBIT D

## CLACKAMAS RIVER WATER - CIP CHECKLIST

updated 10/16/17

Project Name: _____ Project No: _____

Consultant: _____

## PLANNING AND DESIGN

| Phase | Task | Initial | Date | Comments | Admin Contract Coordinator Assistance (Initial&Date) |
|---|---|---|---|---|---|
| *Planning* | | | | | |
| | Identify System Deficiency | | | Hydraulic Analysis, Master Plan, Leak Data, etc. | |
| | Preliminary Cost & Narrative- Budget FY____ | | | | |
| | Project Summary & Scope- Budget FY____ | | | Multi-yr Project? YES NO | |
| | Inside/Outside Design Decision | | | | |
| | Inside/Outside Construction Decision | | | | |
| | Notify Admin Contract Coordinator | | | In/Out Design/Construction Decision | |
| | Notify Board of CIP Project- Budget FY____ | | | | |
| | Revised Cost Estimate | | | If Necessary | |
| | Board Approves CIP | | | | |
| | New Project Request Form | | | Approved by FACS | |
| | Project Kick-Off Meeting | | | Engineering, Ops, etc. | |
| | BOLI WH118 & WH119- Budget FY____ | | | Submit 30d before Budget adoption | |
| *Pre-Design* | | | | | |
| | Solicit for Survey | | | If Necessary/If Separate from Design PSA | |
| | Survey PSA Review | | | If Necessary/If Separate from Design PSA | |
| | Survey & Review | | | If Necessary | |
| | Stakeholder Meetings | | | | |
| *Design* | | | | | |
| | Solicit for Design Consultant | | | If Applicable | |
| | 30% Design - Drawings | | | | |
| | 60% Design - Drawings & Specifications | | | | |
| | Refresh Utility Locates | | | If Necessary | |
| | 90% Design - Drawings & Specifications | | | | |
| | Oregon Health Authority (OHA) Review | | | If Necessary | |
| | Easements - Temporary and Permanent | | | | |
| | Permits - City, County, State | | | | |
| | Final Design Delivered | | | | |
| *Contract & Bidding* | | | | | |
| | Assemble Contract | | | | |
| | Draft Contract Legal / Admin Review | | | GM Initials (or Designee) | |
| | Draft Contract Front End to Insurance for Review | | | If Necessary | |
| | Advertisement For Bids | | | Formal Public Ad for projects >$100k | |
| | Pre-Bid Meeting | | | If Necessary | |
| | Bid Addenda | | | If Necessary | |
| | Maintain Plan Holders List | | | | |
| | Respond to Contract Questions | | | | |
| | Bid Opening | | | | |
| | First Tier Sub Opening | | | | |
| | Check Bids for Irregularities | | | | |
| | Bid Tally | | | | |
| | Identify Apparent Low Bidder | | | | |
| | Issue Notice of Intent to Award | | | | |
| | Distribute Final Planholder List & Bid Tally | | | | |
| | BOLI Contractor Reference Check | | | | |
| | Contract Award | | | Incl. Board award if req'd (>$50k) | |
| | Notice of Award | | | | |
| | Issue Notice of Award Letter | | | | |
| | Executed Contract Front End to Insurance for Review | | | | |
| | CRW Sign and Distribute Contracts | | | 1-CRW, 1-Contractor, 1-Consultant (if appl.) | |
| | Solicit for Special Inspection Services | | | If Necessary | |
| | Special Inspection Services Award & PSA | | | | |
| | Return Bid Bonds to Other Bidders | | | | |
| | CCB Responsible Bidder Form | | | Within 30 days of Award- submit online | |
| | BOLI WH81 & WH39 Forms | | | Within 30 days of Award | |

