

**CLACKAMAS RIVER WATER BOARD OF COMMISSIONERS  
REGULAR BOARD MEETING  
June 13, 2019**

**COMMISSIONERS PRESENT:**

Hugh Kalani, President  
Sherry French Secretary  
Naomi Angier, Treasurer  
Rusty Garrison- arrived at 6pm following the Budget hearing  
David McNeel- Not present

**STAFF PRESENT:**

Todd Heidgerken, General Manager  
Karin Holzgang, Executive Assistant to the Board

CRW Employees: Chief Financial Officer, Carol Bryck; Chief Engineer, Adam Bjornstedt; Engineering Manager, Joe Eskew; Emergency Manager, Donn Bunyard; Water Resources Manager, Rob Cummings; Human Resource Generalist, Adora Campbell

**COMMISSIONERS ABSENT: Dave McNeel**

**VISITORS:** Bob Steringer (Legal Counsel), John Torrey, Chris Hawes, Gary Kerr

**Call Regular Meeting to Order**

Commissioner Kalani called the meeting to order at 5:30pm the pledge was recited and roll call taken

**MOTION:** Commissioner Angier move to approve the agenda as presented. Commissioner French seconded the motion

**MOTION CARRIED 3-0**

**Ayes:** Angier, French, Kalani  
**Nays:** None  
**Abstentions:** None

**Recess the Regular Meeting**

Commissioner Kalani Move the CRW Board of Commissioners recess the regular meeting and convene an executive session and reconvene the regular meeting at 6:00pm. Commissioner French seconded the motion

**MOTION CARRIED 3-0**

**Ayes:** Angier, French, Kalani,  
**Nays:** None  
**Abstentions:** None

The Executive Session is to:

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 carry on labor negotiations ORS 192.660 (2) (d)

### **Reconvene Regular Meeting**

Commissioner Angier move the CRW Board of Commissioners reconvene the regular meeting.

Commissioner French seconded the motion

**MOTION CARRIED 3-0**

**Ayes:** Angier, French, Kalani,  
**Nays:** None  
**Abstentions:** None

**Public Comment:** Gary Kerr ratepayer and budget committee member. Mr. Kerr passed out a document that will be attached to the minutes. Mr. Kerr talked about an Oregon Statute governing accountants. Suggested that the Board review the scope of work that Moss Adams was requested to adhere to in the contract.

### **Recess Regular Meeting and Open the Budget Hearing**

Commissioner French move the CRW Board of Commissioners recess the regular meeting and open the budget hearing. Commissioner Angier seconded the motion

**MOTION CARRIED 3-0**

**Ayes:** Angier, French, Kalani,  
**Nays:** None  
**Abstentions:** None

### **BUDGET HEARING**

The hearing of the Clackamas River Water Board of Commissioners, Clackamas County, Oregon will be called to order pursuant to ORS 192.640, 294.438 and 294.453, to allow members of the public an opportunity to testify regarding the CRW budget as approved by the Budget Committee on April 18, 2019 for the biennium July 1, 2019 to June 30, 2021. The budget hearing will be closed by board action and considered for approval on Agenda Item #1

Ms. Bryck provided the Board with an over view of the proposed budget for BN 2019-2021.

- Personnel Services \$11,408,300 (includes a PERS transitional liability payoff)

- Materials & Services \$8,851,300
- Capital Outlay \$1,411,000 (includes fuel storage project)
- Transfers out \$7,390,675 for capital reserve and debt service
- Operating contingency \$750,000
- CIP appropriations – Capital outlay \$3,631,000 eight projects
- CIP Bond construction fund appropriations- capital outlay \$3,139,000 to complete 152<sup>nd</sup> Ave Reservoir, Hattan Rd. Pump station and transmission main
- SDC reserve fund appropriations \$2,000,000
- Revenue bond fund appropriations \$3,390,675
- CRWS activity appropriations – Personnel Services \$132,300; Materials & Services \$148,900; Transfers out \$1,722,600

#### Budget goals and priorities

- Complete phase 1 backbone projects
- Eight CIP projects
- Water Treatment plant facilities master plan
- Initiate strategic planning process
- Conduct a customer satisfactions survey
- Establish implement or enhance agreements and processes with regional partners

The current proposed budget meets established financial reserve policies and the debt covenant requirements

Commissioner French move the CRW Board of Commissioners close the budget hearing and reconvene the regular meeting. Commissioner Angier seconded the motion

#### **MOTION CARRIED 3-0**

**Ayes:** Angier, French, Kalani,  
**Nays:** None  
**Abstentions:** None

Commissioner Angier move the CRW Board of Commissioners start with the information items first until Commissioner Garrison arrives and then proceed with the action items once he arrives. Commissioner French seconded the motion.

#### **MOTION CARRIED 3-0**

**Ayes:** Angier, French, Kalani,  
**Nays:** None  
**Abstentions:** None

Commissioner Angier move the CRW Board of Commissioners rescind the motion to change the order of the agenda and revert to the original agenda order. Commissioner French seconded the motion.

**MOTION CARRIED 4-0**

**Ayes:** Angier, French, Garrison, Kalani  
**Nays:** None  
**Abstentions:** None

**Agenda Item 1.0      Adoption of Biennial Budget and Make Appropriations for the 2017-2019 Biennium**

**MOTION:** Commissioner Angier move to approve Resolution No. 08-2019, adopting the budget and making appropriations for the 2019-2021 biennium. Commissioner French seconded the motion.

**MOTION CARRIED 4-0**

**Ayes:** Angier, French, Garrison, Kalani  
**Nays:** None  
**Abstentions:** None

**Agenda Item 2.0      Resolution No. 09-2019 Approve Utility Billing Bad Debt Write-off for FY 2018-19, Uncollectible Water Bills**

**MOTION:** Commissioner Angier moved to approve Resolution No. 09-2019 Bad Debt Write-off for FY 2018-19, Uncollected Water Bills. Commissioner French seconded the motion.

Ms. Bryck explained what the bad debt write-off number are comprised of. This year's amount of bad debt write-off is lower than the previous year. Commissioner French asked about the fees that CRW incurs when using a collection agency. Commissioner Garrison asked additionally about the process of getting uncollected bills paid through means by CRW or by a collection company.

**MOTION CARRIED 4-0**

**Ayes:** Angier, French, Garrison, Kalani  
**Nays:**  
**Abstentions:** None

**Agenda Item 3.0      Resolution No. 10-2019 Establishing Wholesale Water Rates Charged to Sunrise Water Authority**

**MOTION:** Commissioner Angier moved to approve Resolution No. 10-2019 Establishing Wholesale Water Rates charged to Sunrise Water Authority effective July 1, 2019. Commissioner French seconded the motion.



Ms. Bryck explained to the Board that the wholesale water rates are revised annually and CRW staff works with SWA staff to determine an appropriate rate. With the new rate there will be about a \$23,000 increase in water sales to SWA based on their current usage.

**MOTION CARRIED 4-0**

**Ayes:** Angier, French, Garrison, Kalani

**Nays:**

**Abstentions:**

**Agenda Item 4.0 Approve Memorandum of Understanding regarding Cost of Living Adjustment in Collective Bargaining Agreement between CRW and Oregon AFSCME Council 75, Local 350-9**

**MOTION:** Commissioner Angier moved the Clackamas River Water Board of Commissioners approve the Memorandum of Understanding attached as Attachment A, regarding Article 15.1 of the Collective Bargaining Agreement between CRW and Oregon AFSCME Council 75, Local 350-9, to establish a cost of living adjustment in the amount of 3.4% effective July 1, 2019. Commissioner Garrison seconded the motion.

Mr. Heidgerken explained that the current collective bargaining agreement between CRW and AFSME references a CPI index that no longer exists for adjusting the COLA amount as of July 1, 2019. In discussions between AFSME representatives and Staff it was agreed upon to choose a percentage (3.4%) for the COLA increase. This falls within the approved range of not less than 2% increase and not more than 4% increase that is in the contract.

