

**CLACKAMAS RIVER WATER BOARD OF COMMISSIONERS  
REGULAR BOARD MEETING  
May 15, 2024**

**COMMISSIONERS PRESENT:**

Sherry French President  
Naomi Angier,  
Tessah Danel, Secretary  
Rusty Garrison – (arrived after the agenda was approved)  
Bob Rubitschun, Treasurer

**STAFF PRESENT:**

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

**CRW Employees:** IT Manager, Kham Keobounnam;  
Engineering Manager, Joe Eskew; Chief Engineer,  
Adam Bjornstedt; Sr. Finance & Accounting  
Specialist, Ted Eborra; Engineering Associate,  
Anthony Steele

**COMMISSIONERS ABSENT:0**

**VISITORS:** Bob Steringer, Tim Fisher (Budget Committee Member), Christa Woolf (Consultant), Jackie Frazer

**Call Regular Meeting to Order**

Commissioner French called the meeting to order at 6:02pm. The pledge of allegiance was recited

**MOTION:** Commissioner Danel moved to approve the agenda as presented. Commissioner Rubitschun seconded the motion

**MOTION CARRIED 4-0**

**Ayes:** Angier, Danel, French, Rubitschun

**Nays:** None

**Abstentions:** None

**Public Comment- None**

Recess the Regular Meeting and open the Rate Hearing- motioned by Commissioner Danel and seconded by Commissioner Rubitschun seconded the motion- motion passed unanimously.

**RATE HEARING** (see attached presentation and public comment that was read into the record and is attached)

Commissioner Garrison asked if the rate increase has been similar in the increase amount compared to other providers in where CRW compares overall. Noted that the rate increase was in the middle of the rate scenarios presented.

Commissioner Rubitschun asked if an outside consultant typically presents the rates plan or if it is normally worked on in-house when there is a CFO on Board (done in house when CFO is in place)

Commissioner Angier asked what is done with the comment received from a customer, the comment was acknowledged by the GM that it was received.

Public Comment: none

Commissioner Danel move the CRW Board of Commissioners close the rate hearing and reconvene the regular meeting. Commissioner Rubitschun seconded the motion- passed unanimously

Commissioner French announced the award received by Todd Heidgerken from the AWWA, "The George Warren Fuller Award" that was presented at the section conference earlier in May and will be presented at the National conference of AWWA

### **Consent Agenda**

CA-1: Gross Payroll and Account Paid for April 2024

CA-2: Cash & Investment Ending Balances Report

**MOTION:** Commissioner Danel moved to approve the consent agenda as presented.  
Commissioner Rubitschun seconded the motion.

**MOTION CARRIED 5-0**

**Ayes:** Angier, Danel, French, Garrison, Rubitschun

**Nays:**

**Abstentions:** None

**Agenda Item 1.0 Consider adoption of Res. 05-2024 ratifying the contracts with W3 Global and Robert half, LLC**

Mr. Heidgerken shared with the Board that the District has relied on the assistance of staffing and placement agencies due to the vacancy of several positions. The cost of that support and conversion fees exceeded the GM signature authority. The Board is being asked to ratify these contract

**MOTION:** Acting as CRW's Local Contract Review Board, Commissioner Danel move that the Board adopt Resolution 05-2024 ratifying the contracts with W3 Global and Robert Half, LLC Commissioner Rubitschun seconded the motion.

**MOTION CARRIED 5-0**

**Ayes:** Angier, Danel, French, Garrison, Rubitschun

**Nays:**

**Abstentions:** None

**Agenda Item 2.0 Consider approval of contract amendment with Executive Security Services, Inc exceeding the General Managers Signature authority.**

This is an existing contract originally was within the GM signature authority but staff would like to increase patrols at Riverside Park and would like to have the flexibility to have armed officer support to assist staff in certain customer interaction. Commissioner Garrison asked what staff might need to have officer support in situations that may not be safe, field staff.

**MOTION:** Commissioner Danel move the Board contract amendment for security and patrol services with Executive Security Services Inc for \$85,000 and authorize the General Manager to sign the amendment. Commissioner Rubitschun seconded the motion.

