



AGENDA

Lake Oswego/Tigard Water Supply Partnership

Oversight Committee

Monday February 1, 2021 at 5:30 p.m. to 7:00 p.m. Remote Web-Ex Meeting.

1. Call to Order/Roll Call – Chair Manz
2. Approval of Minutes of Meeting Held October 12, 2020
3. Election of Chair and Vice Chair
4. Public Comment
(for items not on the agenda, a time limit of 3 minutes per person shall apply)
5. Old Business
 - 4.1 – Water Rights Extension Remand – Jan 8, 2021 (John Goodrich)
 - 4.2 – Operations Committee: Activities Report (Bret Bienert)
6. New Business
 - 5.1 – Report on Recruitment for new Water Treatment Plant Manager (Erica Rooney)
 - 5.2 – 2021-23 Budget Proposal (Erica Rooney, Bret Bienert)
 - 5.3 – LO-Tigard Partnership IGA and Operational Summary (Kari Duncan)
 - 5.4 – Discuss Logistics and Venue for future OVC Workshop
7. Future Agenda Items
 - 6.1 – OVC Workshop Operating Agreement Revision TBD
 - 6.2 – Risk and Resiliency Assessment and Emergency Response Plan Presentation TBD
 - 6.3 – RIPS Pump #5 Project – Update

Next Meeting Date: April 12, 2021 at 5:30 p.m. to 7:00 p.m. Location TBD

8. Adjourn



**Lake Oswego Tigard Water Partnership
Summary of Oversight Committee Meeting
October 12, 2020**

Present via WebEx:

City of Lake Oswego: **Oversight Committee:** Mayor Studebaker, Councilor Manz
Staff: Kari Duncan, Erica Rooney, Joel Komarek

City of Tigard: **Oversight Committee:** Councilor Goodhouse, Councilor Newton
Staff: John Goodrich, Brian Rager, Marty Wine

Guests: Kim Swan, Clackamas River Water Providers

1. CALL TO ORDER/ROLL CALL

Chair Manz called the meeting of the Lake Oswego Tigard Water Partnership Oversight Committee to order at 5:32 p.m. The video-conference meeting was held via WebEx.

2. APPROVAL OF MINUTES OF MEETING HELD JULY 13, 2020

Mayor Studebaker made a motion to approve the minutes of the July 13, 2020 meeting. **Councilor Newton** seconded the motion. The motion passed.

3. PUBLIC COMMENT

None.

4. OLD BUSINESS

4.1 Water Rights Extension Remand

Mr. Goodrich stated there wasn't much new to report. The last communication with the attorneys indicated moving toward submission of oral arguments. Due to COVID-19 meetings have been held via video conferencing and would likely affect the process. Legal Counsel stated the last time they received notice of submission to the courts it took eleven months following the submittal of the reply brief with oral argument occurring two months after that. The schedule could be significantly impacted but it was unclear how much.

4.2 Operations Report

Ms. Duncan reviewed the information from the report in the meeting packet. Of note, the Water Treatment Plant alternate feed system electrical repair was completed the previous week. **Mayor Studebaker** asked if she was satisfied with the quality of the new system overall. **Ms. Duncan** replied she was satisfied with the system. Some of the bugs had to be worked out over the course of the first few years of operation which was to be expected and overall she was happy with the reliability of the system. Ms. Duncan also reported that

recently, a Risk and Resiliency Assessment and Emergency Response Plan had been conducted by a consultant under a new regulation of the America's Water Infrastructure Act. She planned to provide a report on the assessment to the Committee at the January meeting.

5. NEW BUSINESS

5.1 Clackamas County September Fires Presentation

Ms. Duncan introduced Kim Swan from Clackamas River Water Providers (CRWP) and stated she would give a presentation about the fires and Ms. Swan would elaborate on some of the experiences in the basin during the fires. Ms. Swan was part of the Clackamas County Emergency Operations Center (EOC) during the event and had a lot of information to share.

Ms. Duncan stated she had given the presentation the previous week to the Regional Water Providers Consortium. She reviewed the timeline of the fire and response noting it started with a wind storm September 7 which resulted in several power outages in the region as well as the start of some fires or the acceleration of fires that had been burning in Oregon wilderness areas. The fires spread rapidly and resulted in evacuation notices and resources were called in to fight the fires. Evacuation notices impacted water systems and staff. There were air quality impacts and supply and water quality communications events and challenges. She stated the presentation would also address long term watershed impacts.