**MOTION CARRIED 4-0**

**Ayes:** Angier, French, Garrison, Kalani

**Nays:**

**Abstentions:**

**Agenda Item 5.0 Consider Approval of the Professional Services contract with Carollo Engineers for the Water Treatment Plant Facilities Master Plan**

**MOTION:** Commissioner Angier moved to award the Professional Services Contract to Carollo Engineers, Inc. for engineering services to prepare CRW's Water Treatment Plant Facilities Master Plan for the not-to-exceed amount of \$299,657 and authorize the General Manager to sign the final contract. Commissioner Garrison seconded the motion.

Mr. Bjornstedt presented to the Board that now that the Water System Master Plan has been completed the next step is to conduct an assessment of the Treatment Plant to get the most use out of the plant and how best to move forward to utilize the plant. The analysis by the consultant will bring options for changes and

or improvements that will assist in the establishment of a capital plan to address the needs of the Treatment Plant. The plan will take about 15 months to complete, this plan will not require Oregon Health Authority to review and approve but staff may choose to have OHA review the completed plan. Carollo was the only firm that proposed, staff is comfortable with their capabilities to conduct the review of the Treatment Plant and develop a facility plan. Commissioner French asked is \$350,000 was budgeted for the cost of this study and Mr. Bjornstedt confirmed that this was the amount budgeted so the contract amount is lower than the budgeted amount. Staff and the consultant will be presenting to the Board at various milestones of the progress of the analysis.

**Public Comment:** Gary Kerr, ratepayer and budget committee member. Asked about what is included in the study and how Oregon City and NCCWC play a role in the review based on current and future demands of CRW of other entities and those of CRW.

**MOTION CARRIED 4-0**

**Ayes:** Angier, French, Garrison, Kalani, McNeel  
**Nays:**  
**Abstentions:**

**Agenda Item 6.0 Consider Approval of a Cost of Living/Merit Increase for the General Manager-**

**MOTION:** Commissioner Angier move to establish the cost-of-living increase to the General Manager's base salary at 3.4%, effective July 1, 2019, pursuant to Section 3.1 of the General Manager's employment agreement and move to award the General Manager a lump sum merit adjustment pursuant to Section 3.2 of the General Manager's employment agreement in the form of an increase to the General Manager's vacation bank by 80 hours. Commissioner French seconded the motions

Commissioner Angier explained that the reason for the salary increase is to keep in line with the same percentage increase as the represented staff would be receiving as of July 1, 2019. Mr. Steringer provided background from the General Managers contract for how the process works establishing a COLA percentage and or other increases.

**MOTION CARRIED 3-1**

**Ayes:** Angier, French, Garrison,  
**Nays:** Kalani  
**Abstentions:**

**Agenda Item 7.0      Consider Approval of an Intergovernmental Agreement with Clackamas County for County Corrections Work Crew Support**

**MOTION:** Commissioner Angier move the Board approve the Intergovernmental agreement with Clackamas County for County Corrections work crew support. Commissioner Garrison seconded the motion.

In previous years CRW has utilized this work crew through a Memorandum of Understanding with the County and the County is requesting a shift to and IGA. This proposed IGA has been reviewed by legal counsel.

**MOTION CARRIED 4-0**

**Ayes:** Angier, French, Garrison, Kalani  
**Nays:**  
**Abstentions:**

**Consent Agenda**

CA-1: Gross Payroll and Account Paid for May 2019- *Carol Bryck, Chief Financial Officer*

CA-2: Cash Position and Transfers May 2019 - *Carol Bryck, Chief Financial Officer*

CA-3: Easement Approval: Consider Easement Approval from Clackamas County Development Agency on Tax Lot 2500 on Map 2S 2E 4B for waterlines and related facilities

CA-4: Moore Development LLC Invoice

**MOTION:** Commissioner Angier moved to approve the Consent Agenda as presented. Commissioner French seconded the motion.

**MOTION CARRIED 4-0**

**Ayes:** Angier, French, Garrison, Kalani  
**Nays:**  
**Abstentions:**

**Agenda Item 8.0      Backbone Update**

Mr. Bjornstedt & Ms. Bryck presented jointly to the Board to update on the progress of the backbone projects. The presentation will cover an overall status update of phase 1 and the schedule and finances.

In phase 1 three of the projects have been completed with 4 projects still under construction. From the current projected expenditures to complete the entire phase

based on completed designs of \$29,232,000 there is still \$4,537,000 still remaining to be paid out for the projects in phase 1.

#### 152<sup>nd</sup> Avenue Reservoir

- Major work completed since March is the roof construction, tank vertical pre-stressing, preparation for “tank wrap” (circumferential pre-stressing)
- Ongoing community outreach
- Construction contractor and engineering construction services
- Original estimate in 2015 was \$10,015,000
- \$8,817,000 has been spent to date
- With changes the projected total cost of the project is \$9,400,000. These changes come from the differences in the 2015 pre design estimates changes in cost that occurred during actual construction
- Difference between 2015 projected total and total cost to date is \$583,000
- The contribution by Sunrise Water Authority is not included in the \$9,400,000.

Commissioner Garrison asked how the decision came about to include Sunrise in the ownership of the Reservoir. Mr. Bjornstedt explained that after studies by both agencies it was realized that sharing in the capacity of the reservoir would assist Sunrise in serving their customers and best utilize the Reservoir benefiting CRW.

#### Redland Reservoir

- Major work completed since March- tank painting for bother reservoirs (inside and out), 18” waterline connection and draining of tank 2 for pipe replacement, Tank 2 retrofit work, site fencing, site grading
- Original 2015 project estimate \$2,160,000
- Project total to date is \$3,603,000
- Projected total after final design is \$4,128,000
- \$525,000 is the difference between the 2015 and 2019 final design estimates

#### Hattan Pump Station

- Major work completed since March- building construction, framing roofing and architectural finishes completed; pump and surge tank installation and emergency generator installed, site piping, storm system and other site work
- 2015 original project estimate was \$2,190,000
- Project total to date spent is \$2,492,000
- Projected cost of project with final design is \$4,402,000
- Difference between 2015 estimate and final design estimate is \$1,910,000

#### Hattan Rd. Transmission Main

- Major work completed since March- installed hillside portion of waterline between Hattan road and Redland Reservoir, pressure testing and disinfection of water mains, ongoing service work, began pile driving for hillside anchor block pipe supports, completed paving of Hattan Rd. within project limits
- 2015 original project estimate was \$3,465,000

- Project total to date is \$3,165,000
- Projected project with final design is \$3,823,000
- \$658,000 is the difference between the 2015 estimates and the 2019 final design estimates

#### HWY 224 Intertie project

- Major work completed since March- construction start and completion, 20" water main installed on Hwy 224 between 212/224 junction and Carver, waterline testing and acceptance, pavement restoration on Hwy 224 due to ODOT requirements, contractor organization and efficiency yielded finished project ahead of schedule and savings in other areas
- Original 2015 estimated costs of \$1,746,000
- Project total to date is \$1,898,000
- Projected total with all changes is \$2,412,000
- Difference between 2015 estimates and 2019 final design cost is \$514,000

Ms. Bryck presented the financial reporting aspect for the backbone phase 1

#### ➤ CIP Bond fund

- Original budget for FY 2018 was \$6,625,000, actual spend was \$6,052,602
- Original budget for FY 2019 was \$13,568,000 with a modified budget it increased to \$16,568,000. Actual spend was \$14,986,609
- For BN 2017-2019 original budget was \$20,193,000 with a modified budget increasing it to \$23,193,000. The actual spend was \$21,039,211

#### Overall Recap

- Our actions per Moss Adams recommendations
  - Provide additional cost detail and comparisons of life to date project costs with pre and post design estimates
  - Definitions  
Estimate- can be from any point in the planning phase and becomes more accurate as design becomes more complete  
Budget- an estimate of expenditure for a set period of time (still an estimate but we will use this term to refer to numbers included in our biennial budgets and or any supplemental budgets presented to the Board of Commissioners.
- Backbone phase 1 project work to date continues to meet goal of providing CRW service to south area, at a cost and schedule that will accomplish all required program elements

#### **Agenda Item 9.0      General Manager Report**

- The Board was provided a monthly update- an additional piece of information going forward through summer and early fall is the river flow information
- The Board also received a copy of the June utility billing insert
- A letter from the Secretary of States offices was received that stated CRW received excellence in reporting for the FY 2018 audit
- Commissioner Angier and Mr. Heidgerken attended the Regional Water Providers Consortium meeting the first part of June.
- CRW is scheduled for an onsite assessment to certify the lab for cyanotoxin testing next week

**Public Comment: none**

**Agenda Item 11.0 Commissioner Reports and Reimbursement Requests**

Commissioner French wanted it to be on record that they are thanking Commissioner McNeel for his years of service on the CRW Board,

Open meeting is adjourned at **7:54pm**

June 13, 2019

Board of Commissioners  
Clackamas River Water District

RE: Moss Adams Report on Backbone Project

Dear Commissioners,

I was not able to attend the presentation of their report because of a prior scheduled engagement.