## CONSTRUCTION

| Phase | Task | Initial | Date | Comments | Admin Contract Coordinator Assistance (Initial&Date) |
|---|---|---|---|---|---|
| *Construction* | | | | | |
| | Pre-Construction Meeting | | | | |
| | Issue Pre-Construction Meeting Minutes | | | | |
| | Notice to Proceed | | | | |
| | Submittal Review | | | | |
| | Construction Start | | | | |
| | CRW Daily Inspection Reports | | | | |
| | Weekly Progress Meetings | | | If Necessary | |
| | Review & Process Change Orders | | | If Necessary- CO#1___, CO#2___, CO# | GM and Board Approval of CO's if reqd |
| | Prepare Monthly Payments | | | | |
| | System Testing | | | | |
| | Pressure Testing & Disinfection | | | | |
| | Approved Bac-T Test Result | | | | |
| | Pre-Final Inspection Punch List | | | | |
| | Receive As-Built Information from Contractor | | | | |
| | Punch List Completion | | | | |
| | Final Inspection | | | | |
| | Special Inspection Reports Summary | | | If Necessary | |
| | Final Quantities Adjustment Change Order | | | | GM and Board Approval of CO's if reqd |
| | Contractor Signs Release of Liens Form | | | | |
| | Issue Completion / Lien Letters to Suppliers | | | If Necessary | |
| | Receive 1-yr Maintenance Bond from Contractor | | | | |
| | Final Payment (Including Retainage) | | | | |
| | Start Maintenance Bond Period- Receive Wrty Bond | | | Include Donation of Assets/Easement recording as necessary | |
| | Final Acceptance by Board | | | | |
| | BOLI Fee Adjustment Form WH40 | | | Within 30 days of Final Payment (if contract incr.>0.1%) | |
| | Write Final Report / Documentation to File | | | | |
| | Coordinate As-Built / Record Drawings | | | | |
| | Complete Record Drawings | | | | |
| | Complete Valve Maps & Hydrant Form(s) | | | | |
| | Scan As-Built Drawings Into AIM | | | | |
| *Close-Out* | | | | | |
| | Record Asset & Report to FACS | | | | |
| | Prepare Project Files for Retention/Docuware | | | Coordinate with Admin Contract File | |
| | Monitor Project During Maintenance Bond Period | | | | |
| | Release Maint. Bond After One Year | | | | |
| | Close and Archive Project (w/FACS) | | | | |

**Agenda Item – 2**

# CLACKAMAS RIVER WATER

## BOARD WORK SESSION

## August 26, 2019

| | |
|---|---|
| **SUBJECT** | Clackamas Regional Water Supply Commission (CRWSC) Update |
| **PRINCIPAL STAFF PERSON** | Todd Heidgerken, General Manager |
| **DOCUMENTS ATTACHED** | Exhibit A – 2013 version of frequently asked questions pertaining to the formation of the CRWSC |

**Agenda Summary**

**BACKGROUND**

One of the Board Goals has been to confirm the purpose of the Clackamas Regional Water Supply Commission (CRWSC). The CRWSC organization was formed as a result of a cooperative intergovernmental agreement (IGA) (sometimes referred to as an ORS 190 agreement) between Clackamas River Water (CRW) and Sunrise Water Authority (SWA). The CRWSC IGA allows for sharing of resources (people and equipment) and allowed for the possible "consolidation of operation functions" where practical. The CRWSC IGA also allows for future Water Supply Agreements to be developed as needed to allow CRWSC members (i.e. SWA) to access the water supply that is made available under the CRWSC IGA.

Attached is a copy of the frequently asked question that was produced to provide additional background during the initial formation of CRWSC (Exhibit A)

One of the initial concepts behind the formation of the CRWSC was the question of if an ORS 190 organization would acquire some level of protection to its boundaries inherently assigned to SWA. Since SWA is a "water authority", it is immune to annexation by law unlike CRW which is a "special district". This issue led to a legal dispute with Oregon City regarding the annexation process which was eventually led to a settlement agreement in May 2014. The settlement agreement included a provision where the parties agreed that the CRWSC agreement doesn't limit the authority or ability of Oregon City to withdraw territory from CRW under state annexation statutes.

CRW and SWA share labor under the CRWSC. In addition, water sales to SWA are coordinated under the CRWSC. Lastly, a joint "planning document" was developed for the CRWSC members that looked at future water supply needs and timing of demands.

More recently, the North Clackamas County Water Commission (NCCWC), which includes SWA as one of three members, has revised and updated its agreement. CRW currently has an agreement with the NCCWC to supply approximately 2.5 MGD. The NCCWC has subsequently assigned this allocation to SWA for their use. The agreement between CRW and NCCWC allowing for the 2.5 MGD to be provided to SWA is incorporated into the CRWSC agreement.