**MOTION CARRIED 5-0**

**Ayes:** Angier, Danel, French, Garrison, Rubitschun

**Nays:**

**Abstentions:** None

**Agenda Item 3.0 Consider Approval of Intergovernmental Agreement (IGA) with Clackamas County: Waterline Improvements and Water System Relocation during the SE Monroe Improvement Project**

Mr. Steele presented the project overview to the Board. The Board is being asked to approve an IGA that would allow the waterline work for CRW to be coordinated and conducted by Clackamas County's contractor that will be doing work in the same area during their awarded project. There is a provision for CRW to back out of the project if bids come in higher than 25% of the budgeted amount and renegotiate how the project would be conducted for CRW.

Commissioner Angier asked if this was an opportunity project and the bid amount did not come in within budgeted amount and then CRW would have to address the project without the County contractor.

**MOTION:** Commissioner Danel move to approve the IGA with Clackamas County for design and construction services associated with Waterline improvements and water system relocation during the SE Monroe Improvements Project. Commissioner Rubitschun seconded the motion.

**MOTION CARRIED 5-0**

**Ayes:** Angier, Danel, French, Garrison, Rubitschun

**Nays:**

**Abstentions:** None

**Agenda Item 4.0 Consider Approval of a Development Agreement between CRW and Water Environmental Services (WES) of Clackamas County for Waterline Relocations Relating to the WES IT2 Force Main Project**

Mr. Eskew shared that this is an agreement where WES (a public agency) is operating as the developer on this project. CRW has a typical process for working

with a developer on projects where the waterlines need to be moved. Since this is a public agency this requires Board approval

Commissioner Garrison asked if the estimate in the agreement if there is an adjustment mechanism for work that comes in higher or lower than the estimate.

**MOTION:** Commissioner Danel move to approve the Development Agreement between CRW and Water Environmental Services (WES) of Clackamas County for waterline relocations relating to the WES IT2 Force Main Project. Commissioner Rubitschun seconded the motion.

**MOTION CARRIED 5-0**

**Ayes:** Angier, Danel, French, Garrison, Rubitschun

**Nays:**

**Abstentions:** None

**Agenda Item 5.0 Quarterly Report – 3<sup>rd</sup> Quarter FY 2024 (see attached)**

Commissioner Garrison asked about the insurance rates trending higher than the average percent, rates are paid annually

**Agenda Item 6.0 Management Report**

- The monthly report was provided to the Board and is posted on the CRW website
- Staff shared a training video that was created with CRW staff & Clackamas Fire staff on proper water hydrant operations. The video will be shared annually with the Clackamas Fire Staff
- Currently there is a survey on the CRW website to gage the interest of district residents on the concerns with power outages and how that impacts water delivery
- Kyle Yancey resigned the district to accept a position closer to home. Jesse Garcia started as a Water Treatment & Processing Specialist. Still interviewing for the CFO position. Anticipate having the Customer Service Specialist position filled in the next weeks.

**No public comment- None**

**Agenda Item 8.0 Commissioner Reports and Reimbursements**

Commissioner Garrison-congratulated staff on the success of the WTP shutdown and repair project.

Commissioner French- attended Oak Lodge, C4, Metro & Sunrise meetings. Attended the State of the County lunch hosted by the North Clack Chamber. Applauded staff for the success of the WTP valve replacement project.

**Open meeting is adjourned 7:20pm**



*Clackamas River Water*

May 15, 2024 Rate Hearing

# Proposed Water Rate Increase

Prepared by: Christa Bosserman Wolfe, CPA  
Wolfe Consulting, LLC

# What Are We Going to Cover?

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- Water Rates Overview
- Rate Drivers
- Rates and Water System Improvements
- Proposed Rate Increase & Components of Rates
- Impacts and Value Recap

# Water Rates Overview



CRW's only source of income to maintain, upgrade and operate the water system are rates, grants, and SDC's. There is no tax or assessment revenue.



Water rates are set to ensure that the system continues to operate, providing safe drinking water to our customers.



The Master Plan for repairing and upgrading our aging infrastructure has necessitated rate increases to keep pace with rising construction costs and inflation.