I did receive a copy of the written report and have viewed the video tape of the report meeting. I made about 40 notes on items discussed in the video tape.

I was greatly disappointed in the written report and the PowerPoint slide content. Having said that accountants, by nature and standards requirements, are generally short on verbiage in their reports.

I do not believe the written or verbal report contained all of the information requested by the Board. This is based upon the content of the March 12<sup>th</sup> discussion prior to approving the motion to spend District funds on the examination for answering the question of how the under estimated costs for several of the Backbone projects occurred.

It was quite clear to me in the March meeting that a majority of the Board was focused what actually occurred to cause the overruns.

Words like "forensic audit", "why the estimates were missed" and other statements/questions that clearly denoted that the 'work' of the review of the financial side of the Backbone was to be the focus. In other words, the dollars and cents listing of each missed estimate were not provided in the report or presentation.

The report received was mostly policy and appropriateness of what took place that resulted in the problem being addressed by the Board.

The work of Public Accounting firms is governed by what is called the "Scope of Work". This is a document that specifies what is to be accomplished by the work and, therefore, dictates 'how' the review is to take place, 'what' is to be reviewed, the 'context' of the review, and the 'nature/content' of the report to be issued.

It is apparent that members of the Board had much input into the Scope of Work because each were interviewed. It also appears that there was a partial disconnect between what the Board thought they were to receive and what the accountants presented.

When an Annual Financial Audit occurs, the AICPA Auditing Standards and government agency rules specific to the type of client govern the "Scope of Work" and, generally, the governing body of the entity doesn't usually add to those requirements.

However, when special work is requested—such as the Backbone Plan review—is contracted, a special "Scope of Work" must be prepared to outline what is to be accomplished and reported.

So, the initial question—Before the accountants began their work, did the Board review the final "Scope of Work" document?

Other questions:

- 1 - What was the content of the Scope of Work?
- 2- Did the Scope of Work contain all of the questions the members of the Board raised in the March Board Meeting discussion AND the February 28<sup>th</sup> Special Meeting?
- 3 - Did the Scope of Work define in any way what their report was expected to deliver?

Based upon the documents I received and hearing the presentation, it appears to me that the "Scope of Work" did not include a requirement for a report to the Board on the specific dollar amounts where the cost differences for each project did not match the estimates.

It appears that this report did include the appropriate "process" portion of the questions that were "analytic" on the relationship of policies but very light on the actual dollar amounts of the divergence between the estimated costs and the actual costs.

In other words, the report did not delineate what specifics were missed by the engineering department and their outside consultants in the cost calculations verses what are the actual costs. I trust that the accountants have made known to Management and the Engineering department potential changes in their estimating methods for such long-term projects. Those recommendations should have been in writing and should be made available to the Board.

We know that costs of materials have increased in recent years and that the tariffs on steel have affected the costs associated with pipe and rebar. However, the amounts of the tariffs do not constitute the total differences.

Similarly, as substantial portion of the cost increases are associated with the engineering firms who are assisting in the overseeing of the work of the contractors during final design and actual construction.

Again, engineering firms are like accounting firms, the Scope of Work is the guiding document (aka contract) for what is to be accomplished. Additionally, like construction companies, when the Scope of Work doesn't match what is needed to accomplish the work, "change orders" or modifications of the Scope of Work document is required.



Thus, this report fails to answer the specifics of those differences and how they might be mitigated in future projects.

I didn't see anything in the written report from Moss Adams that addressed this issue. All they said was that the 'process' was within CRW's policies and guidelines. The video presentation did describe some of the process differences but did not give specifics on individual projects which is what I understood the Board wanted (see March 14, 2019 meeting video).

One of the many unanswered questions from the February/March meetings centered on the cost of the 'change orders' that appeared to exceed the approval authority of the General Manager's policy--without obtaining Board approval as they occurred. This was alluded to but not specifically addressed in the report. (FYI – a "report" in accountant language is the one or two pages of the cover letter that expresses their "opinion"—not the content of the subsequent explanatory pages.)

Their verbal report on the video tape did mention that CRW policies were followed in all cases and that the Board was informed. The report, however, did not address or outline any changes in reporting to the Board regarding how the management and staff can better inform the Board about Change Orders and their impact upon construction budgets.

I believe that some of the specifics expected by the Board in the Moss Adams contract for this review may be available to the Board.

Under the Oregon statutes that govern the work of Accountants is a provision that certain of their workpapers are available to the Board (i.e.: the accountant's customer). These workpapers may contain some of the details that were lacking in the written report and the presentation.

The Oregon Statute that allows such information to be given to the Board is: ORS 801-030-0015.

I would recommend that the Board send a letter of request for copies of those working papers for your review. Because of the possibility that significant confidential information may be contained therein, I would further recommend that they be reviewed in an Executive Session. The Board's legal counsel can indicate what Oregon Statute(s) may cover this kind of documentation.

Moss Adams, in the verbal presentation, did give you some advice on how to be earlier informed of differences in original estimates and the construction bids. As a Budget Committee member, I would recommend that you implement new policies or modify existing policies that can be followed so earlier reporting of major changes in costs can be clearly discussed and approved.

The fact that there was an additional funds given in the first Bond issue--that partially covered the under estimated costs for Phase 1 of the Backbone--the current financial markets will probably not be as generous in the future bonding for Phase 2.

Construction of Phase 2 of the Backbone is not, at this point, optional! It is not optional because the system of getting water to our South Unit customers are required to relieve the current and future problems associated with reliance upon South Fork's plant plus the potential cost savings by using our own production plant and transmission infrastructure.

It is already known that reliance on South Fork as a future supplier for our South Unit is not a viable option—given the growth in population in West Linn and in Oregon City plus their intake and piping system limitations that are near maximum usage (which could cause significant curtailments for our customers).

Therefore, much care will be needed in estimating the actual costs of the remaining projects to complete Phase 2 because our financial reserves have been used to cover the current Phase 1 increased costs.

We also have the additional issue of the needs for work on our production plant that cannot be accommodated through our current revenue structure without another set of Bonds.

During my time of involvement with CRW as well as observing other public entities, there always seems to be a lack of urgency in solving problems on a timely basis. The lack of funds is often a “stated problem”, but a major duty of the Board is to see to it that the long-term needs of the entity (as well as the current needs) are met.

Given the vital nature of “water” in sustaining life for the citizens of the District, the Board (along with Management and staff) must ever be forward looking--while handling current issues—and make sure the long-term needs are met. Thus, they must be willing to deliver ‘bad’ news to each other and to their public on a timely basis.

Last minute ‘emergencies’, while they do occur, must not be the standard operating procedure for all issues facing the District!

While it is my belief that CRW has done a much better job of meeting the ‘future’ needs that other water suppliers. There were—in the past--some ‘emergencies’ that were foreseen but not timely acted upon. Emergencies ALWAYS cost more that careful preparation. Surprises also unnecessarily excite the public and ‘emergency solutions’ often are not carefully considered and over reaction often causes additional problems at a later time.

Thus, as a Budget Committee member, I trust that the financial issues facing the District be openly and timely communicated to the Board, the Budget Committee and our customers.

