

**CLACKAMAS RIVER WATER BOARD OF COMMISSIONERS
BOARD WORK SESSION
June 22, 2020**

COMMISSIONERS PRESENT:

Sherry French, President
Naomi Angier, Secretary
Rusty Garrison, Treasurer
Tessah Danel
Hugh Kalani

STAFF PRESENT:

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

CRW Employees: Chief Engineer, Adam Bjornstedt; Chief Finance Office, Carol Bryck; IT Manager, Kham Keobounnam; Emergency Manager, Donn Bunyard; Water Distribution Supervisor, Jason Labrie

COMMISSIONERS ABSENT: 0

VISITORS: Shelly Parini (Parini Connects, LLC)

Call Work Session to Order

Commissioner French called the meeting to order at 6:02 pm. Roll call was taken

1. **Strategic Planning Progress Update-** Ms. Parini presented the Board with the final Research Discovery document outlining the information gathered during the research phase off the strategic planning efforts. One area that Ms. Parini highlighted was the identification of the 5 main “pillars” (themes) to assist with the planning process (see attached document). The Management Team worked on the identified themes to outline what is already being done under each topic, what are some obstacles that may exist to be overcome to achieve the goals. The identified information will be used as part of the strategic planning retreat to be held in August.
2. **Final Report Backbone Phase 1 Projects-** (see attached presentation)
 - Overview and Objectives of Phase 1
 - ✓ 7 projects made up phase 1
 - ✓ Total cost for the phase 1 projects was \$29,082,316
 - ✓ The goal was to get CRW produced water to the Redland Pressure zone (25% of South area demand)
 - ✓ Improve systems ability to meet current and future demands
 - ✓ Update and or replace outdated or sub-standard infrastructure
 - ✓ 4-year program (2016-2020)
 - ✓ All 7 phase 1 projects are complete and online
 - Challenges of the Projects
 - ✓ Subsurface or existing conditions
 - ✓ Land use process and conditions
 - ✓ Project sequencing and interconnectedness

- ✓ Added or modified scope
- ✓ Weather delays
- ✓ Permitting process and conditions
- ✓ Project prioritization
- ✓ Construction challenges
- ✓ Community outreach
- ✓ Material submittal and supply
- ✓ Site/roadway/ROW restoration
- ✓ Internal tracking and reporting
- ✓ Property/easement acquisition
- Project Elements Completed
 - ✓ Reservoirs – new and renovated
 - ✓ Transmission mains
 - ✓ Service replacements
 - ✓ Pump station (surge system, emergency generator)
 - ✓ Design survey
 - ✓ Land use permitting
 - ✓ Public outreach
 - ✓ Outsourced design engineering
 - ✓ Outsourced construction engineering management
 - ✓ Special inspections
 - ✓ Property/easement acquisitions
- Public Works Projects and Change
 - ✓ Three “A’s” of Planning
 - Accept -uncertainty is inevitable
 - Assess-determine the potential impact
 - Augment- uncertainty will usually be underestimated
- A projects financial journey
 - A degree of uncertainty when planning
 - Budget level estimates created prior to completed designs
 - Continue to refine the scope as designs become more complete
 - Construction level estimates are created before final design is done
 - Project bids are affected by many external factors
 - During construction there are unforeseen conditions
- Financial Recap
 - ✓ Budget to Actual for 2020
 - Budget \$3,139,000
 - To date \$4,166,706
 - Anticipated final SWA Contribution (152nd Ave. Res.) \$1,905,000
 - Estimated final expenditure \$3,139,000
 - ✓ Awaiting final contribution payments, which will reduce total project costs
 - Sunrise Water third contribution payment for 152nd Ave. Res.
 - PGE dispatchable generation reimbursement for permitting fees
 - We will be making additional payment for 152nd Ave. reservoir construction for retainage
 - ✓ Bond spending requirements were met

- 5% within six months-spent or obligated. The contract for Butterfield land transmission main reached that threshold
- 85% spent within three years-we met that requirement by March 2019
- ✓ All Backbone Phase 1 projects are online- providing value to CRW customers and water from our plant is serving customers in the Redland Pressure zone.
- Take-Aways and Conclusions
 - ✓ Financial tracking/reporting (engineering-finance)
 - ✓ Board Communication: frequency and content
 - ✓ Project prioritization
 - ✓ Recognizing in-house expertise, bandwidth, and limitations; outsourcing when needed
 - ✓ Value of good community outreach and communication
- Phase 1 Objectives met
 - ✓ Improve system ability to meet current and future water demands
 - ✓ Replace some outdated/substandard infrastructure
 - ✓ Provide CRW-produced water to CRW South Service area
- Added value from developed design including changes/upgrades to existing system, revised sizing of project components to better meet current/future demands
- Project costs met with strategic use of various funds, including bond, bond interest, CIP and SDC reserves, plus partner contributions
- Planning strategy for “Phase 2” including short and long-term approach overarching objectives mirror phase 1 goals

Commissioner French asked about the 1999 Bond and when that would be paid off, the final payment will be paid off this year.

Commissioner Danel, commended staff on successfully completing such a large project, really appreciated the presentation and how easily the story was to understand.

Mr. Heidgerken highlighted that this was a huge project that CRW staff tackled successfully; congratulations to Adam for leading the project; appreciation to Carol for navigating how the project would be financed; Recognized Bob George’s efforts in the project; Joe Eskew who stepped up to manage some of the projects; Karin for the contracting piece; current and former Board members

Commissioner Angier commended staff on the community outreach efforts on the 152nd Ave. Reservoir and kudos to Commissioner Kalani for his efforts to meet with the Bond Community prior to bonding for the project.

3. Commissioner Communications – None at this time

4. General Manager Update

- Included with the Work Session packet was a letter from a customer who staff worked with related to a leak relief adjustment written to the Board
- There is a Special Legislative Session this week that may have some legislation that may impact the District and additional information on funding for reimbursement of costs related to response to the pandemic.
- There is an agenda setting meeting on Wednesday with Comms. Angier and French
- CRW is closed on July 3rd to observe the 4th of July Holiday

- July Board meeting is on the 9th and there may be a need for an Exec. Session ahead of the July Board Meeting.

Public Comment: none

Open meeting is adjourned at 7:30pm



Clackamas River Water

Understand what it will take for Clackamas River Water to successfully refresh its vision, brand and customer relations efforts to ensure it has the support needed to fully develop a resilient water system for the purpose of better serving its current and future customers.

Research Discoveries

Clackamas River Water

PARINI CONNECTS LLC, Shelly Parini
Spring 2020

EXECUTIVE SUMMARY

In Fall 2019, Clackamas River Water (CRW) undertook a unique research process intentionally designed around the organization's mission to provide high quality, safe drinking water to its customers at rates consistent with responsible planning for the long-term health of its District.

The feedback discovered from this process will help CRW design a strategic framework to shape its 2020-2025 Strategic Priorities.

The research goals included:

- Understand what it will take for CRW to successfully refresh its vision, mission and customer relations efforts to ensure it has the support needed to fully develop a resilient water system for the purpose of better serving its current and future customers.
- Provide input and direction for CRW Strategic Planning Retreat.
- Enhance relationships with community, customers, stakeholders, partners and each other.

As a part of this process, Parini Connects LLC interviewed 10 key stakeholders identified by CRW leadership; facilitated two community focus groups and one all-staff workshop. In addition to the live listening sessions, CRW also conducted a customer satisfaction survey to ensure that as many voices as possible were invited to participate in the process.

In an era characterized by cynicism and distrust for government, CRW wanted to make sure that all parties: staff, board leadership, key stakeholders, peer water agencies, partners and of course, its customers had an opportunity to weigh-in and engage through a variety of platforms that will ultimately be used to influence the future direction of the District.

A special thank you goes out to all the CRW Managers who stepped up to act as facilitators and recorders for this process. To ensure they too had an opportunity to contribute, managers were tasked with responding to the five big strategic themes that were an outcome of the discovery process. Their feedback and recommendations will help ensure that the strategic goal setting planned for early summer is set up for success.

In collective, the discoveries and ideas unearthed in this initiative will help CRW build confidence in its customers that it is taking the right steps to deliver quality drinking water at the best value possible for generations to come.