# Rate Drivers



# What Things Drive the Rates Up or Down?

- Planned projects
- Inflation (price increases)
- Labor and benefits costs
- Policies
- Construction costs
- Unfunded government mandates
- General economy

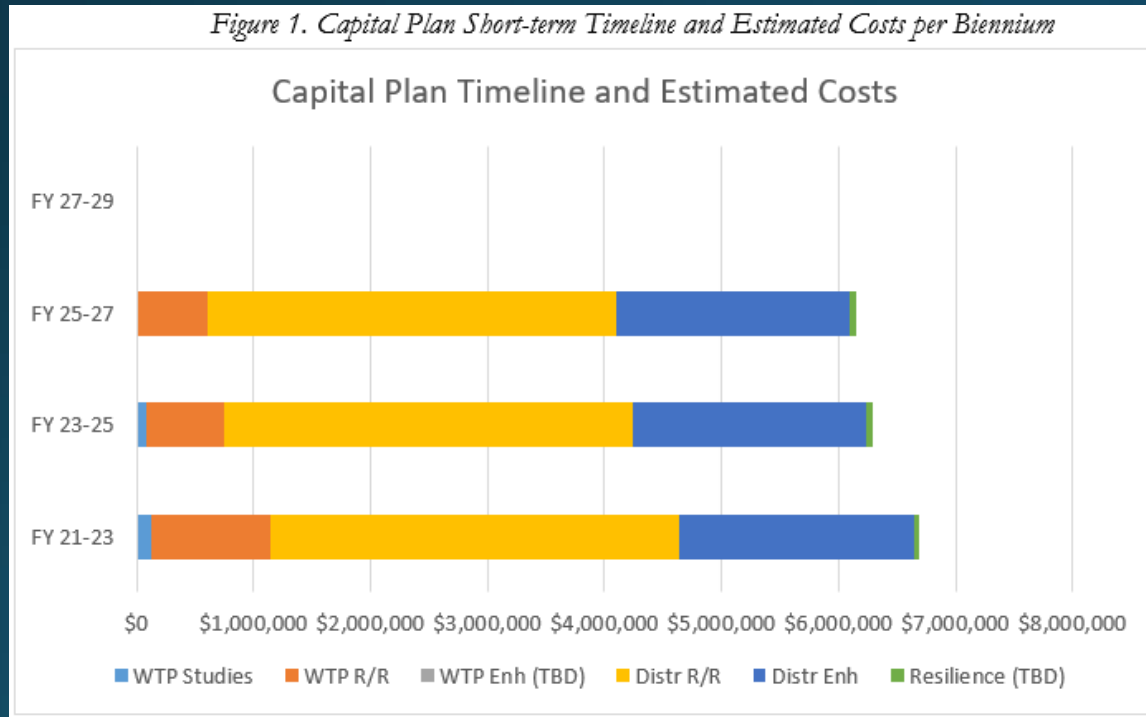
# Water System Improvement Drivers

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- *Age*- How does the age of our water system components affect their ability to contribute to long-term system health and function?
  - *Capacity*- How will the system be able to meet current and future demands?
  - *Water Quality*- How will the system be able to meet current and future water quality goals and requirements?
  - *Resilience*- How will the system be able to meet hazard resilience goals and requirements?

# Projects Being Funded

❖ Approximately, \$19M capital improvement plan through FY27 to address immediate needs, with additional projects beyond that horizon.

Figure 1. Capital Plan Short-term Timeline and Estimated Costs per Biennium



Category	Example Project Type(s)	Total Cost (Estimated Range)	Timeline
Treatment- R/R	Detailed Treatment Process Studies	\$200K-\$210K	FY 21-27 (phased over several budget cycles)
Treatment- R/R	Treatment Process Renovations	\$2.2M-\$2.7M	FY 21-27 (phased over several budget cycles)
Treatment- Enhancement	Facility Plan "Alternative 2b"- Phases 1&2, New process additions	\$50M-\$70M	TBD
Distribution- R/R	Waterline replacements (replace substandard, aged, non-resilient lines)	\$9.0M-\$12.0M	FY 21-27 (phased over several budget cycles)
Distribution- Enhancement	Upsize existing waterlines, pumping and transmission upgrades to distribute CRW water to other zones; enhance and build upon seismic transmission systems	\$5.0M-\$6.0M	FY 21-27 (phased over several budget cycles)
Resilience	General facility site/security improvements	\$100K-\$250K	FY 21-27 (phased over several budget cycles)
<b>Totals</b>	6-year Total Estimated Cost Range: \$16.5M-\$21.16M (Annual average \$2.75M-\$3.53M)		

# Balancing Rates & Projects

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Planning and prioritization of system projects must fit within the available funding and budget.



Future water rates must provide enough funds to pay for projects and continue to meet all legal and regulatory requirements.