Ms. Duncan referenced a map showing the communities that receive their water from the Clackamas River. She explained at the first part of the event the water systems in the region exercised emergency interties to help mitigate the power outages that occurred in some systems. South Fork Water Board (SFWB), which supplies water to West Linn and Oregon City, had a power outage for about 12 hours and some of the other pump stations experienced outages, as well. The Lake Oswego -Tigard WTP fed emergency water to West Linn, and the North Clackamas County Water Commission (NCCWC) sent water to SFWB treatment plant to provide water to Oregon City. Clackamas River Water sent water to NCCWC customers because NCCWC had devoted a lot of its water supply to SFWB. The first exercise of the interties was fairly short in duration because SFWB power was restored quickly but it was a good example of the interties working well. The second time the interties were exercised was partially proactive but also due to results of the fire. The water systems in level 2 and level 3 evacuation zones were experiencing high rates of water use. Many customers in these areas were proactively watering their properties which caused very high demand in those areas closest to the fire. NCCWC, which serves the Damascus area, was experiencing high demands and was at its production maximum. There was concern the same would happen in other areas. West Linn and Lake Oswego Tigard activated the intertie again to allow South Fork additional capacity to send water to the NCCWC service area including Sunnyside and Damascus. In addition, there were some areas close to the fire zone that experienced main breaks due to fire trucks filling up in areas that could not keep up with the additional water demand.

Many of the water providers had staff living in the evacuation zones who had to evacuate. One of the Lake Oswego-Tigard water treatment plant operators had to evacuate his home. When he reported to work in the morning his home was in a level 1 area and within a couple hours was alerted he was at a level 3, immediate evacuation. Several of the Tigard staff were also in level 2 or level 3 zones. This sparked the question, what if the treatment plant were in an evacuation zone? How would water supply be impacted if staff had to evacuate? South Fork, NCCWC and Clackamas River Water Treatment Plant were all in level 2 evacuation zones. The Lake Oswego Tigard plant was in level 1. The Estacada plant was in the level 3, required evacuation zone. Estacada operators were allowed to go back to the plant and produce water as the demands in that area were extremely high, although there were fires close to the plant.

Ms. Duncan stated CRWP worked with the County on messaging about water safety and availability, encouraging those people watering their properties with sprinklers to stop so that water would be available for fighting fires. In addition, there were a variety of rumors that the water was not safe to drink so both Lake Oswego and Tigard distributed messages to the public that water was safe to drink. There were some smaller systems that lost power and pressure so they issued boil water notices but the larger providers, like Lake Oswego -Tigard, had safe water throughout the fire event.

Ms. Duncan shared a map showing the Clackamas Watershed and the areas of the watershed affected by the Dowdy, Riverside, and Lionshead Fires. She noted 138,000 of the 600,000 acres of watershed burned. Almost all of the burn area was in the National Forest and primarily burned the Fish Creek Tributary and the South Fork Tributary. She explained water quality could be impacted following fires so water would be monitored for an increase in turbidity and sediment. Several PGE dams located between the intake and where the fires burned were expected to mitigate some of the sediment. There hadn't been turbidity spikes following the September 17 and 24 rainstorms but monitoring would continue. She noted the Clackamas River Watershed had 16 sub tributaries, many of which did not burn, so there was still plenty of clean water coming into the system. No fire retardant, which can contain contaminants, had been used on the fire. It was anticipated a Federal Burn Area Emergency Response (BAER) team would be arriving in the next few weeks to assess the fire damage and burn severity, and develop post fire mitigation and rehabilitation strategies. **Ms. Duncan** referenced the soil burn severity map and noted there were some areas of high soil burn severity, meaning there could be higher possibility of soil runoff or different constituents requiring more restoration in those areas.

Ms. Duncan stated there were some potential water treatment impacts from the fires. The water filtration plants were designed and operated to address changing water quality. The Lake Oswego Tigard plant was the newest of all the Clackamas River plants with very advanced treatment processes specifically designed to help mitigate and remove any contaminants or extra sediment resulting from the fires. Water systems successfully treated water after the Pit 36 Fire in 2014. She explained there would be monitoring of higher organics, metals, and phosphates in the water, constituents that can be treated but may require adjusting treatment to optimize their reduction and removal.

Ms. Swan introduced herself as the Water Resource Manager for Clackamas River Water Providers which implements the Source Water Protection Program for all the cities and water districts from Estacada to Tigard. She is the liaison between all the water providers in the basin and basin stakeholders like the Forest Service, and the County disaster management and WES departments. During the Riverside Fire she was a participant in the daily fire cooperator meetings. A Federal Incident Management Team from Arizona was here for two weeks and took over management of the fire. During the daily meetings the team provided updates on the fire, where work was being conducted, and facilitated two way dialogue with the fire managers. Representing the water providers she communicated to the team the Clackamas River was a drinking water source and she was to be made aware if or when fire retardants were used. That was important because retardants are usually fertilizer based with a lot of phosphate and nutrients which could result in blue green algae blooms during summer. The other concern, particularly on the fringe areas outside of the national forest, was the use of firefighting foams, which weren't used in this case. She provided daily meeting summaries to all the member water providers.