CLACKAMAS RIVER WATER DISCOVERY PROCESS:



The discovery phase is an important part of the data collection process. It uncovers what matters most to the employees, leaders, customers, stakeholders, neighboring cities, water agencies, and peers of Clackamas River Water.

Desired Outcomes:

- Understand what customers, partners, staff, Board and stakeholders most value about CRW's work and what is perceived as its greatest strengths.
- Enhance relationships with community, customers, stakeholders, partners, Board members and each other.
- Identify small but transformative changes to assist with renewed vision and mission refresh.
- Identify key areas that stakeholders and partners are desirous to work on together, as it relates to the value and importance of water and future investment needs.
- Leverage and integrate discoveries into strategic planning efforts to ensure alignment and support.

WHAT WE ASKED:

A complete list of the interview and focus group questions can be found in the appendix section of this report. The below is intended to provide highlights of the questions discussed.

- In your opinion, how confident are you in Clackamas River Water's ability to provide quality drinking water to its customers (Today and Future)?
- Would you say that Clackamas River Water is on track with how it spends its resources?
- As it stands today, what is your perception of how Clackamas River Water is being managed?
- Looking to the future, we would like to better understand what challenges you perceive could impact our ability to develop a robust water system for the purpose of better serving our current and future customers.
- In closing, what other suggestions do you have that might help Clackamas River Water with its efforts to be perceived as a credible source of information and champion of water protection?
- In addition, through a sticky note exercise, participants had the opportunity to share ideas for short- and long-term changes which were translated into recommendations and big ideas. They also had a chance to privately weigh-in on the question relating to management.

CLACKAMAS RIVER WATER DISCOVERY HIGHLIGHTS:



WHO PARTICIPATED? More than 70 invested parties participated in the discovery process. See appendix for complete list.

- Customers
- Business and Community members
- CRW Retirees and CRW Staff and Managers
- City and County Officials
- CRW Board members
- Partners and Stakeholders
- Environmental Educators
- Drinking Water and Clean Water Agencies

SUMMARY OF WHAT WE LEARNED:

The following is a list of the top five strategically directed themes most robustly discussed and identified as key areas of concern relating to the future of Clackamas River Water. These themes will be used to guide the creation of CRW's 2020/2025 Strategic Goals.

- Infrastructure Resiliency and Emergency Preparedness
- Communication, Education and Outreach
- Financial Viability and Customer Satisfaction
- Community Partnerships
- Employee and Leadership Development

The interviews and engagement process also provided CRW critical information on how to make a number of **small communication changes** to strengthen the agency, today.

- Strengthen internal communication channels
- Share success stories and celebrate achievements
- Help staff understand Board priorities and how they impact employees
- Share strategic planning progress reports with staff
- Create more opportunities for positive interaction between departments, staff and management
- Tell the CRW story to the community
- Help customers understand why costs are increasing and how their money is invested

CLACKAMAS RIVER WATER DISCOVERIES:



Below is a comprehensive summary of the feedback from all four quadrants of the discovery process. The questions are intended to aid the agency with both short- and longer-term goals as it moves towards its 100th year of service in 2025.

- In your opinion, how confident are you in Clackamas River Water’s ability to provide quality drinking water to its customers (Today and Future)?

TODAY	FUTURE
<p>Most participants believe that CRW is doing all the right stuff to provide quality drinking water to its customers and expressed a high level of confidence in CRW staff and management.</p> <p>Those that expressed fair level of confidence attributed this to historic issues relating to governance and the friction between Board and Staff.</p>	<p>Most participants have confidence in CRW’s ability to provide quality drinking water in the future.</p> <p><i>Expressed impediments:</i></p> <ul style="list-style-type: none"> ✓ Aging infrastructure and facilities ✓ Catastrophic events ✓ Climate change ✓ Increasing regulation ✓ Stability of governance; ✓ Water supply agreements ✓ Ability to finance major capital improvement projects

- Would you say that Clackamas River Water is on track with how it spends its resources?

CONFIDENCE	IMPROVEMENT
<p>General agreement that CRW is on the right track with how it spends its resources.</p> <p><i>What's working:</i></p> <ul style="list-style-type: none"> ✓ Engaged and smart management ✓ Highly skilled and talented employees ✓ Good stewards of resources ✓ Good capital planning 	<p>Some customers / participants struggled with this question due to lack of information. Some also expressed concerns with past project costs and increased rates.</p> <p><i>"CRW needs to help its customers understand that the water industry is working hard to do the right thing, at the best value and to do that successfully it must adapt its communication style."</i></p> <p>-Interviewee</p>

- As it stands today, what is your perception of how Clackamas River Water is being managed?

CONFIDENCE	IMPROVEMENT
<p>General agreement that CRW is well managed. The GM's collaborative style is noted as serving the agency well.</p> <p><i>"Todd and his team are shifting the organization from one known for its contentious nature, to one that is respected and open to partnership."</i></p> <p>-Interviewee</p>	<ul style="list-style-type: none"> ✓ Improve communication channels internally and externally ✓ Build capacity through collaboration and partnerships ✓ Create policies that move the agency towards becoming more resilient ✓ Partner with other agencies to engage, educate and communicate ✓ Invest in Board training

As shared, Clackamas River Water is proactively in the process of creating a five-year strategic plan. The following questions were asked to help CRW understand what's working, areas it needs to improve and learning what its constituents believe it must or should be working on within the next five years.

The discoveries learned will also help CRW better understand the challenges they perceive could impact CRW's ability to develop a robust water system for the purpose of better serving its current and future customers.

ALL STAFF DISCOVERY THEMES:



WHAT'S WORKING

COMMUNICATION /
SMALL CHANGES

FUTURE BIG IDEAS AND
RECOMMENDATIONS

<ul style="list-style-type: none"> ✓ Pride in what we do ✓ Highly skilled staff ✓ Stable / committed leadership ✓ Staff works together to support customers ✓ Customers know we care about them ✓ Values-driven culture ✓ Recent planning efforts ✓ GIS System Maintenance Program ✓ Replacing outdated equipment and infrastructure ✓ Water quality process 	<ul style="list-style-type: none"> ✓ Share success stories and celebrate achievements ✓ Strengthen internal communication channels ✓ Help staff understand Board priorities and how they impact employees ✓ Share strategic planning progress reports with staff ✓ Create more opportunities for positive interaction between departments, staff and management ✓ Tell the CRW story to the community 	<ul style="list-style-type: none"> ✓ Invest in team building, training and succession planning ✓ Become a more engaged regional water partner ✓ Create sustaining process for engaging with the community to educate them on what we do, why it matters and how funds are used ✓ Upgrade Water Treatment Facility ✓ Build Phase 2 Backbone ✓ Invest in resiliency planning ✓ Address unfunded mandates and regulations
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INTERVIEWS DISCOVERY THEMES:



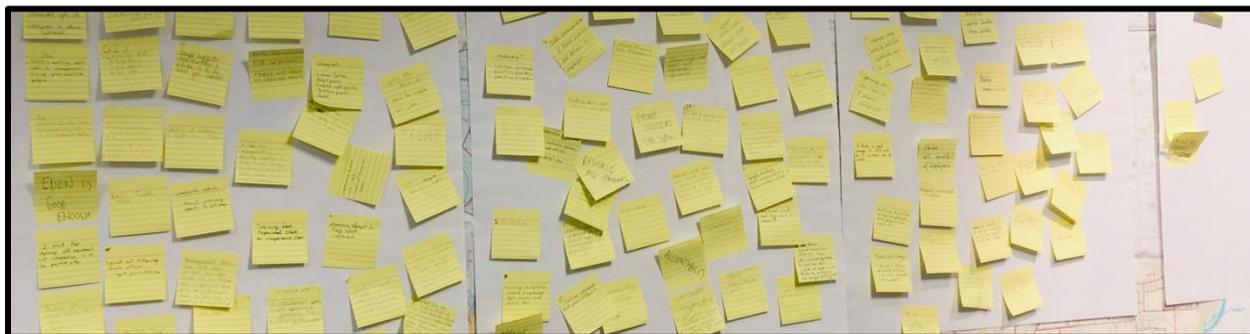
WHAT'S WORKING	COMMUNICATION / SMALL CHANGES	FUTURE BIG IDEAS AND RECOMMENDATIONS
<ul style="list-style-type: none"> ✓ CRW staff and management ✓ Board stability ✓ Emergency response and planning ✓ Recent future forward facility investments ✓ Customer Service ✓ Capital and facility planning ✓ Watershed health education partnerships – working together on pollution prevention messaging ✓ Open to collaborating and partnering with other agencies ✓ Becoming more visible in the community ✓ Less negative image than in the past 	<p><i>“Get out in the community. If you want people to understand who you are, what you do and why you matter, you have to get out and talk to them in person.”</i></p> <p><i>“Create Budget 101 for Board and Public.”</i></p> <p><i>“Take a fresh look at how CRW is telling its story. Partnering is good but carve out stories that demonstrate your own achievements and celebrate mutual successes.”</i></p> <p><i>“Help customers understand why costs are increasing and how their money is invested.”</i></p> <p>-Quotes from Interviewees</p>	<ul style="list-style-type: none"> ✓ Prepare public for annual rate increases – slow but steady ✓ Create mutual aid and other agreements that can help leverage resources and share in costs ✓ Leverage one water movement and messaging to help public understand the value of water ✓ Collaborate on education and outreach efforts with local agencies and partners ✓ Ensure strategic goals are well communicated to the public ✓ Make investing in the Water Treatment Plant a top priority