# Proposed Rates



# Proposed Rate Increase



Approx. 5.5% increase  
9/1/24 and 9/1/25



CRW residential customers who use an average of 16 CCF (approximately 12,000 gallons) over a two-month billing cycle will see an estimated increase of \$6.40 (\$3.20 per month) in the first year and \$6.75 (\$3.38 per month) in the second year.

# Components of Rates

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## What are service charges?

Service charges are fixed charges applied to all customers regardless of consumption. These charges help maintain basic functions of water treatment, water distribution, customer service, infrastructure maintenance and fire prevention. These costs are also fixed for the district regardless of water production.

## What are commodity charges?

Commodity charges reflect the amount of water used by a customer over the billing period. Revenue generated from water usage also supports fixed charges. However, the rate structure is designed to promote conservation and responsible water usage by charging customers who use smaller amounts of water less money.



# Proposed Fixed Rates

(Bi-Monthly Service Charge)

<b>Bi-Monthly Service Charge for All Direct Service Customers</b>		<b>Proposed 2024-2025</b>	<b>Proposed 2025-2026</b>
<b>Meter Size (Inches)</b>	<b>Domestic Service Current Charges</b>	<b>Service Charges</b>	<b>Service Charges</b>
Full 3/4	\$64.25	\$ 67.78	\$ 71.51
1	\$88.39	93.25	98.38
1 1/2	\$126.30	133.25	140.58
2	\$174.17	183.75	193.86
3	\$272.34	287.32	303.12
4	\$418.95	441.99	466.30
6	\$785.19	828.38	873.94
8	\$1,774.66	1,872.27	1,975.24
10	\$2,791.85	2,945.40	3,107.40
12	\$3,373.09	3,558.61	3,754.33

# Proposed Volume Rates (\$/CCF)

## (Commodity Charges)

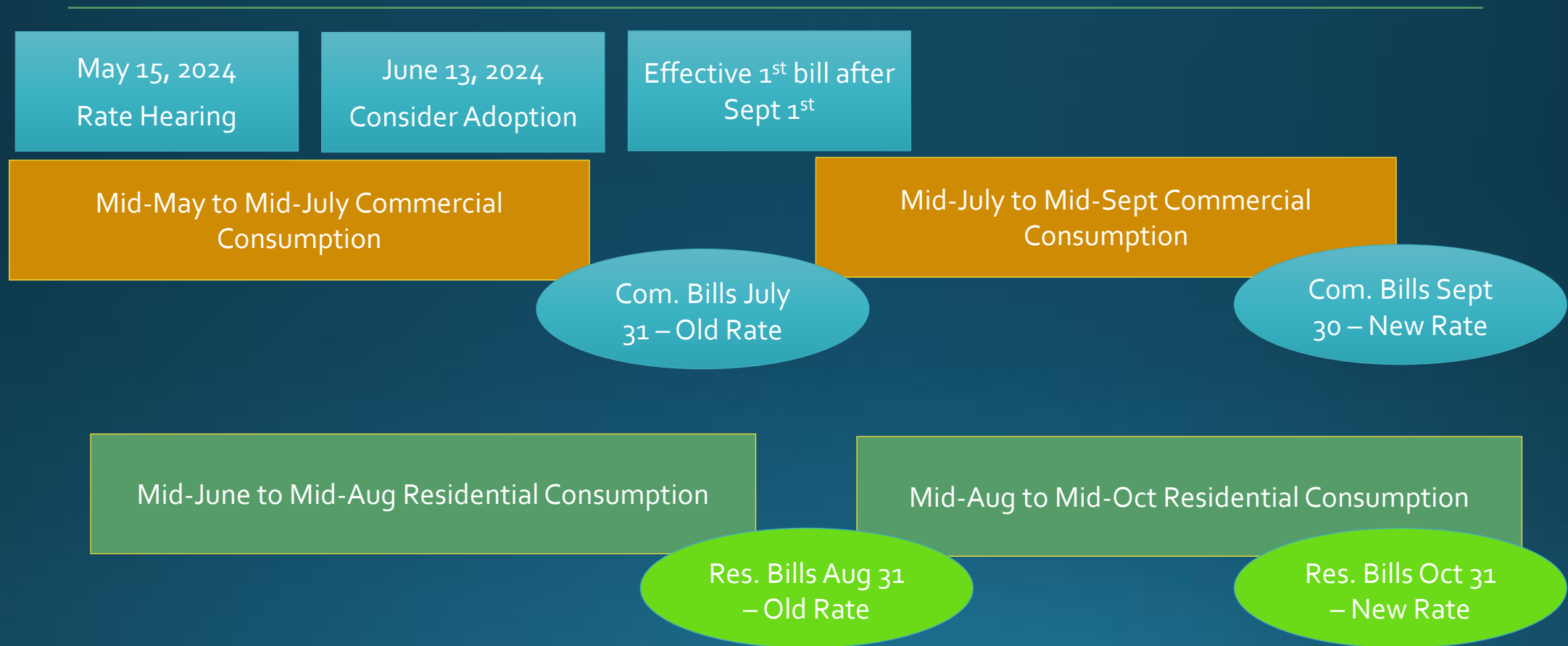
Rate Per 100 Cubic Feet (1-CCF) - 1 CCF = 748 Gallons Single Family Dwelling (3/4 or 1"):		Proposed Rate 9/1/24	Proposed Rate 9/1/25
Volume (CCF)	Rate		
Block 1 = 1-4 CCF	\$2.74	\$ 2.89	\$ 3.05
Block 2 = 5-8 CCF	\$3.04	\$ 3.21	\$ 3.38
Block 3 = 9-24 CCF	\$3.63	\$ 3.83	\$ 4.04
Block 4 = 25 CCF & up	\$4.62	\$ 4.87	\$ 5.14

