

**CLACKAMAS RIVER WATER BOARD OF COMMISSIONERS
BOARD WORK SESSION
January 24, 2022**

COMMISSIONERS PRESENT:

Sherry French, President
Christin Alexander
Naomi Angier, Secretary
Tessah Danel, Treasurer
Rusty Garrison

STAFF PRESENT:

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

CRW Employees: Chief Finance Office, Carol Bryck;
Water Resource Manager, Rob Cummings; Chief
Engineer, Adam Bjornstedt; Engineering Manager,
Joe Eskew; Engineering Associate, Betty Johnson

COMMISSIONERS ABSENT: 0

VISITORS: Patty Nelson (City of Oregon City), Wyatt Parno (SFWB CEO)

Call Work Session to Order

Commissioner French called the meeting to order at 6:00 pm. Roll call was taken

1. Oregon City Golf Course Property Development Update- (see attached presentation)

- “Golf Course” is two parcels- both properties annexed by Oregon City in 2017- but never withdrawn from CRW service due to the inability of the city to provide water service. Current property owner is a CRW customer
- Oregon State Statute governs annexations and withdrawals and provides for the ability of a city to annex property from a district but the city must be able to provide water service to withdraw the property that they annex.
- Included in a recent Oregon City Water Master Plan is the referenced golf course property
- Recently (2020-2021) the developer of the property has asked CRW about providing water service and CRW determined it is feasible to currently serve the property
- Oregon City made a request of CRW to consider alternative service plan for the area due to the City’s long term service goal to serve this area (letter dated 1/18/22)
- Provision of Service
 - ✓ Traditional approach where CRW serves the development once City is ready to withdraw and serve then services are transferred
 - ✓ Alternative approach where City serves development through wholesale water provided by CRW
- Timeline
 - ✓ City’s project funding plan, project approvals and timeframes, developer’s timing

- ✓ Impacts to CRW system if current development doesn't contribute to improvements for future system demands
- Compensation
 - ✓ "means and methods", SDC, traditional vs. alternatives
- Agreement- IGA would be needed for any alternative service approach

The intent will be to provide information today and then ask the Board in the future to provide direction to staff. The Board is being asked to forward any questions they may have of staff to email those to the Executive Assistant.

2. Future Water Rates Discussion and Timeline (see attached presentation)

- CRW developed an 8-year rate plan that is in the last year of implementation. This plan allowed CRW to manage debt covenant requirement and cover debt services and our operating expenses and continue to add fund to our CIP fund
- Currently CRW has any rate increases effective in May
- Two primary components of rates- fixed portion and consumption portion
 - ✓ Water utilities have high fixed costs, so water providers haven moving to increase the fixed portion of the water rates to provide stability. CRW has done this
 - ✓ Consumption charges are important to reflect the additional costs of water during high demand periods. CRW does this- used to encourage conservation
- Staff is asking on direction on changing the implementation month of new rates to November rather than May
- A long term (8-year) rate plan served the purpose during a significant CIP program
- A two-year rate plan would align with the BN budget
- Previously staff shared with the Board that an annual 5% increase would meet District needs- but there are unknowns that may change this. Commissioners Danel & Garrison suggested considering having a cushion to complete repair and make improvements to the system before they fail.

3. Quarterly Update (see attached presentation)

- 2nd quarter represents 25% of the BN
- Total General fund revenue is 31.6% of the BN
- Personnel Services are at 19.9% of the BN
- General fund expenses (materials & Services) are at 21.4% of the BN
- Capital Outlay is at 6.4% of the BN if encumbrances are included, we are at 33.8% of the BN
- SDC revenues are at 27.9% of the BN (partially due to the rush by developers to pay SDC's before the rates increased in July 2021)

4. Commissioner Communications

Commissioner French attended the Oak Lodge Board meeting where new officers were elected (Board liaisons remained the same)

5. General Manager Update

- Tonight, is Carol Bryck's last Board meeting before she retires- Todd thanked Carol for her service to the District.
- CRW has hired Jason Kirkpatrick as the new CFO
- Staff is forwarding the draft NCCWC agreement to them for their review.
- Comms. Angier and French have the February Board Meeting agenda preparation meeting on Wednesday January 26
- February's Board meeting is set for Tuesday February 8

- Rob Cummings has submitted his intent to retire from the District after 42 plus years on April 30.

Public Comment: none

Open meeting is adjourned at 7:32pm