FOCUS GROUPS DISCOVERIES:



WHAT'S WORKING	COMMUNICATION / SMALL CHANGES	FUTURE BIG IDEAS AND RECOMMENDATIONS
<ul style="list-style-type: none"> ✓ Provides high quality drinking water at reasonable price ✓ Working with regional partners much better than the past ✓ Knowledgeable and highly skilled employees ✓ Good customer service ✓ GM has brought much needed stability ✓ Improvements between CRW staff & board ✓ Improvements in proactive planning and facility assessments ✓ Water quality testing and lab ✓ Strong emergency management 	<ul style="list-style-type: none"> ✓ Strengthen public relations efforts to be more focused on future ✓ Diversify communication channels to customers ✓ Place an emphasis on educational messages that help rate payers understand how resources are used with an emphasis on the value of water and all that goes into producing high quality drinking water. ✓ Collaborate with regional partners and shared stakeholders on pollution prevention messages 	<ul style="list-style-type: none"> ✓ Strengthen communication channels and outreach ✓ Continue formalizing regional approaches for future emergency and resiliency planning ✓ Stay on top of staffing issues relating to retirements ✓ Make critical investments in Water Treatment Plant ✓ Practice transparency in all financial planning activities that pertain to facility and infrastructure upgrades ✓ Ensure CIP and facility plans are completed ✓ Build strong partners in the basin for the future

EVALUATION OF STRATEGIC THEMES



The following are the top five strategically directed themes most robustly discussed and identified as key areas of concern relating to the future of Clackamas River Water. These themes will be used to guide the creation of CRW's 2020/2025 Strategic Goals.

- Infrastructure Resiliency and Emergency Preparedness
- Communication, Education and Outreach
- Financial Viability and Customer Satisfaction
- Community Partnerships
- Employee and Leadership Development

CRW managers were tasked with conducting an evaluation of each of the key themes that mattered most to the discovery participants.

The information gathered from the evaluation will aid in the final creation of the strategic goals by:

- creating an understanding of what projects or initiatives are currently planned or under development;
- identifying what barriers exist that could get in the way of the plan or project's success and
- suggesting recommendations for what could or should be done to ensure plans and projects stay on track.

This early assessment will aid the strategic planning process by:

- developing a framework for understanding critical work that is underway and needs to be completed within a specific timeframe,
- ensuring new goals align and complement current work, not impede it, and
- creating an opportunity to identify gaps that need additional support and resources.

Currently, the strategic planning retreat is scheduled for late summer.

What's Next?

In the summer of 2020 Clackamas River Water will come together to develop a set of bold strategic goals to help it navigate its next 100 years of service.

To guide the planning process CRW agreed on the following retreat outcomes:

- Understand shared values and perceived strengths of organization
- Refresh CRW Vision and Mission Language
- Create a shared vision to navigate CRW over next five years
- Design set of strategic goals and objectives that are reflective of that shared vision and the input gathered through the discovery process
- Understand and identify solutions to overcoming potential barriers to success
- Determine what success looks like and how it will be measured
- Identify leaders and advocates willing to champion elements of the strategic plan

Strategic planning is important to an organization because it provides a sense of direction, outlines measurable goals, and improves an organizations ability to navigate during turbulent times. Based upon the feedback received in the discovery process, there seems to be cautious optimism for the importance of this process. The healthy skepticism is due in part to CRW's past experiences with strategic plans that lacked follow through and mission alignment. To be truly successful and meaningful to all who participated in the process and in particular the Board and Staff, CRW must find simple and effective ways to ensure they are actively communicating the execution of the strategic goals from beginning to end.

Strategic Planning Trip Advisor:

1. **Zero in on the destination:** continue evaluating and fine-tuning the top strategic themes. The more you understand the risks and what's still needed the better.
2. **Get the engine ready:** evaluate current plans and projects and identify key roles for leadership. Now is the time to start your planning and preparation! It will go a long way in setting everyone up for success at the retreat.
3. **Map the route:** once the strategic goals are agreed upon, make sure your destinations are in sight for 2025. Part of the planning process will be asking "Where are we headed?" How do we get there and by what routes?"
4. **Hit the road:** The goals are planned. Routes are chosen. Markers established. You're on your way! Make sure the public launch of the strategic goals has full involvement from your discovery participants and don't forget to celebrate along the way.
5. **Destination achieved!** Strategic goals are reached. The shared vision achieved. Be sure to tie successes to CRW's 100th Anniversary! What a milestone it will be.

Appendix

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CRW Discovery Participants

CRW Staff

Sarah Jo Chaplan

Fred Charlton

John Collins

Phyllis Collins

Lisa Davidson

Kelly Dilbeck

Laura Edmonds

Tim Fisher

Sherry French

Rebecca Geisen

Gregory Geist

Bob George

Jeff Griffin

Mike Grimm

Wade Hathhorn

Chris Hawes

Ken Humberston

Brian Johnson

Gary Kerr

Tony Konkel

Gina Lefranc

John Lewis

Cheryl McGinnis

Bill Merchant

Scott Naylor

Wyatt Parno

Ernie Platt

Gregg Ramirez

Mike Rosenbaum

Jessica Sernach

Kim Swan

Doug Whiteley

Dave Whiting

Interview Letter

December 3, 2019

On behalf of Clackamas River Water (CRW), I am writing to invite you to participate in a unique research process intentionally designed around our organization's mission to provide high quality, safe drinking water to our customers at rates consistent with responsible planning for the long-term health of our district. Your feedback will help CRW design a strategic framework to shape our 2020-2025 Strategic Priorities.

Our goal is to better understand what it will take for CRW to ensure it has the support needed to fully develop a resilient water system for the purpose of better serving its current and future customers. You have been chosen to be a part of this effort because of your vested interest in water, as well as how we manage this important resource to meet the needs of our community.

We have hired Shelly Parini, a local public affairs consultant, to guide us through this process. She will be contacting you soon to see if you have the time to participate in one of these dynamic interviews. Interviews will be scheduled based upon your availability during the months of January and February and will last no longer than one hour.

If you have any questions, please do not hesitate to reach out to me at 503-722-9220.

We thank you in advance for your consideration and would greatly value your participation.

Respectfully,

Todd Heidgerken, General Manager

Interview Tool

QUESTIONS:

[Relationship Alignment] Looking to the past...

1. How are you connected to Clackamas River Water?

2. What or who inspired you to get involved with the CRW?
 - a. When did this involvement take place?

[Mission Alignment] Present times....

3. In your opinion, how confident are you in Clackamas River Water's ability to provide quality drinking water to its customers:
 - a. Today?
 - b. And, in the future?

Please explain why.

4. In your opinion, would you say that Clackamas River Water is on track with how it spends its resources?
 - a. Can you provide an example of what's working really well?
 - b. Is there anything that could be enhanced to ensure customers are provided with the highest quality drinking water and service possible at the best value?

5. As it stands today, what is your perception of how Clackamas River Water is being managed?
 - a. Can you provide an example of what's working really well?
 - b. Is there anything that could be enhanced or better communicated by the agency?

Suggestions:

[Vision Alignment] Looking to the future...