Multi-Family, Commercial & Industrial		Proposed Rate 9/1/24	Proposed Rate 9/1/25
Volume	Rate		
Block 1 = c	\$3.36	\$ 3.54	\$ 3.74
Block 2 = d	\$4.20	\$ 4.43	\$ 4.67

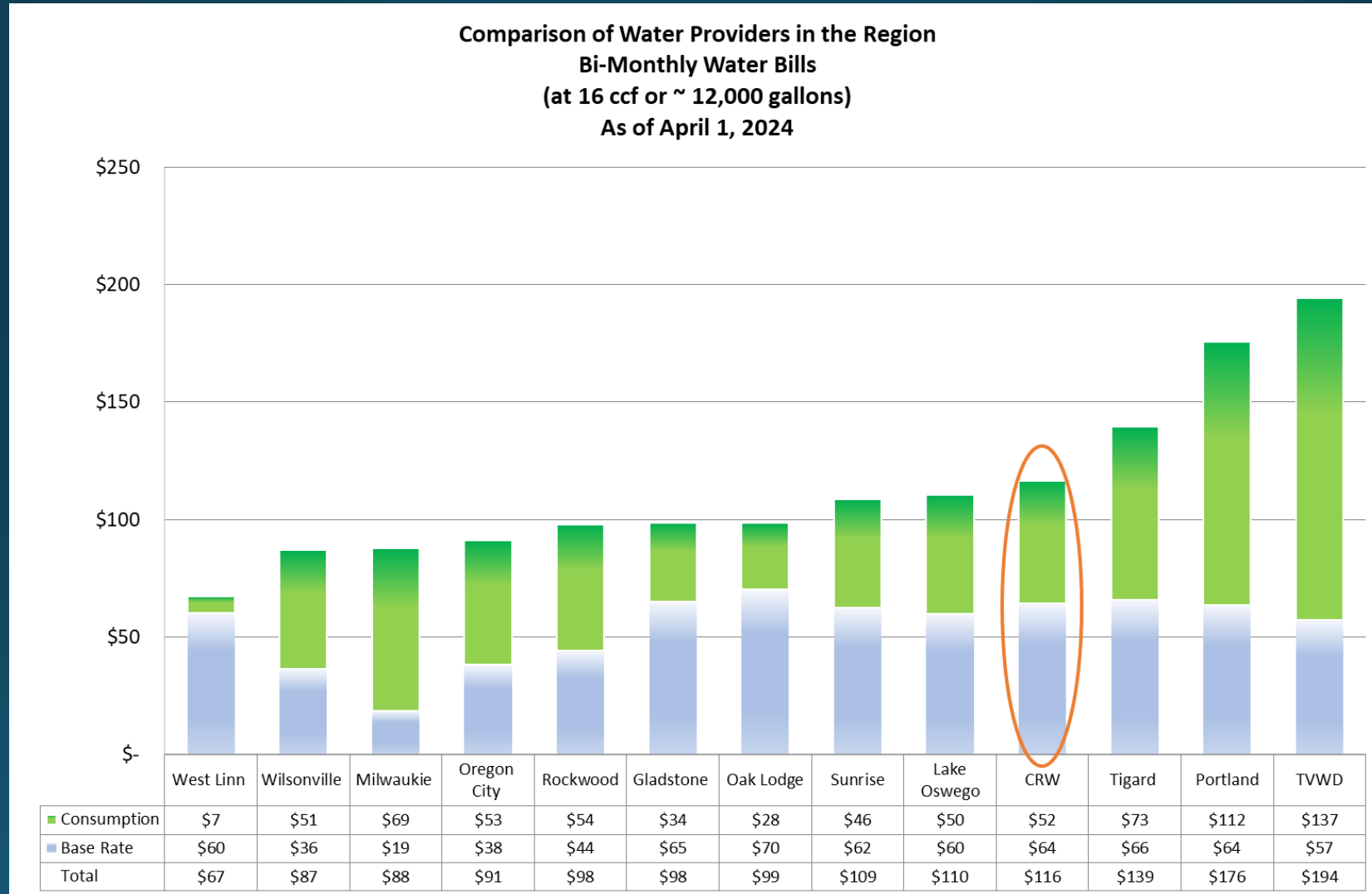
c-Volume up to 1.5 times average winter consumption  
d-Volume above 1.5 times average winter consumption