Since the CRWSC initial formation, there have been some changes such as the settlement agreement with Oregon City, reduced need by SWA for staffing assistance from CRW, and a new NCCWC agreement that provides an opportunity to have a supply agreement between CRW and NCCWC that can help meeting future needs of NCCWC members including SWA. The purpose of this work session item is to discuss changes and how they impact the purpose of the CRWSC.

The next meeting of the CRWSC Board is scheduled for Thursday, August 29 and will include a discussion of the future of the CRWSC.

Exhibit A

August 2013

# Clackamas River Water / Sunrise Water Authority

# Cooperative Agreement

# FREQUENTLY ASKED QUESTIONS

**Why have the two water utilities created a new cooperative agreement?**

The two agencies border one another and provide similar services. There are a number of opportunities for the two agencies to cooperate, reducing their individual costs and enhance operations.

**What is the source of CRW's water? Is there surplus water available?**

Both utilities use the Clackamas River as their main source of water supply. CRW has ample water rights on the Clackamas River and its treatment plant can produce up to 24 million gallons per day (mgd). With a current peak demand of only 9 mgd to serve CRW customers, this leaves surplus capacity to help meet the needs of surrounding communities.

**Who would use the water?**

Under this agreement, CRW would make up to 10 mgd of surplus capacity available for purchase by participating members. Sunrise would begin using 25% of that capacity today, while paying full costs for treatment and delivery. And Sunrise would use more of that surplus capacity in the future as demand grows.

**How does CRW benefit, along with its customers?**

CRW's plant is underutilized and the fixed cost associated with that unused portion of the plant, including staffing and depreciation, are paid totally by CRW's ratepayers. This agreement establishes a long-term arrangement with Sunrise and other potential members of cooperative agency for expanded use of CRW's plant, thus reducing the overall financial burden on CRW ratepayers over time. Moreover, various resources and services would be shared, making more cost effective use of those resources and reducing costs to participating members.

**Do Sunrise and its customers benefit, too?**

Sunrise needs more water in the future and it can build its own facilities to compete with CRW and other suppliers or simply make good use of available supplies. The answer here is simple – the use of existing supplies will be more cost effective for all parties, including Sunrise. Similarly, the use of shared resources and services within the combined agency provide opportunities for reducing the costs to all parties.

**What services do the two utilities already share?**

CRW and Sunrise have already begun sharing labor, equipment, and services at cost, including water quality testing, engineering, facilities mapping, and planning. They also share a pipeline that connects the CRW treatment plant with neighboring facilities owned and operated by the South Fork Water Board and North Clackamas County Water Commission.

**Does the cooperative agreement change the utilities' service boundaries?**

No. Both agencies would continue to serve their own customers and maintain their own service boundaries. CRW, however, is currently subject to future boundary changes through the process of municipal annexation; Sunrise is not. Accordingly, there has been some confusion as to what areas are actually served by the two agencies. This agreement looks to clear up those boundary issues and prioritize the creation of service arrangements with all

adjacent municipalities by developing a coordinated intergovernmental plan for future water service.

**Are any new facilities needed?**

No, at least not initially. The existing facilities of both agencies are sufficient to allow for the anticipated delivery of water. But as demand grows, especially for Sunrise, there will have to be additional pipelines built to convey the water, all at the cost of Sunrise. The agreement creates a water pricing model that recovers the full cost of service provided by CRW for both treatment and delivery.

**How will this agreement impact the Clackamas River?**

The Clackamas River will not be impacted. The agreement will utilize CRW's existing water rights which have been fully permitted by the Oregon Water Resource Department. No additional water rights from the Clackamas River will be required.

**How will customers' water rates be affected?**

The cooperative agreement will yield long-term savings for CRW and Sunrise customers. The goal is to make maximum use of existing resources and facilities, while avoiding the unnecessary and costly option of building additional capacity. Any future upgrades to the water treatment plant and delivery system will also be shared proportionate to use.

**Will the agreement create another agency?**

Yes, a separate agency will be formed similar to South Fork Water Board or the Joint Water Commission. However, no additional staff or facilities will be needed to implement this new agency. Its main purpose is to oversee the sale of water and optimize operations among participating members.