Sincerely,  
Gary R. Kerr  
Rate Payer  
Budget Committee Member

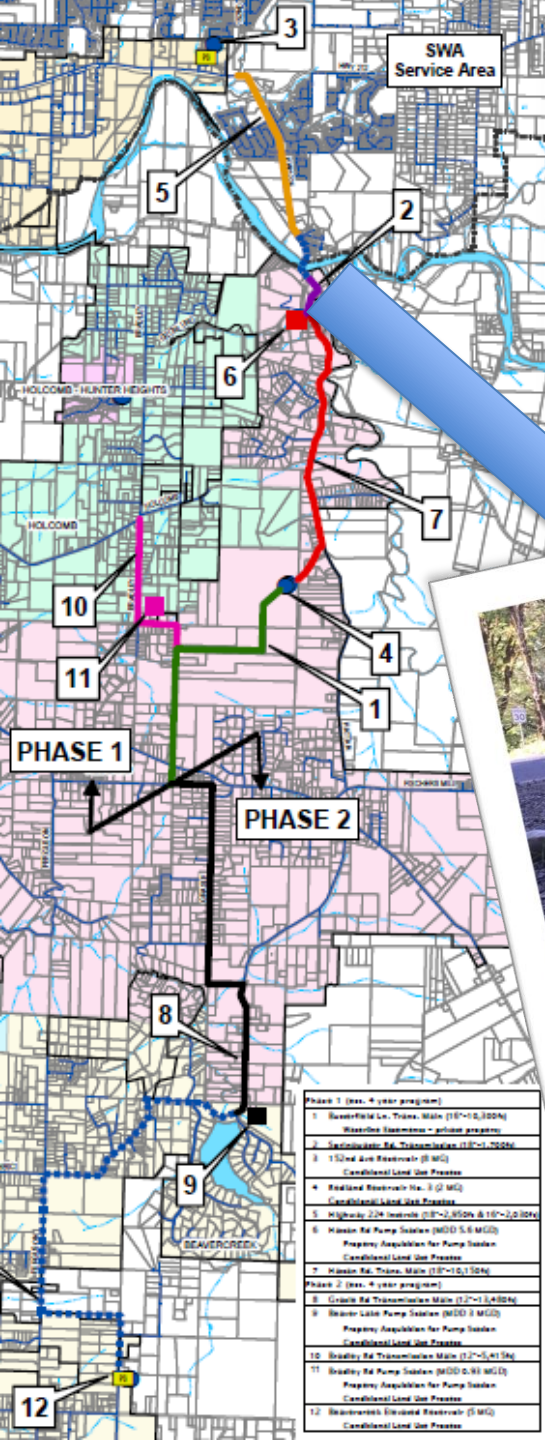
# Backbone Projects Update

Regular Board Meeting  
June 13, 2019



Presented by:

Adam Bjornstedt, Chief Engineer  
Carol Bryck, Chief Financial Officer





# Presentation Overview

---

- Review Overall Status of Backbone Phase 1 Projects
- Review Overall Schedule and Finances
- Individual Updates for Active Projects
  - Review major work completed
  - Review project costs
  - Project slide show
- Summary Accounting Information
- Recap and Conclusion

# Phase 1 Projects- Status Overview

---

Project	Design Complete, Project Bid	Construction Start	Actual or Projected Construction Complete	Current Status
1- Butterfield Transmission	July 2016	August 2017	July 2017	Complete
2- Carver-Springwater Transmission	February 2018	April 2018	June 2018	Complete
3- 152 <sup>nd</sup> Ave Reservoir	January 2018	March 2018	December 2019	80% Constructed
4- Redland Reservoir #3	February 2018	April 2018	June 2019	Substantially Complete
5- Hwy 224 Intertie	January 2019	March 2019	May 2019	Complete
6- Hattan Pump Station	August 2018	October 2018	September 2019	70% Constructed
7- Hattan Transmission	August 2018	November 2018	August 2019	85% Constructed

# Clackamas River Water Backbone Projects PHASE 1 Schedule (4/30/19)

ID	Task Name	Duration	Start	Finish	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	<b>PHASE 1 PROJECTS</b>	1180 days	Wed 7/1/15	Tue 1/7/20									
2	Butterfield Lane Transmission Main (COMPLETE)	555 days	Wed 7/1/15	Tue 8/15/17									
13	Carver-Springwater Transmission Main (COMPLETE)	572 days	Wed 6/1/16	Thu 8/9/18									
24	<b>152nd Ave Reservoir</b>	940 days	Wed 6/1/16	Tue 1/7/20									
25	152nd PreDesign	120 days	Wed 6/1/16	Tue 11/15/16									
26	152nd PreDesign PRIOR SCHEDULE	120 days	Wed 6/1/16	Tue 11/15/16									
27	152nd Design	260 days	Wed 11/16/16	Tue 11/14/17									
28	152nd Design PRIOR SCHEDULE	260 days	Wed 11/16/16	Tue 11/14/17									
29	152nd Bidding & Award	42 days	Wed 11/15/17	Thu 1/11/18									
30	152nd Bidding PRIOR SCHEDULE	42 days	Wed 11/15/17	Thu 1/11/18									
31	152nd Construction	450 days	Wed 3/7/18	Tue 11/26/19									
32	152nd Construction PRIOR SCHEDULE	425 days	Wed 3/7/18	Tue 10/22/19									
33	152nd Closeout	30 days	Wed 11/27/19	Tue 1/7/20									
34	152nd Closeout PRIOR SCHEDULE	30 days	Wed 10/23/19	Tue 12/3/19									
35	<b>Redland Reservoir #3</b>	760 days	Thu 9/1/16	Wed 7/31/19									
36	Redland PreDesign	60 days	Thu 9/1/16	Wed 11/23/16									
37	Redland PreDesign PRIOR SCHEDULE	60 days	Thu 9/1/16	Wed 11/23/16									
38	Redland Design	300 days	Thu 11/24/16	Wed 1/17/18									
39	Redland Design PRIOR SCHEDULE	300 days	Thu 11/24/16	Wed 1/17/18									
40	Redland Bidding & Award	40 days	Thu 1/18/18	Wed 3/14/18									
41	Redland Bidding PRIOR SCHEDULE	40 days	Thu 1/18/18	Wed 3/14/18									
42	Redland Construction	300 days	Thu 4/26/18	Wed 6/19/19									
43	Redland Construction PRIOR SCHEDULE	300 days	Thu 4/26/18	Wed 6/19/19									
44	Redland Closeout	30 days	Thu 6/20/19	Wed 7/31/19									
45	Redland Closeout PRIOR SCHEDULE	30 days	Thu 6/20/19	Wed 7/31/19									
46	<b>Hwy 224 Intertie</b>	625 days	Mon 2/13/17	Fri 7/5/19									
47	Hwy 224 PreDesign	185 days	Mon 2/13/17	Fri 10/27/17									
48	Hwy 224 PreDesign PRIOR SCHEDULE	185 days	Mon 2/13/17	Fri 10/27/17									
49	Hwy 224 Design	230 days	Mon 10/30/17	Fri 9/14/18									
50	Hwy 224 Design PRIOR SCHEDULE	230 days	Mon 10/30/17	Fri 9/14/18									
51	Hwy 224 Bidding & Award	90 days	Mon 9/17/18	Fri 1/18/19									
52	Hwy 224 Bidding PRIOR SCHEDULE	40 days	Mon 9/17/18	Fri 11/9/18									
53	Hwy 224 Construction	75 days	Mon 1/21/19	Fri 5/3/19									
54	Hwy 224 Construction PRIOR SCHEDULE	100 days	Mon 11/12/18	Fri 3/29/19									
55	Hwy 224 Closeout	45 days	Mon 5/6/19	Fri 7/5/19									
56	Hwy 224 Closeout PRIOR SCHEDULE	30 days	Mon 4/1/19	Fri 5/10/19									
57	<b>Hattan Rd Pump Station</b>	630 days	Thu 6/1/17	Wed 10/30/19									
58	Hattan PS PreDesign	90 days	Thu 6/1/17	Wed 10/4/17									
59	Hattan PS PreDesign PRIOR SCHEDULE	90 days	Thu 6/1/17	Wed 10/4/17									
60	Hattan PS Design	200 days	Thu 10/5/17	Wed 7/11/18									
61	Hattan PS Design PRIOR SCHEDULE	200 days	Thu 10/5/17	Wed 7/11/18									
62	Hattan PS Bidding & Award	45 days	Thu 7/12/18	Wed 9/12/18									
63	Hattan PS Bidding PRIOR SCHEDULE	45 days	Thu 7/12/18	Wed 9/12/18									
64	Hattan PS Construction	230 days	Thu 11/1/18	Wed 9/18/19									
65	Hattan PS Construction PRIOR SCHEDULE	200 days	Thu 11/1/18	Wed 8/7/19									
66	Hattan PS Closeout	30 days	Thu 9/19/19	Wed 10/30/19									
67	Hattan PS Closeout PRIOR SCHEDULE	30 days	Thu 8/8/19	Wed 9/18/19									
68	<b>Hattan Rd Transmission Main</b>	600 days	Thu 6/1/17	Wed 9/18/19									
69	Hattan Trans PreDesign	90 days	Thu 6/1/17	Wed 10/4/17									
70	Hattan PreDesign PRIOR SCHEDULE	90 days	Thu 6/1/17	Wed 10/4/17									
71	Hattan Trans Design	200 days	Thu 10/5/17	Wed 7/11/18									
72	Hattan Design PRIOR SCHEDULE	200 days	Thu 10/5/17	Wed 7/11/18									
73	Hattan Trans Bidding & Award	30 days	Thu 7/12/18	Wed 8/22/18									
74	Hattan Bidding PRIOR SCHEDULE	30 days	Thu 7/12/18	Wed 8/22/18									
75	Hattan Trans Construction	200 days	Thu 11/1/18	Wed 8/7/19									
76	Hattan Construction PRIOR SCHEDULE	180 days	Thu 11/1/18	Wed 7/10/19									
77	Hattan Trans Closeout	30 days	Thu 8/8/19	Wed 9/18/19									
78	Hattan Closeout PRIOR SCHEDULE	30 days	Thu 7/11/19	Wed 8/21/19									
79	<b>PHASE 2 PROJECTS</b>	1055 days	Wed 1/15/20	Tue 1/30/24									