Average winter consumption: Total consumption (volume) recorded on a customer's December and February bills divided by two for bi-monthly billing.

# Rate Increase Effective September Billing Cycle



# How Does CRW Compare Currently?



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- ❑ Estimated Average Bi-Month bill increase (approx. \$6.40 & \$6.75).
  - ❑ CRW does not receive tax dollars for operations.
  - ❑ Rate increases funds improvements and routine maintenance to provide safe drinking water to approx. 12,300 customers.
  - ❑ Recommended rate supports responsible planning for current and future needs.
  - ❑ Proactive rate planning and financial forecasting promotes long term system reliability and resilience.
  - ❑ This balanced approach allows CRW to:
    - ✓ Meet fluctuating operating costs.
    - ✓ Progress in addressing identified needs.
    - ✓ Implement improvements necessary for larger-scale future projects.

# Impacts and Value

**Your water is available 24 hours a day and 365 days a year, delivered to your home for about \$0.01 per gallon.**

# Questions?

- Christa Bosserman Wolfe, CPA
- 503-704-2728
- [cwolfe@crwater.com](mailto:cwolfe@crwater.com)
- [christa@wcportland.com](mailto:christa@wcportland.com)



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**From:** MARY BENJAMIN

**Sent:** Monday, May 6, 2024 11:30 AM

**To:** Todd Heidgerken <theidgerken@crwater.com>

**Subject:** water rates

water rates keep going up and up. When does it stop, You call it just a "few cents" for the users but to a lot of us, we are on fixed incomes, and some people have to work 2 or 3 jobs just to get by and those "few cents" increase matters. I vote no for an increase in the water rates.





*Clackamas River Water*

# Clackamas River Water

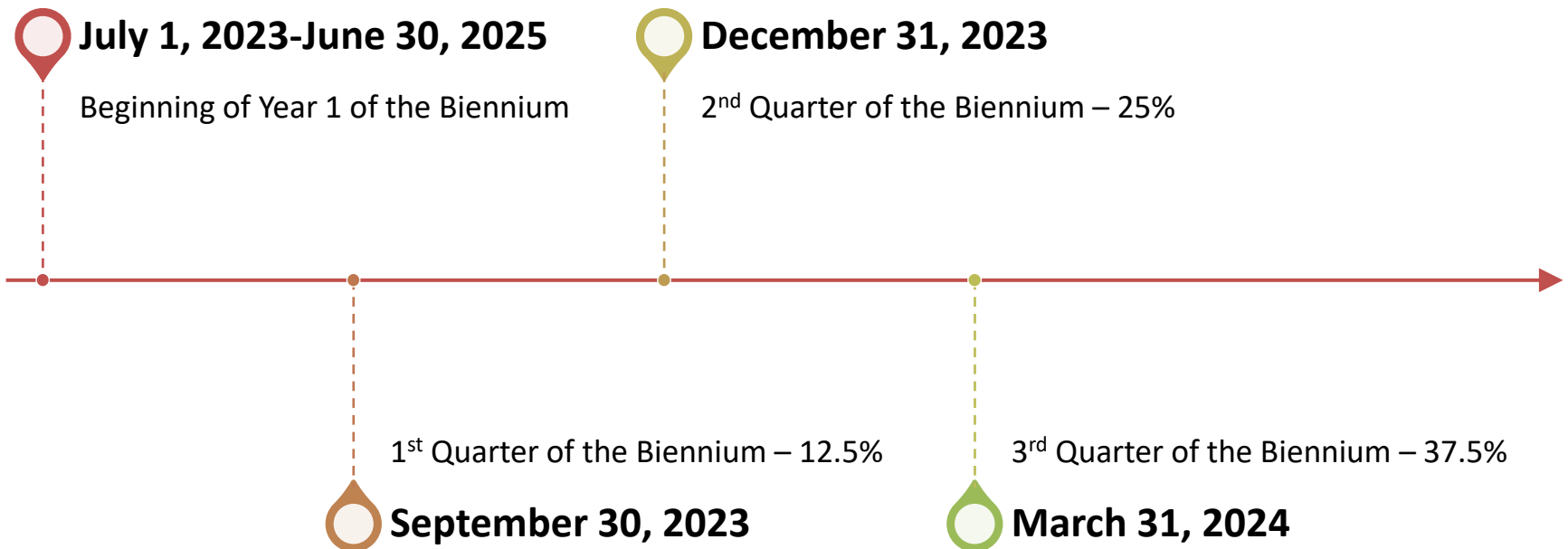
## 3rd Quarter Update – Fiscal Year 2024