6. As I shared, Clackamas River Water is proactively in the process of creating a five-year strategic plan. To us, a strategic plan is a reflection of the values and expertise of an organization, a frame for what's possible and a snapshot of what the future holds.

- a. Looking to the future, we would like to better understand what challenges you perceive could impact our ability to develop a robust water system for the purpose of better serving our current and future customers.

Perceived challenges:

7. In closing, what other suggestions do you have that might help Clackamas River Water with its efforts to be perceived as a credible source of information and champion of water protection?

Suggestions:

8. How do you envision yourself participating in the future of creating a more resilient water system for Clackamas County, or the world for that matter?

Focus Group Letter

On behalf of Clackamas River Water (CRW), I am writing to invite you to participate in a unique research process intentionally designed around our organization's mission to provide high quality, safe drinking water to our customers at rates consistent with responsible planning for the long-term health of our district. Your feedback will help CRW design a strategic framework to shape our 2020-2025 Strategic Priorities.

Our goal is to better understand what it will take for CRW to ensure it has the support needed to fully develop a resilient water system for the purpose of better serving its current and future customers. You have been chosen to be a part of this effort because of your vested interest in water, as well as how we manage this important resource to meet the needs of our community.

To assist us in gaining your input and understanding, CRW is holding a focus group. We have chosen the following date for your consideration:

- Breakfast Forum: Friday, January 24 from 7:30am-9:30am
- Dinner Forum: Monday, February 10 from 6:00-8:00 p.m.

The focus group will be held at our Clackamas River Water headquarters located at 16770 SE 82nd Drive, Clackamas, Oregon.

We can accommodate up to fifteen stakeholders per session, so please sign up soon. If you would like to sign up or have any questions, please do not hesitate to reach out to Karin Holzgang at 503-722-9240 or kholzgang@crwater.com.

We thank you in advance for your consideration and would greatly value your participation.

Respectfully,

Todd Heidgerken, General Manager

Focus Group Agenda

CLACKAMAS RIVER WATER FOCUS GROUP Monday February 10 Agenda

Mission:

To provide high quality, safe drinking water to our customers at rates consistent with responsible planning for the long-term health of our district.

6:00 p.m. DINNER AND CHECK-IN

6:15 p.m. WELCOME (Board President and General Manager):

6:20 p.m. ORIENTATION (Facilitator)

Roles & Responsibilities: Each table will have a facilitator (staff), recorder (staff) and reporter (participant). The facilitator will be your guide throughout the journey today. His or her job is to ensure everyone has an opportunity to participate and contribute – and of course to keep us on time. Ground rules: listen, engage, no wrong answer.

6:25 p.m. PHASE I

Please introduce yourself and say a few words about what brought you here this evening and why you care about the future of Clackamas River Water.

6:45 p.m. PHASE II

1. **[Individual Responses]** In your opinion, how confident are you in Clackamas River Water's ability to provide quality drinking water to its customers:
 - a. Today and, in the future?
2. **[Group Responses]** Would you say that Clackamas River Water is on track with how it spends its resources?
 - a. Can you provide an example of what's working really well?
 - b. Is there anything that could be enhanced to ensure customers are provided with the highest quality drinking water and service possible at the best value?
3. **[Sticky Notes]** As it stands today, what is your perception of how Clackamas River Water is being managed?

- a. Can you provide an example of what's working really well?
- b. Is there anything that could be enhanced or better communicated by the agency?
- c. From your perspective, what is the one big thing CRW should be focused on in the coming year?

7:20 p.m. PHASE III: FUTURE

1. **[Group Responses]** As we shared in our invitation, Clackamas River Water is proactively in the process of creating a five-year strategic plan. To us, a strategic plan is a reflection of the values and expertise of an organization, a frame for what's possible, and a snapshot of what the future holds.
 - a. Looking to the future, we would like to better understand what challenges you perceive could impact our ability to develop a robust water system for the purpose of better serving our current and future customers.
2. **[Group Responses]** In closing, what other suggestions do you have that might help Clackamas River Water with its strategic planning efforts?

7:45 p.m. PHASE IV: Table Reports

- Short summary of what's working well from the group's perspective and why. Draw from earlier conversation. Were there common themes or any outliers?
- Short summary of group's discussion around greatest challenges. Were there common themes or any outliers?
- What are the top three things from your groups perspective that Clackamas River Water should be focusing on in 2020/2025?

8:00 p.m. SHORT CLOSING – General Manager

October 2019 Board Presentation



Clackamas River Water

Strategic Planning and Research Introduction: October 22, 2019
Parini Connects LLC

Why do we need a Strategic Plan?



- **Strategic planning** is important to an organization because it provides a sense of direction and outlines measurable goals.
- **Strategic planning** is a tool that is useful for guiding day-to-day decisions and also for evaluating progress and changing approaches when moving forward.
- **Strategic planning** improves an organizations ability to navigate during turbulent times.



Strategic Planning 101: Charting a Course

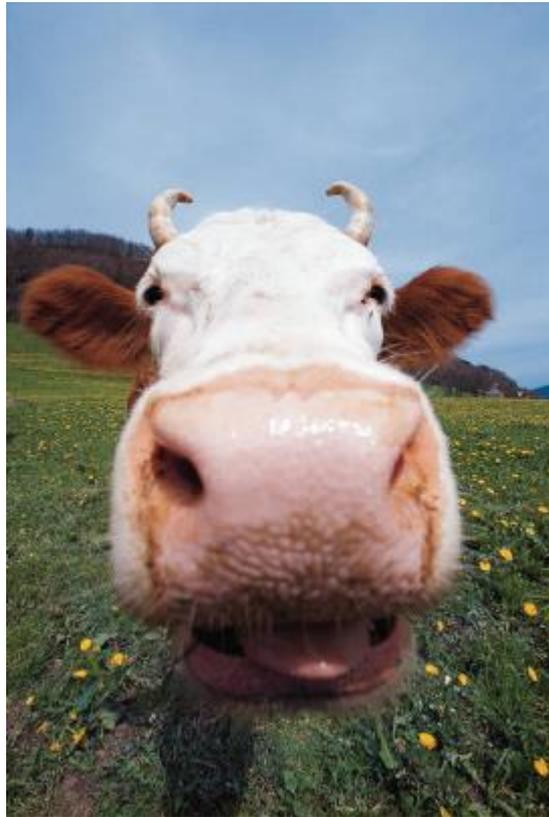


Don't forget to
align the plan with
CRW Vision and
Mission!

A good plan needs a vision



A vision requires reflection,
input and analysis



This Fall and Winter CRW will... Listen, Engage, Learn



- Online Survey
- 10 Interviews
- 4 Focus Groups
 - Stakeholders
 - Customers
 - Businesses
 - Residents
 - Staff
 - Partners
 - Community Leaders
 - Board Members



CRW Board
Engagement
Encouraged!

Desired Research Goals



- Understand what it will take for CRW to successfully refresh its vision, mission and customer relation's efforts to ensure it has the support needed to fully develop a resilient water system for the purpose of better serving its current and future customers
- Provide input and direction for CRW Strategic Planning Retreat
- Enhance relationships with community, customers, stakeholders, partners and each others

TIMELINE	ACTIONS
October	<ul style="list-style-type: none"> • Intro to CRW Board • 10 interviewees identified • Focus group participants and dates identified
November – December	<ul style="list-style-type: none"> • Customer attitude survey completed • AI research interview tool completed • Introductory letters mailed to targeted interviewees and focus group participants • Interviews begin
January – February	<ul style="list-style-type: none"> • Complete Interviews • Distribute customer attitude survey • Facilitate Focus groups • Draft Interim report
March	Present interim report (high level discoveries) to CRW Board
April	Strategic planning retreat
May	Build strategic plan
June	Present refreshed vision, mission and strategic plan to CRW Board

Timeline

CRW Strategic Planning Retreat Outcomes



- Understand shared values and perceived strengths of organization
- **Refresh CRW Vision and Mission Language**
- Create a shared-vision to navigate CRW over next five years
- Design set of strategic goals and objectives that are reflective of that shared vision
- Understand and identify solutions to overcoming potential barriers to success
- Determine what success looks like and how it will be measured
- Identify leaders and advocates willing to champion elements of the strategic plan
- Have fun!