Backbone Projects Update  
Board Meeting, 6/13/19

# Phase 1 Projects- Financial Overview

**Table 1. To-Date (5/31/19) versus Projected Costs for Phase 1 Backbone Projects**  
(All figures rounded to nearest thousand)

Backbone Project Sequence Number	-A- Project Number & Name	-B- Original Estimate Amount (2015)	-C- Projected Total Expenditures (Feb. 2019)	-D- Expenditures to Date	-E- Projected less Expenditures (Difference)
0	5187- Backbone General Administration	\$0	\$250,000	\$205,000	<b>\$45,000</b>
1	5160- Butterfield Lane Transmission Main	\$2,930,000	\$2,567,000	\$2,567,000	<b>\$0</b>
2	5161- Springwater Road Transmission Main	<i>See Carver-Springwater Project</i>	<i>See Carver-Springwater Project</i>	<i>See Carver-Springwater Project</i>	<i>See Carver-Springwater Project</i>
3	5188- 152 <sup>nd</sup> Ave Reservoir	\$10,015,000	\$9,400,000	\$8,817,000	<b>\$583,000</b>
4	5195- Redland Reservoir #3	\$2,160,000	\$4,128,000	\$3,603,000	<b>\$525,000</b>
5	5189- Hwy 224 Intertie	\$1,746,000	\$2,412,000	\$1,898,000	<b>\$514,000</b>
6	5190- Hattan Rd Pump Station	\$2,190,000	\$4,402,000	\$2,492,000	<b>\$1,910,000</b>
7	5191- Hattan Rd Transmission Main	\$3,465,000	\$3,823,000	\$3,165,000	<b>\$658,000</b>
2	5217- Carver-Springwater Transmission Main	\$790,000	\$1,875,000	\$1,872,000	<b>\$3,000</b>
	Phase 2 Projects (total charged to Phase 1 funds)	\$0	\$375,000	\$76,000	<b>\$299,000</b>
	<b>TOTALS</b>	<b>\$23,296,000</b>	<b>\$29,232,000</b>	<b>\$24,695,000</b>	<b>\$4,537,000</b>

# 152<sup>nd</sup> Reservoir

---

- Major work completed since March:
  - Roof construction (2 separate concrete pours)
  - Tank vertical pre-stressing
  - Preparation for “tank wrap” - circumferential pre-stressing
- Ongoing community outreach
- Construction contractor and engineering construction services



Project Phase	Time Period	Major Activities	Total Cost to Date (5/31/19)
Preliminary Planning	FY 15-16	Original Backbone scoping and estimates; preliminary design	\$7,000
Design	FY 17	Design engineering (outsourced); detailed scoping of project design elements; permitting; public outreach and property (easements)	\$530,000
Design Complete and Construction Start	FY 18	Design completion, bidding and construction start; site excavation, offsite transmission mains; Construction contract and construction engineering services contract awarded	\$2,548,000
Construction	FY 19	Major Reservoir construction tasks;	\$5,732,000
Construction Completion and Closeout	FY 20	Reservoir commissioning; site finish work; As-built drawings; O&M documentation; project acceptance	\$0
Original 2015 Project Estimate			\$10,015,000
PROJECT TOTAL to DATE			\$8,817,000
Projected Total with All Changes			\$9,400,000
Difference between Projected Total and Total Cost to Date			\$583,000

# 152nd Reservoir- Project Cost Break-out

- *Unless otherwise noted, all contracts were approved by the Board.*

# 152nd Reservoir- Modifications and Changes Summary

PROJECT: 152nd RESERVOIR		Table 3. Summary of Modifications and Changes		
Project Phase	Time Period	Modifications or Changes		
		<i>Mods to Original 2015 Pre-design</i>	<i>Other Changes</i>	<i>Approximate Cost of Mods/Changes*</i>
Preliminary Planning	FY 15-16	N/A	N/A	N/A
Design	FY 17	More extensive detail to define project elements; incl. adding offsite transmission mains, telemetry bldg, em power, etc; property-related and outreach	N/A	\$491,000
Design Complete and Construction Start	FY 18	Required Design and Construction engineering services were higher than original budget estimate due to more detailed project scoping to meet design, layout and permitting needs, plus time required for field inspections	Construction scope for County permitting requirements; offsite transmission main; higher permit costs	\$524,000
Construction	FY 19		Higher overall cost to construct detailed elements of work; Work to meet permit requirements; telemetry/control valve building; paving; storm system; other quantity increases "as-built"	\$2,870,000
			Sunrise Water Authority cost share	(\$4,500,000)
Construction Completion and Closeout	FY 20	TBD	TBD	TBD

*\*Note- Cost of changes included in total project costs. Costs are relative to the project phase where the mod/change occurred, but may overlap multiple time periods.*



