

**CLACKAMAS RIVER WATER
WORK SESSION
SUMMARY OF MEETING
January 30, 2017
6:00pm**

COMMISSIONERS PRESENT:

Naomi Angier, Ken Humberston, Hugh Kalani (via phone), Dave McNeel, Larry Sowa

STAFF PRESENT:

General Manager, Todd Heidgerken; CFO, Carol Bryck; Chief Engineer, Bob George; Principal Engineer, Adam Bjornstedt; Water Resources Manager, Rob Cummings; Emergency Manager, Donn Bunyard; IT Manager, Kham Keobounnam; Executive Assistant to the Board, Karin Holzgang

VISITORS PRESENT: Ron Blake, Cheryl McGinnis, Bill Montgomery, Gary Kerr

Call to Order

The meeting was called to order at **6:00pm**

The Meeting was noticed as a possible Executive Session but there is no need to have one tonight

1. **Auditor Selection process:** Staff will be drafting an RFP (Request for Proposal) to send out to solicit proposals from potential audit firms. CRW has retained the same audit firm for the past seven years and in best practice staff is suggesting an advertised solicitation. Ms. Bryck reminded them that the Auditors are ultimately hired by the Board so staff would like to determine to role that the Board would like to play in the selection process and if they wanted to provide any input regarding what criteria to be looking for in an audit firm. Commissioner Blanas asked what time frame we are working with and Ms. Bryck shared that ideally the solicitation would go out in February so that a firm can be contracted with by late spring. Commissioner McNeel asked that the Board be provided a list of the items that the auditors reviewed and Mr. Heidgerken said that when the auditors present at the February meeting the Board would have the opportunity to ask what process they followed. The general feeling of the Board is that staff will conduct the RFP process and then present the findings to the Board with a recommendation.

2. **Update on Oregon City and CRW Coordination:**
 - **Joint Users-** Customers in CRW's District that are being served by Oregon City with their waterlines and water supplied by SFWB. Annually there is to be a payment from CRW to OC for the water they provided to CRW customers, this charge was not being billed by OC to CRW for the past several years. In the joint user agreement charges were established for wheeling at .89/cents per CCF, for the past amount that has not been paid to OC CRW will pay .40 cents per CCF. Going forward (starting with January and until a new rate is determined by a rate study) OC will charge the original .89 cents from the Joint User Agreement. Oregon City has requested that the agreement be updated and will be contracting with FCS Group to conduct a rate study to determine to appropriate charges to include in the agreement. Some of the infrastructure that is being utilized to provide the water is jointly owned between CRW and OC so it is beneficial for CRW to jointly participate in contracting with FCS Group so that a full picture can be provided so a real cost to move water is determined.
 - **Joint User Engineering Study being conducted by Murray Smith & Associates for CRW and OC-** To date both OC and CRW have met separately with the Consultant to provide information

from each entities perspective to get a big picture. The next step is to have staff from both entities meet to go over the data that is being compiled by the Consultant. A work session will follow to update the CRW Board on the information gathered and then staff are suggesting a joint work session with the OC Board and CRW Board members, staff and the Consultants. Commissioner Sowa asked if the study was on schedule and the answer is yes.

3. **Clackamas River Basin Council Property location-** Mr. Bunyard shared a brief history of times when CRBC occupied space on CRW property. CRBC provided staff with criteria for the property that they would like to occupy. After getting this information staff reviewed the properties owned by the District to examine if there was any property sites that CRW owned that could fit in with specified criteria provided by CRBC. Staff identified one property that is located within Riverside Park that could potentially meet the criteria of CRBC. The site does reside in the 100 year flood plain; there is an older septic system; there are some basic other utilities already existing in the park but not down to the location being reviewed. Commissioner McNeel asked where the money for this project would come from.

Cheryl McGinnis (Exec. Director for CRBC) and Ron Black as a Board Member presented to the Board. Ms. McGinnis shared that the first step of their process would be a feasibility study on the costs of the project. There has been done some work on the CRBC part to determine what costs would be needed and where their funding sources will come from. The CRBC shared that they will do the additional leg work and meet with the County to find out what they would be requiring of CRBC as it relates to building on the site this information will be brought back to the Board. Commissioner McNeel asked if staff would foresee the need for the site as an expansion. Mr. Bunyard shared that there could be need for the property that has been identified as potential for CRBC could be needed for expansion of CRW.

4. **152nd Reservoir design sizing discussion-** The Board is being asked to provide staff with direction on the sizing of the 152nd Reservoir. The reasons to build this reservoir are stabilizing the Mather pressure zone; provide adequate storage for the south side service areas and to provide adequate pumping storage for SWA pump station #10 and future Rock Creek pump station. The Board was provided a timeline (going back to the mid 1970's) of how the district has planned for the future use of the site for a reservoir for future needs. A chart of the current and future storage and use for both CRW and Sunrise Water Authority (SWA) showed predicted usage as well as a concept drawing of the current and possible future reservoirs for both CRW and SWA. The Board was shown a reservoir decision tree that included participation by both CRW and SWA then a storage and SWA demand projections as well as the financing strategy for sharing the reservoir.

Financing of the project- CRW has bond proceeds to pay for this project and this project has been included in the overall plan. If SWA were to participate in the ownership of the reservoir there are several options on how they would pay for the project (pay their portion in full, pay over time or add the cost in all future rates are all options that could be used). With the Bond proceeds there are certain restrictions and guidelines on how the money is spent and on what. Staff recommends that SWA either pay their total contribution or payment over 3 years for their share of the reservoir. The general sense that the Board provided to staff is that they desire to partner with SWA for their proportional share of the reservoir would be. Commissioner Sowa shared that he wants to be sure that CRW has ample amount of water to cover the needs of the south side of the district.

Adjourned at 7:59pm