Board Meeting – May 9, 2024

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# Biennium (BN) 2023-2025



# General Fund Budget to Actual Status

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Revenues tracking slightly higher than anticipated (43.5% vs 37.5%) to date. Drivers:

Water Service varies seasonally  
Interest Earnings (LGIP rate 5.2%)



Expenses tracking slightly lower than anticipated (30.2% vs 37.5%)



Personnel savings due to vacant positions in Water Resources, FACS, and Operations (28.5% vs 37.5%).



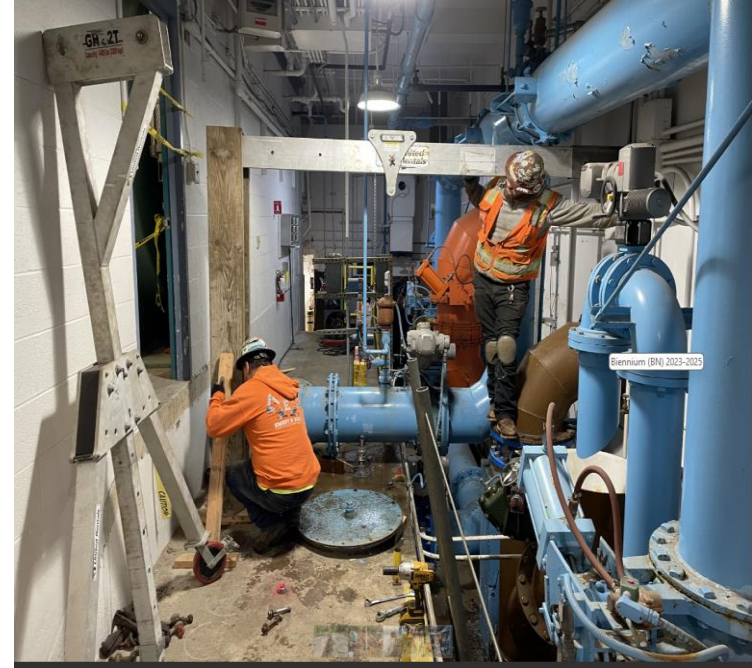
Material & services are tracking closely to the budget at 34.4%. This will be impacted by water purchase related to the WTP project.




Capital outlay spending is at 31.8% spent with different scheduled deliveries in the remaining months of the biennium.

# Capital Improvement Projects Fund Budget to Actual Status

- 27.5% spent through 3<sup>rd</sup> quarter.
- Increased activity in the WTP Valve Replacement and the Maple Lane Waterline project.
- Progress reports are provided to the Board as part of the Monthly Report.







# System Development Charge Reserve Fund Budget to Actuals

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- 44.0% SDC revenue from new construction received to date
- Interest earnings trending higher than budgeted due to current rates and a higher balance.



The background is a solid blue color with numerous water droplets of various sizes scattered across it. The droplets are rendered with realistic shading and highlights, giving them a three-dimensional appearance. The word "Questions?" is centered in the middle of the image in a white, sans-serif font.

Questions?