# 152<sup>nd</sup> Reservoir Photos

---



*Backbone Projects Update  
Board Meeting, 6/13/19*



# 152<sup>nd</sup> Reservoir Photos

---

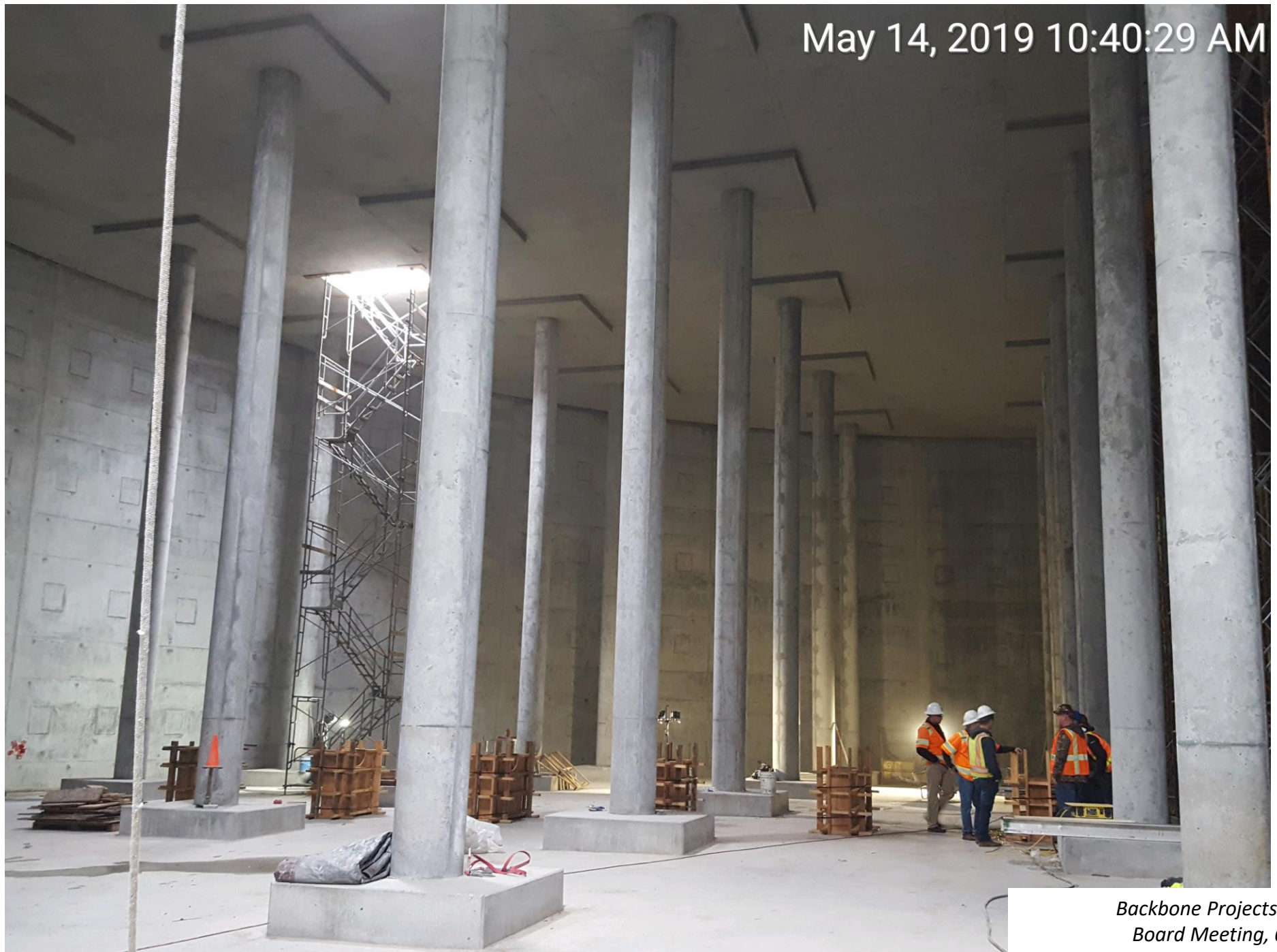


*Backbone Projects Update  
Board Meeting, 6/13/19*



# 152<sup>nd</sup> Reservoir Photos

May 14, 2019 10:40:29 AM



*Backbone Projects Update  
Board Meeting, 6/13/19*



# 152<sup>nd</sup> Reservoir Photos



# Redland Reservoir

---

- Major work completed since March:
  - Tank painting for both reservoirs (interior and exterior)
  - 18” waterline connection, Tank 2 drain piping replacement
  - Tank 2 retrofit work, including interior welding and hardware repairs
  - Site fencing
  - Site grading
  - Other site work
- Construction contractor and engineering construction services

Project Phase	Time Period	Major Activities	Total Cost to Date (5/31/19)
Preliminary Planning	FY 15-16	Original Backbone scoping and estimates; preliminary design	\$0
Design	FY 17	Design engineering (outsourced); detailed scoping of project design elements	\$197,000
Design Complete and Construction Start	FY 18	Design completion, bidding and construction start. Construction contract and construction engineering services contract awarded	\$831,000
Construction Complete	FY 19	Reservoir #3 construction and commissioning; retrofit Res #2	\$2,575,000
Closeout	FY 20	As-built drawings; O&M documentation; project acceptance	\$0
Original 2015 Project Estimate			\$2,160,000
PROJECT TOTAL to DATE			\$3,603,000
Projected Total with All Changes			\$4,128,000
Difference between Projected Total and Total Cost to Date			\$525,000

# Redland Reservoir- Project Cost Break-out

- *Unless otherwise noted, all contracts were approved by the Board.*



# Redland Reservoir- Modifications and Changes Summary

PROJECT: REDLAND RESERVOIR #3		Table 3. Summary of Modifications and Changes		
Project Phase	Time Period	Modifications or Changes		
		<i>Mods to Original 2015 Pre-design</i>	<i>Other Changes</i>	<i>Approximate Cost of Mods/Changes*</i>
Preliminary Planning	FY 15-16	N/A	N/A	N/A
Design	FY 17	More extensive detail to define project elements; incl. adding Res #2 retrofit, telemetry bldg, em power, etc	N/A	\$275,000
Design Complete and Construction Start	FY 18	Required Design and Construction engineering services were higher than original budget estimate due to more detailed project scoping to meet design, layout and permitting needs	Construction scope for County permitting requirements; demo Res #1	\$423,000
Construction Complete	FY 19	Added Res #2 retrofit	Work to meet permit requirements; steel price increases; roadway culvert inlets; additional Res #2 work encountered during construction; other quantity increases "as-built"; higher overall cost to construct detailed elements of work	\$1,270,000
Closeout	FY 20	TBD	TBD	TBD

*\*Note- Cost of changes included in total project costs. Costs are relative to the project phase where the mod/change occurred, but may overlap multiple time periods.*

# Redland Reservoir Photos

---





# Redland Reservoir Photos

---





# Redland Reservoir Photos



*Backbone Projects Update  
Board Meeting, 6/13/19*

# Redland Reservoir Photos



*Backbone Projects Update  
Board Meeting, 6/13/19*



# Redland Reservoir Photos



*Backbone Projects Update  
Board Meeting, 6/13/19*

# Hattan Pump Station

---

- Major work completed since March:
  - Pump station and surge building construction, framing, roofing and architectural finishes
  - Pump and surge tank installation
  - Emergency generator installation
  - Site piping
  - Storm system and other site work
- Construction contractor and engineering construction services

# Hattan PS- Project Cost Break-out

- *Unless otherwise noted, all contracts were approved by the Board.*

PROJECT: HATTAN PUMP STATION		Table 2. Cost Break-out	
Project Phase	Time Period	Major Activities	Total Cost to Date (5/31/19)
Preliminary Planning	FY 15	Original Backbone scoping and estimates	\$0
Design	FY 17	Design engineering (outsourced); detailed scoping of project design elements	\$6,000
Design Complete and Construction Start	FY 18	Design completion; property purchase and easements; permitting; bidding and construction start; Construction contract and construction engineering services contract awarded	\$448,000
Construction	FY 19	Major Pump Station construction tasks; site clearing, building construction, piping, electrical, emergency power	\$2,038,000
Construction Completion and Closeout	FY 20	Pump station commissioning; site finish work; As-built drawings; O&M documentation; project acceptance	\$0
Original 2015 Project Estimate			\$2,190,000
PROJECT TOTAL to DATE			\$2,492,000
Projected Total with All Changes			\$4,402,000
Difference between Projected Total and Total Cost to Date			\$1,910,000



# Hattan PS- Modifications and Changes Summary

PROJECT: HATTAN PUMP STATION		Table 3. Summary of Modifications and Changes		
Project Phase	Time Period	Modifications or Changes		
		<i>Mods to Original 2015 Pre-design</i>	<i>Other Changes</i>	<i>Approximate Cost of Mods/Changes*</i>
Preliminary Planning	FY 15	N/A	N/A	N/A
Design	FY 17	More extensive detail to define project elements; incl. adding hydraulic analysis/surge control, pump sizing; emergency power, architectural	N/A	\$124,000
Design Complete and Construction Start	FY 18	Required Design and Construction engineering services were higher than original budget estimate due to more detailed project scoping to meet design, layout and permitting needs, plus time required for field inspections	Construction scope for County permitting requirements; higher permit costs; detailed structural and architectural requirements; property purchase elements	\$576,000
Construction	FY 19		Higher overall cost to construct detailed elements of work; Work to meet permit requirements; building and site finishes; storm system; other quantity increases "as-built"	\$1,512,000
Construction Completion and Closeout	FY 20	TBD	TBD	TBD