**How will this new agency be governed? Who is in charge?**

The agreement will be governed by equal representation from the two utilities' elected Boards of Commissioners. The full Boards will, in turn, remain in charge of their separate utilities. Decision making will require a majority vote, meaning at least one member from each representative Board must agree on every issue at hand.

**Will the two water utilities be merged?**

This is not a merger. The two utilities will continue to operate as independent entities, serving their respective customers under the direction of their own Boards of Commissioners.

**Who makes the decision to affirm the new agreement? Is it subject to voter approval?**

CRW and Sunrise Boards of Commissioners will make the decision to approve the agreement. Implementation is subject to the terms and conditions of the Agreement. Under Oregon statute, this decision is not subject to voter approval. But both agencies will allow for sufficient period of public input and comment.

**When does the cooperative agreement take effect?**

The agreement would take effect only after approval of resolution by both Boards.

## To learn more...


**Clackamas River Water**

Lee Moore
General Manager
lmoore@crwater.com
(503) 722-9220

**Sunrise Water Authority**

Wade Hathhorn, P.E.
General Manager
whathhorn@sunrisewater.com
(503) 761-0220

Agenda Item – 3

# CLACKAMAS RIVER WATER

## BOARD WORK SESSION

## August 26, 2019

| | |
|---|---|
| **SUBJECT** | Progress Update on Board Approved 2019 Goals for the General Manager |
| **PRINCIPAL STAFF PERSON** | Todd Heidgerken, General Manager |
| **DOCUMENTS ATTACHED** | Exhibit A – Progress on the 2019 Board Goals for the General Manager |

**Agenda Summary**

**BACKGROUND**

The Board of Commissioners has annually established goals for the General Manager. On March 14, 2019 the Board approved the 2019 goals for the General Manager. The goals have been developed in four categories:

- Conduct planning activities to prepare CRW for the future
- Complete the implementation of existing major projects
- Implement opportunities to expand communications with the Board and those relying on CRW for water
- Establish agreements that provide benefits and stability to CRW

Within these four goal categories there were 11 goal areas and 19 specific actions. The attached table provides more details on the actions and the progress on the respective actions.

The purpose of this work session topic is to report on the implementation of the 2019 Board goals for the General Manager. The General Manager will review with the Board the attached information and answer any questions.