What's the difference between Vision and Mission



- A **vision statement** focuses on tomorrow and what an organization wants to ultimately become. It is critical to strategic planning.
- Example: **Our vision is to** sustain water supplies and manage demand for continuous availability.
- A **mission statement** focuses on today and what an organization does to achieve it. Both are vital in directing goals.
- Example: **Our mission is to** provide safe, clean, reliable water for customer use and fire suppression.
- *Courtesy of West Slope Water District

How would you like to be engaged?



Interviewed?

Focus Group Participant?

Focus Group Captain?

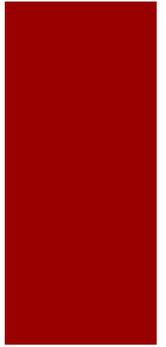


Questions?



March Board Presentation

Clackamas River Water Discoveries: Interim Report

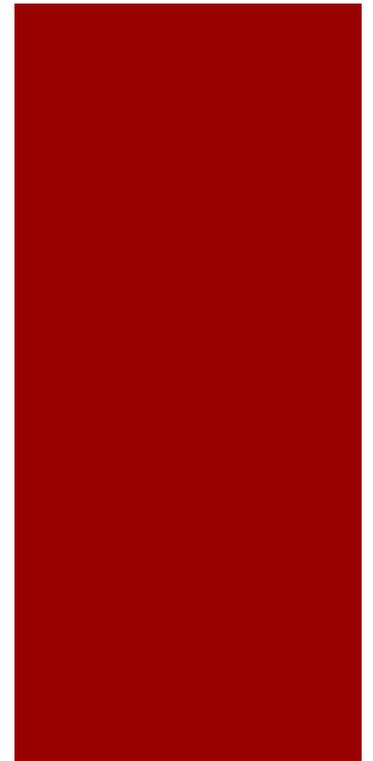


Parini Connects LLC: March 12, 2020



TIMELINE 2019/20	ACTIONS
FALL	<ul style="list-style-type: none">• Planning and Preparation• Facilitation Training
WINTER	<ul style="list-style-type: none">• Conducted 10 Interviews• Facilitated All-Staff Workshop• Facilitated 2 Focus Groups• Conducted Customer Satisfaction Survey
SPRING	<ul style="list-style-type: none">• Complete Discovery Report• Strategic Planning Retreat: April 27• Present the CRW Board with first review of strategic goals and strategies: May 26
SUMMER	<ul style="list-style-type: none">• Build Strategic Plan• Present final strategic plan: vision, mission, goals and strategies to CRW Board: June 11

Process



Leadership in Action

Clackamas River Water administrators facilitate and guide a unique research process intentionally designed around the principles of listening, learning and engaging.



Discovery Participants

More than 70 invested parties participated in the discovery process.

- Customers
- Business and Community members
- CRW Retirees
- CRW Staff/Administration
- City and County Officials
- CRW Board members
- Partners and Stakeholders
- Environmental Educators
- Drinking Water and Clean Water Agencies



What did we discover?



- Interviews
- All Staff Workshop
- Focus Groups
- Customer Survey

“Water providers are the front line of public health.” -Interviewee

Discovery: How confident are you in CRW's ability to provide quality water to its customers?



Today

Most participants believe that CRW is doing all the right stuff to provide quality drinking water to its customers and expressed a **high level** of confidence in CRW staff and management.

Those that expressed **fair level** of confidence attributed this to historic issues relating to governance and the friction between Board and Staff.

Future

Most participants have confidence in CRW's ability to provide quality drinking water in the future.

Expressed impediments:

- ✓ Aging infrastructure and facilities
- ✓ Catastrophic events
- ✓ Climate change
- ✓ Increasing regulation
- ✓ Stability of governance;
- ✓ Water right agreements
- ✓ Ability to finance major capital improvement projects

Discoveries: How are we doing?



Resources

Confidence

General agreement that **CRW is on the right track** with how it spends its resources.

What's working:

- ✓ Engaged and smart management
- ✓ **Highly skilled and talented employees**
- ✓ Good stewards of resources
- ✓ Good capital planning

Improvement

Some customers / participants **struggled with this question due to lack of information.** Some also expressed **concerns with past project costs and increased rates.**

"CRW needs to help its customers understand that the water industry is working hard to do the right thing, at the best value and to do that successfully it must adapt its communication style."

Management

Confidence

General agreement that **CRW is well managed.** The GM's collaborative style is noted as serving the agency well.

"Todd and his team are shifting the organization from one known for its contentious nature, to one that is respected and open to partnership."

Improvement

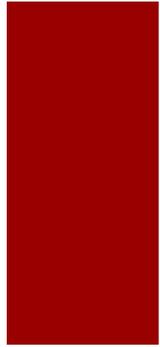
- ✓ **Improve communication channels internally and externally**
- ✓ Build capacity through collaboration and partnerships
- ✓ Create policies that move the agency towards becoming more resilient
- ✓ Partner with other agencies to engage, educate and communicate
- ✓ Invest in Board training

Interviews: Themes



What's Working	Communication Wisdom	Future Forward Big Ideas
<ul style="list-style-type: none">✓ CRW staff and management✓ Board stability✓ Emergency response and planning✓ Recent future forward facility investments✓ Customer Service✓ Capital and facility planning✓ Watershed health education partnerships – working together on pollution prevention messaging✓ Open to collaborating and partnering with other agencies✓ Becoming more visible in the community✓ Less negative image than in the past	<p><i>“Get out in the community. If you want people to understand who you are, what you do and why you matter, you have to get out and talk to them in person.”</i></p> <p>“Create Budget 101 for Board and Public.”</p> <p><i>“Take a fresh look at how CRW is telling its story. Partnering is good but carve out stories that demonstrate your own achievements and celebrate mutual successes.”</i></p> <p>“Help customers understand why costs are increasing and how their money is invested.”</p>	<ul style="list-style-type: none">✓ Prepare public for annual rate increases – slow but steady✓ Create mutual aid agreements that can help leverage resources and share in costs✓ Leverage one water movement and messaging to help public understand the value of water✓ Collaborate on education and outreach efforts with local agencies and partners✓ Ensure strategic goals are well communicated to the public✓ Make investing in the Water Treatment Plant a top priority

All Staff Workshop: Themes



What's Working	Communication Wisdom	Future Forward: Big Ideas
<ul style="list-style-type: none"> ✓ Pride in what we do ✓ Highly skilled staff ✓ Stable / committed leadership ✓ Staff works together to support customers ✓ Customers know we care about them ✓ Mission driven culture ✓ Recent planning efforts ✓ GIS System Maintenance Program ✓ Replacing outdated equipment and infrastructure ✓ Water quality process 	<ul style="list-style-type: none"> ✓ Share success stories and celebrate achievements ✓ Strengthen internal communication channels ✓ Help staff understand Board priorities and how they impact employees ✓ Share strategic planning progress reports with staff ✓ Create more opportunities for positive interaction between departments, staff and management ✓ Tell the CRW story to the community 	<ul style="list-style-type: none"> ✓ Invest in team building, training and succession planning ✓ Become a more engaged regional water partner ✓ Create sustaining process for engaging with the community to educate them on what we do, why it matters and how funds are used ✓ Upgrade Water Treatment Facility ✓ Phase 2 Backbone ✓ Invest in resiliency planning ✓ Address unfunded mandates and regulations

"I come in to pay my bills just to stay in touch with staff." - Interviewee



Focus Groups: Themes



“Help customers understand the true value of water.”