*\*Note- Cost of changes included in total project costs. Costs are relative to the project phase where the mod/change occurred, but may overlap multiple time periods.*

# Hattan Pump Station Photos





# Hattan Pump Station Photos



Backbone Projects Update  
Board Meeting, 6/13/19



# Hattan Pump Station- Photos

---





# Hattan Pump Station Photos



# Hattan Transmission Main

---

- Major work completed since March
  - Installed hillside portion of waterline between Hattan Rd and Redland Reservoir
  - Pressure testing and disinfection of water mains
  - Ongoing service work
  - Started pile driving for hillside anchor block pipe supports
  - Complete paving of Hattan Road (within project limits)

# Hattan Transmission Main- Project Cost Break-out

- *Unless otherwise noted, all contracts were approved by the Board.*

PROJECT: HATTAN TRANSMISSION MAIN		Table 2. Cost Break-out	
Project Phase	Time Period	Major Activities	Total Cost to Date (5/31/19)
Preliminary Planning	FY 15	Original Backbone scoping and estimates	\$0
Design	FY 17	Design engineering; detailed scoping of project design elements	\$58,000
Design Complete and Construction Start	FY 18	Design completion; property easements; permitting; bidding and construction start; Construction contract awarded	\$171,000
Construction	FY 19	Major transmission main construction tasks	\$2,936,000
Construction Completion and Closeout	FY 20	As-built drawings; project acceptance	\$0
Original 2015 Project Estimate			\$3,465,000
PROJECT TOTAL to DATE			\$3,165,000
Projected Total with All Changes			\$3,823,000
Difference between Projected Total and Total Cost to Date			\$658,000

# Hattan Transmission Main- Modifications and Changes Summary

PROJECT: HATTAN TRANSMISSION MAIN		Table 3. Summary of Modifications and Changes		
Project Phase	Time Period	Modifications or Changes		
		<i>Mods to Original 2015 Pre-design</i>	<i>Other Changes</i>	<i>Approximate Cost of Mods/Changes*</i>
Preliminary Planning	FY 15	N/A	N/A	N/A
Design	FY 17	More extensive detail to define project elements; including service replacements and other appurtenances, wider easements required	N/A	N/A
Design Complete and Construction Start	FY 18	Required inhouse engineering included above considerations as well as pipe upsizing, geotechnical design, and development of IGA with County for full paving of Hattan Road (results in cost savings and better product)	N/A	N/A
Construction	FY 19		Higher overall cost to construct detailed elements of work	\$380,000
Construction Completion and Closeout	FY 20	TBD	TBD	TBD

*\*Note- Cost of changes included in total project costs. Costs are relative to the project phase where the mod/change occurred, but may overlap multiple time periods.*



# Hattan Transmission Main- Photos

Waterline tie-in  
at Dick Dr.





Hattan  
Transmission  
Main Photos



Hillside piping  
installation  
between Hattan  
Road and Redland  
Reservoirs



# Hattan Transmission Main Photos





# Highway 224 Intertie

---

- Major work completed since March
  - Construction start and completion
  - 20" watermain installed on Hwy 224 between 212/224 junction and Carver
  - Waterline testing and acceptance
  - Pavement restoration on Hwy 224
    - Extended repaving required by jurisdiction (ODOT) added cost
  - Contractor organization and efficiency yielded finished project ahead of schedule and savings in other areas (reduced inspection services)

PROJECT: HWY 224 INTERTIE		Table 2. Cost Break-out	
Project Phase	Time Period	Major Activities	Total Cost to Date (5/31/19)
Preliminary Planning	FY 15-17	Original Backbone scoping and estimates	\$0
Design	FY 18	Design- engineering and completion, detailed scoping of project design elements; property easements; permitting	\$86,000
Construction	FY 19	Bidding and construction start; Construction contract and construction inspection services contract awarded; Major transmission main construction tasks	\$1,812,000
Construction Completion and Closeout	FY 20	As-built drawings; project acceptance	\$0
Original 2015 Project Estimate			\$1,746,000
PROJECT TOTAL to DATE			\$1,898,000
Projected Total with All Changes			\$2,412,000
Difference between Projected Total and Total Cost to Date			\$514,000

## Hwy 224 Intertie- Project Cost Break-out

- *Unless otherwise noted, all contracts were approved by the Board.*

# Hwy 224 Intertie- Modifications and Changes Summary

PROJECT: HWY 224 INTERTIE		Table 3. Summary of Modifications and Changes		
Project Phase	Time Period	Modifications or Changes		
		<i>Mods to Original 2015 Pre-design</i>	<i>Other Changes</i>	<i>Approximate Cost of Mods/Changes*</i>
Preliminary Planning	FY 15-17	N/A	N/A	N/A
Design	FY 18	Required inhouse engineering included more extensive detail to define project elements, including pipe upsizing, easements, paving requirements	N/A	N/A
Construction	FY 19		Higher overall cost to construct detailed elements of work; extended repaving work required by jurisdiction (ODOT); realignment of short section due to unforeseen utility conflicts	\$547,000
Construction Completion and Closeout	FY 20	TBD	TBD	TBD

*\*Note- Cost of changes included in total project costs. Costs are relative to the project phase where the mod/change occurred, but may overlap multiple time periods.*