EXHIBIT A

| **2019 Clackamas River Water (CRW) Board Goals for the General Manager**<br>**Approved March 14, 2019** | | |
|---|---|---|
| | **Actions by December 31, 2019** | **Progress as of August 15, 2019** |
| **Conduct planning activities to prepare CRW for the future** | | |
| 2019-2021 Biennial Budget | • Complete the 2019-2021 Biennial Budget | • Complete |
| Clackamas Regional Water Supply Commission (CRWSC) Plans | • Confirm purpose of CRWSC with CRW Board (determine if any changes are needed to the IGA)<br>• Determine role of the North Clackamas County Water Commission (NCCWC) and the CRWSC in development of a water supply agreement with Sunrise Water Authority (SWA) | • The CRWSC agreement has continued to allow for the sharing of some resources and allowed for staff to assist each agency. Discussions of a water supply agreement contemplated as part of the CRWSC has been put on hold until Sunrise Water Authority (SWA) indicates a preference of creating an agreement under the CRWSC or the North Clackamas County Water Commission (NCCWC). See next item.<br>• CRW is waiting for SWA to indicate under which organization they would like to proceed with a water supply agreement discussion (create an agreement under the CRWSC or NCCWC). CRW currently has an agreement with the NCCWC to provide 2.5 million gallons a day to SWA. |
| Strategic Planning | • Initiate CRW strategic planning process (Fall/Winter 2019) | • An introduction of the strategic planning process is planned for the October Board Work Session. Between now and October, staff will be working with a consultant to outline the strategic planning process. The planning process is expected to be completed in July 2020. |
| Water Treatment Plant (WTP) Master Plan | • Substantial completion of the water treatment plant master plan | • The Board approved contract with Carollo Engineers to complete the WTP Master Plan in May 2019. The initial "kick off" meeting was completed (7/15/19), and two workshops (8/14/19 and 8/15/19) have been held. Staff has been fulfilling data requests for the planning process. The project is anticipated to take over a year to complete. A draft of the plan is expected to be made available to the Board in August 2020. |
| **Complete the implementation of existing major projects** | | |
| Backbone Project Phase 1 Completion and Phase 2 Financing Initiation | • Complete Phase 1 Backbone Projects<br>• Develop Funding Strategy for Phase 2 Backbone Projects<br>• Secure necessary property and easements for Phase 2 Backbone Projects | • Phase 1 Backbone projects continue to be on schedule to be completed or substantially completed by the end of 2019. Some of the final landscape and final site work on the 152nd Reservoir might need to be scheduled in the spring of 2020 depending on weather.<br>• An initial analysis of bonding capacity and impacts to water rates will be developed by staff and presented to the Board at a work session in February 2020<br>• An agreement has been completed for one of the properties to allow for an easement to be created after the District has completed its analysis on alignment feasibility and options. The Board will be briefed on the status of two property purchases at the end of August. |
| Implementation of non–Backbone Capital Improvement Projects (CIP) | • Continue to implement CIP projects approved in the 2017-2019 Budget and identify and report on progress<br>• Begin to implement CIP Projects approved in the 2019-2021 Budget | • A report on the 2017-2019 CIP was included as part of the quarterly financial update on August 8, 2019. The presentation highlighted that of the nine projects: one project was reclassified as a "Phase 1 Backbone Project" and completed with bond funding; three projects were postponed; one project was completed early and didn't need to be carried over into the 2017-2019 budget; and four projects were implemented.<br>• Eight projects have been identified in the 2019-2021 CIP. The Edgewood Neighborhood Waterline project has been bid. This project constitutes approximately 30% of the CIP. Progress on other CIP projects are included in the Monthly Report. |
| Emergency Preparedness | • Outline the District's approach to complying with the federal risk and resiliency assessment requirement (Due June 2021)<br>• Complete Update to CRW Emergency Operations Plan (EOP)<br>• Complete all phases of VHF radio project | • Final rules outlining the new federal risk and resiliency assessment requirements are anticipated in September 2019. CRW's Emergency Manager has been participating in trainings to achieve certification.<br>• The CRW EOP has been reviewed by external stakeholders and will be distributed to CRW Managers for the final review of the basic plan.<br>• Complete |

| | | |
|---|---|---|
| **Implement opportunities to expand communications with the Board and those relying** | | |
| Board | • Provide a "State of the District" report in March that looks at future needs of the District | • Complete |
| Customers/Public | • Conduct a Customer Survey | • Research on previous surveys and regional surveys is being conducted. A timeline for the survey is being completed. Staff will be looking at how the survey might be coordinated with the strategic planning effort. |
| | | |
| **Establish agreements or processes that provide benefits and stability to CRW** | | |
| South Fork Water Board (SFWB) | • Establish a water supply agreement with SFWB that will provide greater detail and certainty than the current settlement agreement | • Initial meeting with the SFWB General Manager was held yet no additional progress to report. |
| Oregon City Coordination | • Establish a long-term annexation and withdrawal process (future requests)<br>• Establish a process to clean up the service territory with Oregon City (legacy issues -completion of withdrawal of areas served by Oregon City yet still shown as part of CRW's service area)<br>• Work with Oregon City to develop an agreement to address remaining issues identified in the Joint Engineering Study | • Internal guidance has been updated to require future annexation requests where Oregon City will be providing water service to the area to also require the withdrawal of the property.<br>• No progress to report. Funding was included in the 2019-2021 Budget<br>• Meeting was held in May 2019 with OC staff. Planning information was subsequently exchanged. OC staff noted that they are presenting an updated water master plan that addresses concept areas to the OC Commission. A future meeting has not yet been scheduled. |
| | | |

Agenda Item – 4

# CLACKAMAS RIVER WATER

# BOARD WORK SESSION

## August 26, 2019

**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.

Agenda Item – 5

# CLACKAMAS RIVER WATER

## BOARD WORK SESSION

## August 26, 2019

| | |
|---|---|
| **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 August Board Meeting.