- Interviewee



What's Working	Communication Wisdom	Future Forward: Big Ideas
<ul style="list-style-type: none"> ✓ Provides high quality drinking water at reasonable price ✓ Working with regional partners much better than the past ✓ Knowledgeable and highly skilled employees ✓ Good customer service ✓ GM has brought much needed stability ✓ Improvements between CRW staff & board ✓ Improvements in proactive planning and facility assessments ✓ Water quality testing and lab ✓ Strong emergency management 	<ul style="list-style-type: none"> ✓ Strengthen public relations efforts to be more focused on future ✓ Diversify communication channels to customers ✓ Place an emphasis on educational messages that help rate payers understand how resources are used with an emphasis on the value of water and all that goes into producing high quality drinking water. ✓ Collaborate with regional partners and shared stakeholders on pollution prevention messages 	<ul style="list-style-type: none"> ✓ Strengthening communication channels, strategies and tactics ✓ Continue formalizing regional approaches for future emergency and resiliency planning ✓ Stay on top of staffing issues relating to retirements ✓ Water Treatment Plant Improvements ✓ Practice transparency in all financial planning activities that pertain to facility and infrastructure upgrades ✓ Ensure CIP and facility plans are completed ✓ Build strong partners in the basin for the future



Areas of Focus: The Big Ten



Hard

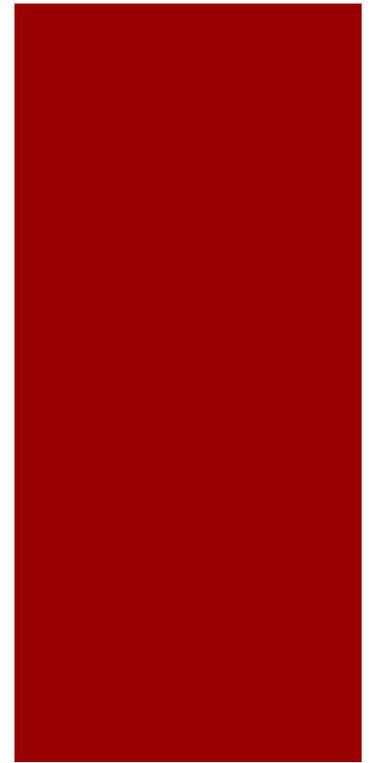


- Emergency Preparedness
- Water Treatment Plant
- Maintain Infrastructure
- Protect Water Quality
- Finance & Affordability



Soft

- Communication
- Partnerships
- Community Relationships
- Education and Outreach
- Training & Mentoring



Short Term Improvements

So what did we learn that is helping us right now?



Charting a Course for 2025

CRW Strategic Planning Retreat
Monday, April 27, 2020

Strategic Planning Retreat Outcomes



- Refresh CRW Vision and Mission
- **Create a shared-vision to navigate CRW over next five years and into its 100th Anniversary**
- Design set of strategic goals and strategies that are reflective of that shared vision
- Determine what success looks like and how it will be measured
- Identify leaders and advocates willing to champion elements of the strategic plan

Charting a Course: Goals and Strategies



- Goals: What we want to accomplish towards achieving our vision.
- Strategies: Approaches, plans, or methods for moving from the current condition to attainment of our goals.

Credit: West Slope Water District



Clackamas River Water: Navigating 100 years of Service!





Clackamas River Water

Board Work Session
June 22, 2020

Backbone Phase 1 Final Report

Presented by:

Adam Bjornstedt, Chief Engineer
Carol Bryck, Chief Financial Officer

Presentation Overview

- Backbone Phase 1- Overview and Objectives
- Project Schedules and Completion Milestones
- Navigating Through Project Challenges to Success
- Project Elements Completed
 - Scope Evolution and Factors of Project Change
- Financial Recap
- Take-Aways and Conclusions



Backbone Projects Overview

Funding: \$23,008,110 2016 Bond
\$5,000,000 SDC and Capital Reserves
\$1,074,206 Earned Interest on Bond
\$29,082,316 TOTAL*

Duration: March 2016 – June 2020
(Pre-planning activities August 2015 – February 2016)

** TOTAL does not include contributions from others (County, PGE, SWA)*



WHAT?:
Construct drinking water storage and transmission improvements and provide CRW-produced water to the Redland Pressure Zone (~25% of South Area demand).



HOW?:
CRW used a combination of project delivery approaches, including in-house and external project planning, design and management, and qualified public works construction contractors.



WHY?:
1) Improve system ability to meet current and future water demands; 2) Replace some outdated/sub-standard infrastructure; 3) Provide CRW-produced water to CRW South Service Area.

WHERE?:
From CRW North Service Area across the Clackamas River (Carver) to CRW South Service Area (Redland Pressure Zone).

WHEN?:
Phase 1 was a four-year program (2016-2020).

Project Schedules & Completion Milestones



Phase 1 Projects- Schedule Overview



Project	Design Complete	Construction Start	Construction Complete	Current Status
1- Butterfield Transmission	July 2016	August 2016	July 2017	Complete
2- Carver-Springwater Transmission	February 2018	April 2018	June 2018	Complete
3- 152 nd Ave Reservoir	January 2018	March 2018	June 2020	Complete
4- Redland Reservoir #3	February 2018	April 2018	June 2019	Complete
5- Hwy 224 Intertie	January 2019	March 2019	May 2019	Complete
6- Hattan Pump Station	August 2018	October 2018	January 2020	Complete
7- Hattan Transmission	August 2018	November 2018	August 2019	Complete

- Butterfield Transmission Main
- Carver-Springwater T. Main
- 152nd Reservoir
- Redland Reservoir #3
- Highway 224 Intertie
- Hattan Pump Station
- Hattan Transmission Main



July
Design Complete

August
Construction Start

July
Construction Complete

February
Design Complete

April
Construction Start

June
Construction Complete

August
Design Complete

October
Construction Start

January
Construction Complete

January
Design Complete

Design Complete

March

Construction Start

Construction Start

August

Design Complete

November

Construction Start

January

Design Complete

March

Construction Start

May

Construction Complete

June

Construction Complete

August

Construction Complete

June

Construction Complete

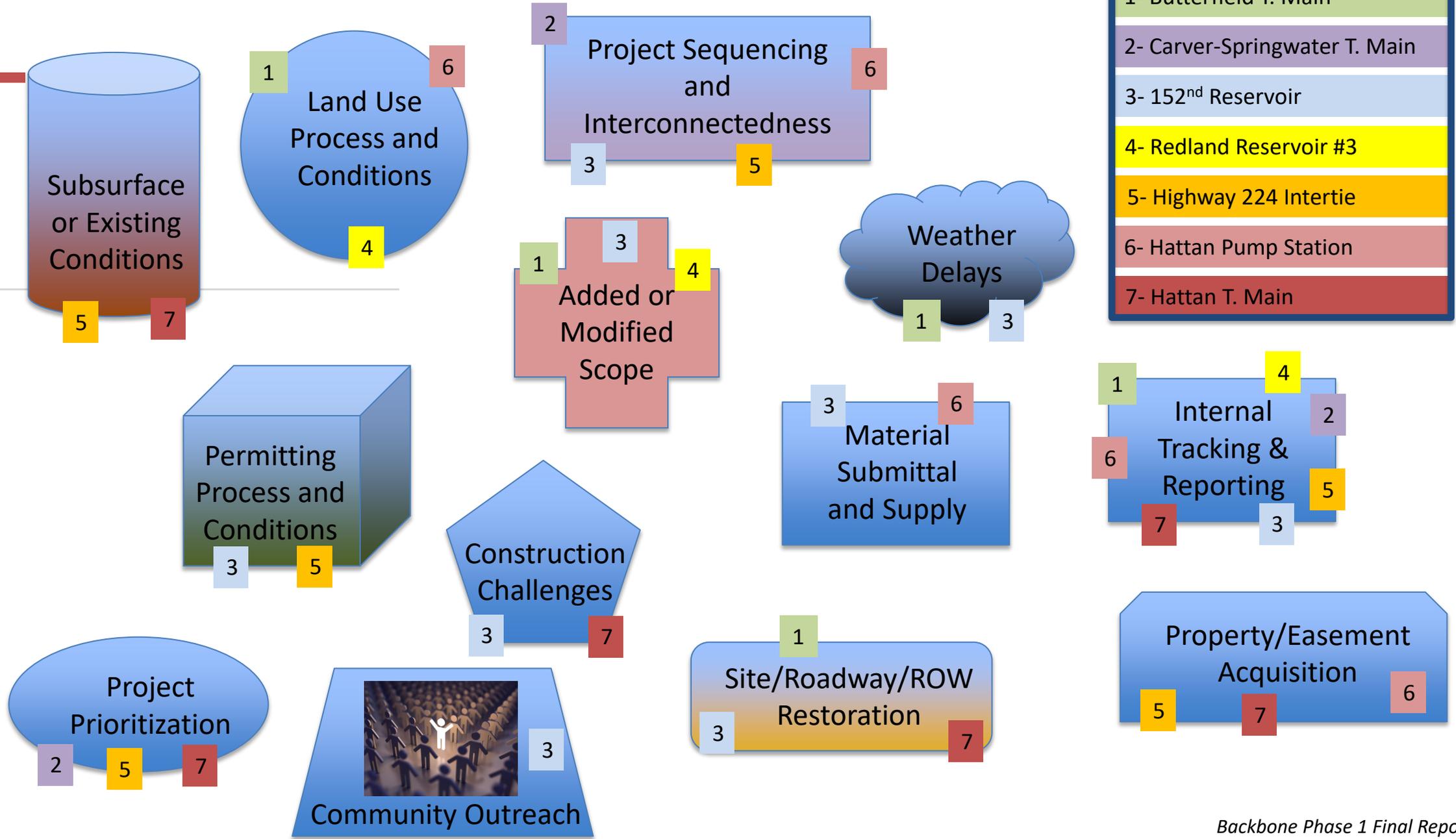


— Navigating Through Project Challenges to Success

*All projects experience challenges-
it is how they are addressed that
determines success.*