# Hwy 224 Intertie Photos



Bore pit and  
piping installation  
for Hwy 212/224  
crossing





# Hwy 224 Intertie Photos



*Backbone Projects Update  
Board Meeting, 6/13/19*



# Hwy 224 Intertie Photos

Pavement  
restoration on  
Hwy 224



05/08/2019 10:45

Backbone Projects Update  
Board Meeting, 6/13/19



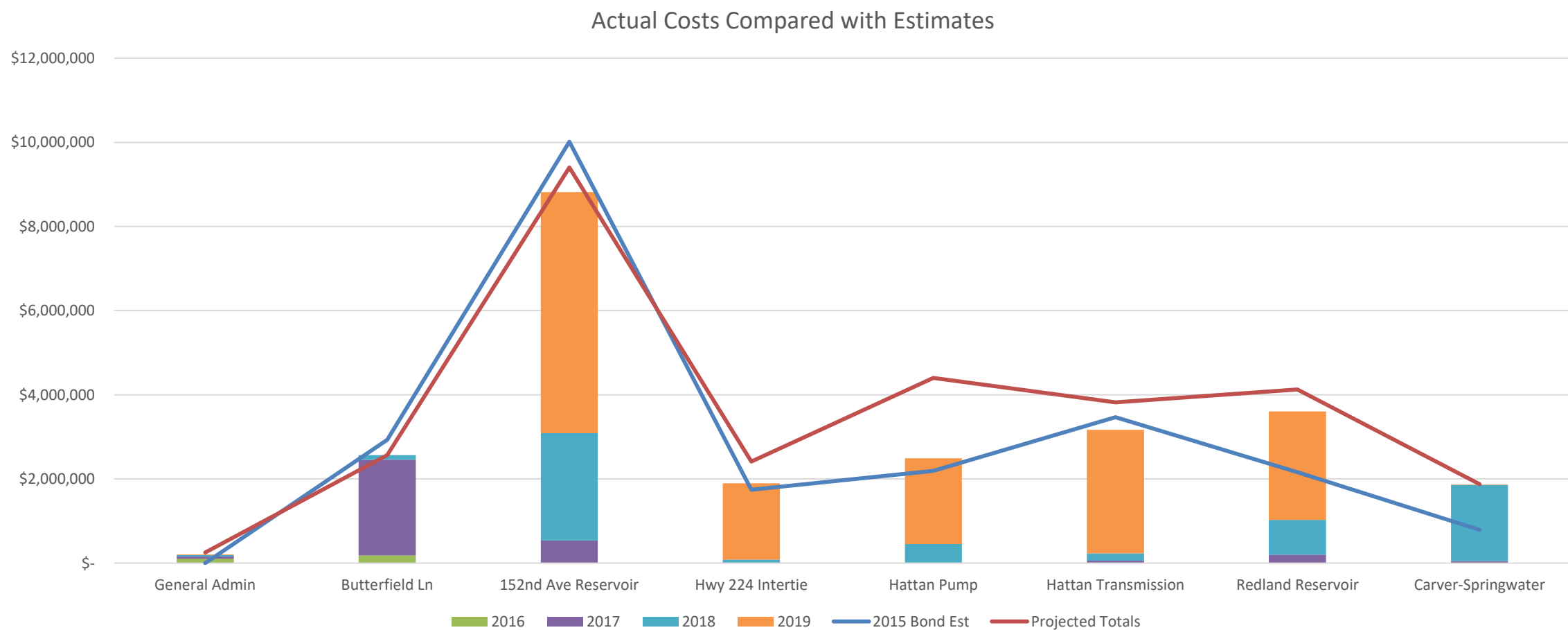
# Hwy 224 Intertie Photos

**First CRW North System  
Water across the Carver  
Bridge!**





# Backbone Phase 1 –Spending Summary



# Backbone Phase 1 Cost Review: a budgetary perspective

---

## CIP Bond Construction Fund

	Original Budget	Modified Budget	Actual Spending	Variance
FY 2018				
Capital Outlay	\$ 6,625,000	\$ 6,625,000	\$ 6,052,602	\$ 572,398

	Original Budget	Modified Budget	Actual Spending	Variance
FY 2019				
Capital Outlay	\$ 13,568,000	\$ 16,568,000	\$ 14,986,609	\$ 1,581,391

	Original Budget	Modified Budget	Actual Spending	Variance
BN 2017-2019				
Capital Outlay	\$ 20,193,000	\$ 23,193,000	\$ 21,039,211	\$ 2,153,789

FY 2019 Spending through May 31, 2019 but does not include internal labor.



# Backbone Phase 1 Overall Recap

---

- Our actions per Moss Adams recommendations
  - Providing additional cost detail and comparisons of life to date project costs with pre and post design estimates
  - Definitions:
    - **Estimate** – can be from any point in the planning phase and becomes more accurate as design becomes more complete
    - **Budget** – an estimate of expenditure for a set period of time (still an estimate but we will use this term to refer to numbers included in our biennial budgets and/or any supplemental budgets presented to the Board of Commissioners)
- Backbone Phase 1 project work to date continues to meet goal of providing CRW service to south area, at a cost and schedule that will accomplish all required program elements.

## Recap of Backbone Phase 1 Accomplishments

<b>Projects Complete or Substantially Complete</b>	Butterfield Lane Transmission Main	Carver-Springwater Transmission Main
	Hwy 224 Intertie	Redland Reservoir #3
<b>Projects In Construction</b>	152 <sup>nd</sup> Reservoir	
	Hattan Pump Station	Hattan Transmission Main

*All Phase 1 projects will be substantially complete by December 2019.*



*Clackamas River Water*

# Clackamas River Water

Regular Board Meeting  
June 13, 2019



# Budget Hearing Biennium 2019-2021

Carol Bryck, CPFO, CTP  
Budget Officer  
June 13, 2019





# Approved Budget

---

## Approved Budget:

- General Fund Appropriations
  - Personnel Services - \$11,408,300 (includes payoff of PERS Transitional Liability)
  - Materials & Services - \$8,851,300
  - Capital Outlay - \$1,411,000 (includes fuel storage)
  - Transfers Out - \$7,390,675 for Capital Reserve and Debt Service
  - Operating Contingency - \$750,000

# Approved Budget

---

## Approved Budget:

- CIP Fund Appropriations
  - Capital Outlay - \$3,631,000 – eight projects
- CIP Bond Construction Fund Appropriations
  - Capital Outlay - \$3,139,000 – complete three projects
    - 152nd Ave Reservoir
    - Hattan Road Pump Station
    - Hattan Road Transmission Main

# Approved Budget

---

## Approved Budget:

- SDC Reserve Fund Appropriations - \$2,000,000
- Revenue Bond Fund Appropriations - \$3,390,675
- CRWSC Activity Fund Appropriations
  - Personnel Services - \$132,300
  - Materials & Services - \$148,900
  - Transfers Out - \$1,722,600



# Budget Priorities

---

## Budget goals and priorities:

- Complete Phase 1 Backbone projects – Capital Improvement Construction projects of \$3.1 million funded with Capital Reserves and SDC Reserves
- Eight CIP projects \$3.6 million – most identified in the Water System Master Plan
- Develop WTP Facilities Master Plan to identify needs at Water Treatment Plant
- Initiate Strategic Planning process
- Conduct Customer satisfaction survey
- Establish, implement or enhance agreements and processes with regional partners

# Budget Summary

---

Summary of Total Budget - all funds (in thousands)

	BN 17 - 19	BN 19 - 21		%
	supplement	proposed	Difference	Change
General Fund	\$ 30,607	\$ 34,632	\$ 4,025	13.15%
CIP Fund	3,186	3,631	445	13.97%
CIP Bond Const Fund	23,193	3,501	(19,692)	-84.90%
Bond Proceeds Fund	20,301	247	(20,054)	-98.78%
Capital Reserve	12,370	11,322	(1,048)	-8.47%
CRWSC Activity	2,246	2,116	(130)	-5.79%
Rate Stabilization	1,176	1,219	43	3.66%
SDC Reserve	1,750	3,956	2,206	126.06%
Revenue Bond	3,881	3,904	23	0.59%
Total Budget	\$ 98,710	\$ 64,528	\$ (34,182)	-34.63%

# Financial Reserve Policy

---

Financial Reserve policies are met with this budget:

- 
- Transfers to Capital Reserve Fund - \$2 million/year
  - General Fund ending fund balance – policy requires 90 days operating (\$2.4 million) – this budget is 144 days of operating
  - Contingency is \$750,000



# Debt Covenants

---

Debt covenant requirements are met with this budget:

- Revenue net of SDC ratio requirement 100%
- As Budgeted 262%
- Revenue including SDC ration requirement 125%
- As Budgeted 310%



# Budget Hearing

---

- Public Comment
- Other Questions or Comments
- Motion to Close Budget Hearing and Reconvene Regular Meeting

# Resolution 08-2019

Agenda Item #1

Adoption of Biennial Budget and Make  
Appropriations for BN 2019-2021



# Draft Motion

---

I move to approve Resolution 08-2019, adopting the budget and making appropriations for the 2019-2021 biennium.

# Resolution 09-2019

Agenda Item #2

Utility Billing Bad Debt Write-Off

# Resolution 09-2019

---

Draft Motion:

I move to approve Resolution 09-2019 Bad Debt Write-off for Fiscal Year 2018-2019, Uncollected Water Bills



# Bad Debt

---

- Accounts closed prior to July 1, 2018 – 79 accounts
  - Bankruptcy – 4 accounts - \$1,887.53
  - Commercial/Industrial – 2 accounts - \$311.58
  - Residential – 73 accounts - \$9,185.82
- Total proposed write-off - \$11,384.93
- Fiscal Year collections on prior bad debt write-offs:
  - \$1,168.73
  - Net amount for this year - \$10,216.20
  - Percentage of total water sales – 0.09%
- This is the maximum amount that will be written off – can be reduced by any payments received through June 30, 2018.

# Resolution 10-2019

Agenda Item #3

Establishing Wholesale Rates charged to  
Sunrise Water Authority

# Resolution 10-2019

---

Draft Motion:

I move to approve Resolution 10-2019  
establishing wholesale water rates charged  
to Sunrise Water Authority effective July 1,  
2019



# Resolution 10-2019

---

- Annual update to wholesale water rates for Sunrise Water Authority – effective July 1, 2019 through June 30, 2020
- Methodology includes indexing to CPI-U and increases in power costs over prior year.
- Comparative rates year over year:
  - FY 2018-2019                      \$0.70458
  - FY 2019-2020                      \$0.72311
- Approximate revenue increase - \$23k

Questions or Comments?