PROJECT



- 1- Butterfield T. Main
- 2- Carver-Springwater T. Main
- 3- 152nd Reservoir
- 4- Redland Reservoir #3
- 5- Highway 224 Intertie
- 6- Hattan Pump Station
- 7- Hattan T. Main

CHALLENGES

Project Elements Completed

- ❖ Scope Evolution, Adding Value, and Factors of Change



**BACKBONE PHASE 1
MAJOR PROJECT COMPONENTS COMPLETED**

<i>Project Component</i>	<i>Included in Original Scope (2015)</i>	<i>Butterfield T. Main</i>	<i>Carver-Springwater T. Main</i>	<i>152nd Reservoir</i>	<i>Redland Reservoir #3</i>	<i>Hwy 224 I-tie</i>	<i>Hattan Pump Station</i>	<i>Hattan T. Main</i>
Reservoir (New)	Yes			X	X			
Reservoir (Renovate)	No				X			
Reservoir (Demo)	No				X			
Transmission/Distribution Main	Yes/No*	X	X	X*	X*	X	X*	X
Service Replacements	No	X		X			X	X
Pump Station	Yes						X	
Surge System	No						X	
Emergency Generator	No						X	
Design Survey	Yes	X	X	X	X	X	X	X
Land Use/Permitting	Yes/No*	X*		X*	X*		X*	
Public Outreach	Yes/No*	X*		X*	X		X*	X
Outsourced Design Engineering	Yes/No*			X*	X*	X	X*	X*
Outsourced Construction Engineering Management	Yes/No*			X*	X*		X*	
Special Inspections	No			X	X		X	
Property/Easement Acquisition	Yes/No*	X*		X*	X*	X	X*	X*

Project Components, Improvements, and Changes

**Note on the Previous Table: "No" or "Yes/No" indicates that for some components, original preliminary/high level scoping did not include some or all of this component for specific projects.*

- ❖ Demo of Redland Reservoir #1 and renovating Redland Reservoir #2;
- ❖ Required off-site transmission main for the 152nd Reservoir;
- ❖ Replacing water services as part of projects;
- ❖ Design requirements for PS surge system;
- ❖ Adding emergency generator for the PS;
- ❖ Unforeseen land use requirements for several projects (based on current County code);

- ❖ More extensive public outreach required for 152nd Reservoir;
- ❖ Higher costs for outsourced engineering (design and construction phases) due to design, permitting and construction requirements;
- ❖ Required special inspections;
- ❖ Property/easement acquisition costs more extensive than anticipated (152nd Reservoir, Hattan PS, Hattan T.Main, etc.)
- ❖ Upsizing of certain elements due to developed designs (mains, pumps, etc.)

Public Works Projects and Change

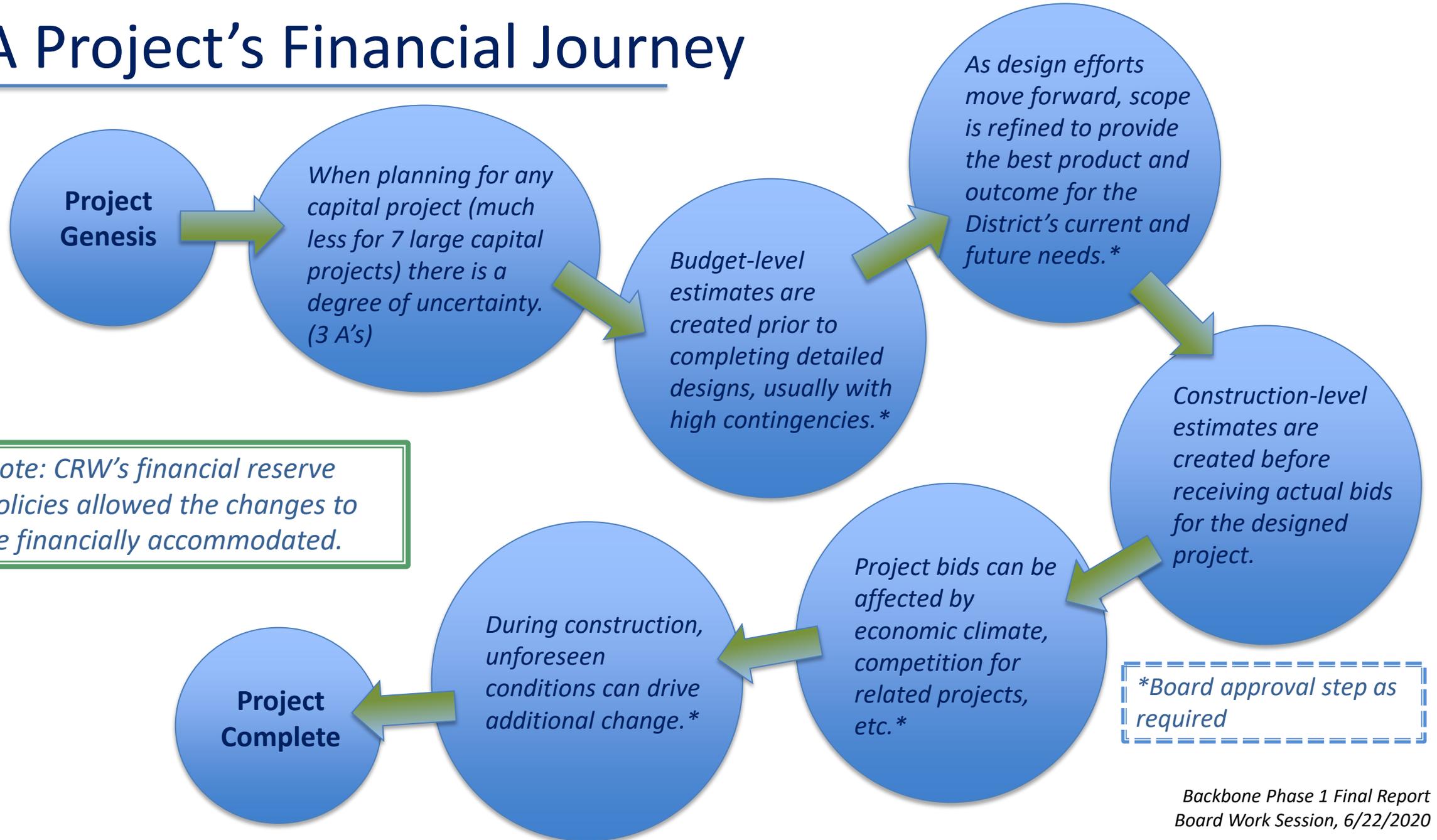
- *The three “A’s” of Planning:*
 - **Accept-** *uncertainty is inevitable*
 - **Assess-** *determine the potential impact*
 - **Augment-** *uncertainty will usually be underestimated*
- *This is typical for most public works projects.*
- *Order of magnitude can increase with scope complexity.*
- *Project changes were successfully navigated on all Phase 1 projects.*



Financial Recap



A Project's Financial Journey



Phase 1 Projects- Financial Overview

Things to Note:

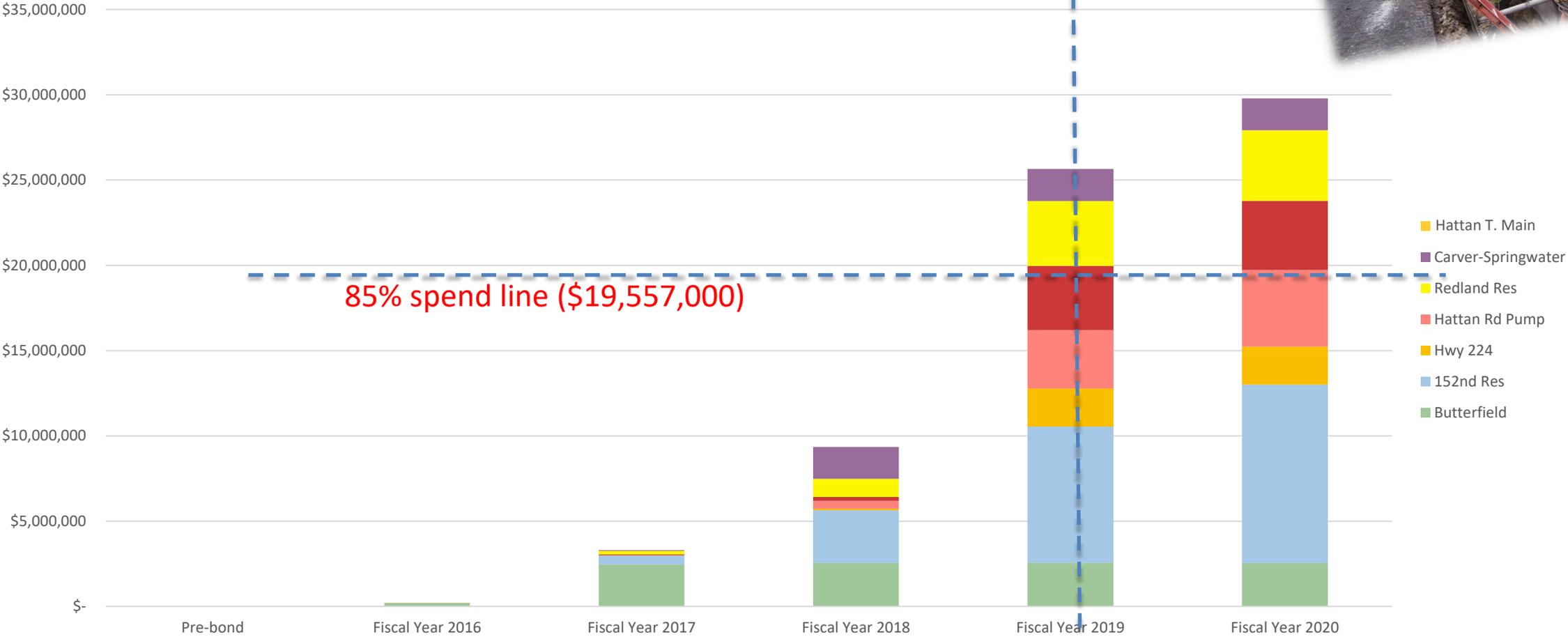
1. Projected total expenditures include total life of project costs related to project administration, design and construction, representative of all internal and external costs associated with project execution.
2. 152nd Reservoir total projected expenditure includes \$4.5 million contribution from SWA. The “Expenditures to date” column only includes the first 2 contributions as received.
3. Hattan Pump Station totals include ~\$162,000 contribution from PGE for DSG program.
4. Hattan Transmission Main total projected expenditure includes ~\$228,000 contribution from County for shared road re-paving costs.
5. Carver-Springwater Transmission Main includes Carver Bridge portion that was originally budgeted in 17-19 regular CIP program.

Project Sequence #	Project #/Name	Projected Total Expenditures (Feb.2019)	Actual Expenditures to Date
0	5187- Backbone General Admin	\$250,000	\$206,000
1	5160- Butterfield T. Main	\$2,567,000	\$2,567,000
2	5161- Springwater T. Main	N/A	N/A
3	5188- 152 nd Ave Reservoir	\$9,400,000	\$10,467,000
4	5195- Redland Reservoir #3	\$4,128,000	\$4,136,000
5	5189- Highway 224 Intertie	\$2,412,000	\$2,233,000
6	5190- Hattan PS	\$4,402,000	\$4,482,000
7	5191- Hattan T. Main	\$3,823,000	\$3,829,000
2	5217- Carver-Springwater T. Main	\$1,875,000	\$1,895,000
	Phase 2 Projects	\$375,000	\$285,000
	TOTALS	\$29,232,000	\$30,100,000

Backbone Phase 1 –Spending Summary



Cumulative Backbone Costs by Year



Final Accounting

- **Budget to Actual for FY 2020**
 - Budget \$3,139,000
 - To date \$4,166,706
 - Anticipated Final SWA Contribution \$1,905,000
 - Estimated final expenditure \$3,139,000
- **Awaiting final contribution payments, which will reduce total project costs**
 - Sunrise Water Authority third contribution payment for 152nd Ave Reservoir - estimated at \$1,905,000.
 - PGE dispatchable generation reimbursement for permitting fees.
 - We will be making additional payment for 152nd Ave Reservoir construction for retainage.
- **Bond spending requirements were met**
 - 5% within six months – spent or obligated. The contract for Butterfield Lane transmission main reached that threshold.
 - 85% spent within three years – we met that requirement by March 2019.
- **All Backbone Phase 1 projects are online** providing value to CRW customers and water from our plant is serving customers in the Redland pressure zone.



Backbone Phase 1 Cost Review: Budgetary Perspective

CIP Bond Construction Fund

	Original Budget	Modified Budget	Actual Spending Year 1	Actual Spending Year 2	Variance *
BN 2015-2017	\$ -	\$ 6,000,000	\$ 189,990	\$ 3,108,821	\$ 2,701,189
BN 2017-2019	\$ 20,193,000	\$ 23,193,000	\$ 6,052,602	\$ 16,241,006	\$ 899,392
BN 2019-2021	\$ 3,139,000	\$ 3,139,000	\$ 4,166,706	\$ -	\$ (1,027,706)

* The spending to date for fiscal year 2020 does not include the final contribution by Sunrise Water Authority (reduction to expense - estimated at \$1.9 million). There are also other costs to be incurred for completion of projects.

Take-Aways & Conclusions



Backbone Phase 1: Take-Aways

- Financial tracking/reporting (Engineering-Finance)
- Board communication: frequency and content
- Project prioritization
- Recognizing in-house expertise, bandwidth, and limitations; outsourcing when needed
- Value of good community outreach and communication
- We DID this!

Backbone Phase 1 Overall Recap

- Phase 1 Objectives met
 - 1) Improve system ability to meet current and future water demands;
 - 2) Replace some outdated/substandard infrastructure;
 - 3) Provide CRW-produced water to CRW South Service Area.
- Added value from developed design, including changes/upgrades to existing system, revised sizing of project components to better meet current/future demands.
- Project costs met with strategic use of various funds, including bond, bond interest, CIP and SDC reserves; plus partner contributions.
- Planning strategy for “Phase 2” including short and long-term approach, over-arching objectives mirror Phase 1 goals.

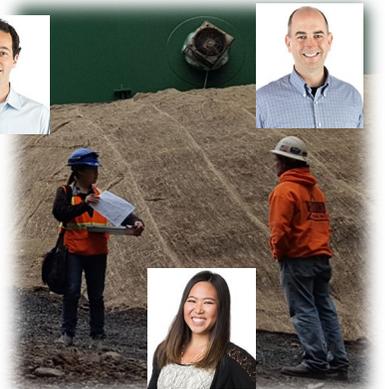
Last Thoughts/Thanks...

“Every successful public works project is the result of...”

- ***Those that planned, designed, managed and inspected it...***
 - CRW and consultant engineering staff (Murraysmith, Kennedy-Jenks, AKS, HHPR, Compass, RH2)



Illustration by Chris Gash



Backbone Phase 1 Final Report
Board Work Session, 6/22/2020

Last Thoughts/Thanks...

“Every successful public works project is the result of...”

- ***Those that built it...***

- Our competent and qualified contractors...

- Rotschy, Tapani, Trenchline, 2KG, Nutter

- ***And those who supported it...***

- *CRW Team & Board; agency and community partners*

- *Our families!*





And now for
one final
treat...

152nd Reservoir Construction time-lapse photo presentation

<https://www.youtube.com/watch?v=ozRRUB8HnbU>