In addition to the daily cooperator meetings, she also attended daily City/County emergency management meetings where County officials would provide updates to City elected officials. CRWP held weekly check in meetings for its Board to discuss water supply when water was being moved around and distributed through interties, and to provide consistent water quality and conservation messaging to ensure all partners were

providing the same message to the public. The meetings would continue to address longer term effects of the wild fires. She emphasized the importance of communication with all water providers on the Clackamas River, which are all interconnected in some manner. During the event a system called the Regroup Mass Notification System was used to facilitate quick communication between providers so they could convene if necessary, develop messaging strategy, and get everyone on the same page. The Regroup Notification Tool allowed communication with everyone at once in any kind of water related event. Notifications may be sent via email, text, or phone call in order to reach everyone whether they are in office or the out in the field. The system was used twice during the Riverside Fire event, once for a spill notification for a small oil spill at Faraday Lake having to do with PGE's power system, and a second time to create a notification to Board members to discuss how to address a request from the press regarding water quality. **Ms. Swan** stated the fire had not been fully contained and speculated it would smolder into the winter. She said once the Forest Service's BAER team arrived they would prepare soil burn severity maps to provide a foundation for their hydrologists and soil people to conduct modeling to determine where debris flows and erosion might occur. That would allow them to look at potential mitigation practices to put in to place. Ms. Swan's role with the Forest Service would be to remind them the Clackamas River is a drinking water source for 300,000 people and salmon habitat. She noted that because the fire occurred above the PGE dams, and the Water Treatment Plant Intakes were below the dams, they had a dampening effect by stopping debris and sediment flows from travelling downstream to the River Intakes.

Ms. Duncan asked if anyone had any questions related to the fire. **Mr. Komarek** asked if there was speculation on potential impact of more organics in the severe burn areas contributing to algae blooms in the reservoirs. **Ms. Swan** responded there was potential for algae blooms and she would be following up with PGE. She stated there hadn't been an increase in turbidity yet but it was early in the winter and that fire retardant wasn't used was favorable. She explained PGE monitored weekly for algae blooms starting in May every year. **Mayor Studebaker** opined the Forest Service hadn't done a good job of managing the forests. Lack of harvesting or management resulted in a lot of dead fall creating a tinder box on the forest floor. He thought it would save the western states a lot of money if the service sold timber or cleaned up the forests. **Ms. Swan** stated she was part of a stewardship partner group for CRWP with the Forest Service and had talked with them for years about mitigation practices but that had not been well received. In Oregon, fire mitigation had been given more consideration on the east side of the forest but not so much on the west side. She thought the Eagle Creek fire that occurred two years previous may have been somewhat of an eye opener and hoped the current fire season might make them reconsider and think more seriously about what needs to be done moving forward.

Ms. Duncan acknowledged all the hard work by Kim Swan and Christine Hollenbeck from CRWP put in during the fires. She thought it was a great example of an effective emergency response. They provided valuable information rapidly, allowing water providers to make decisions, react appropriately, and collaborate with other water systems. **Chair Manz** said she was glad to be in such competent and capable hands and that information was getting out quickly.

5.2 2021-23 Budget Concepts Discussion

Ms. Duncan stated the biannual budget setting process would begin around January. Lake Oswego Tigard now had two years of operational data to better predict budget expenditures. She noted it was difficult to set an initial budget for a new facility with no operating history. Typically the past years' expenditures would be evaluated and then staff would predict expenditures for the next year based on the budget history. When setting budget for the new Lake Oswego Tigard facilities the previous budget was based on the older facilities which were very different in how they operated and what kind of consumables and expenditures they had. Overall, the supply facilities actual expenditures had been on track with what was budgeted. She noted in the

first two budget year after construction (FY 17-/8) less was spent than was budgeted resulting in a significant refund to Tigard of \$400k and the next fiscal year (19/20) year was much closer to what was budgeted. The current budget year (20-21) was also running overall on budget, however some account numbers were over budget. She pointed out some of the areas over budget were contracted services, equipment repair and service, and professional and technical services. Some contributing factors to those expenditures were treatment plant and river intake electrical maintenance and repairs, the Water Supply System Risk and Resiliency Assessment and Emergency Response Plan, and a WTP Process Optimization Evaluation. Areas under budget were electricity, laboratory services, and sludge bed maintenance. Reasons for under spending were premium efficiency motors at the WTP and RIPS and solar panel array on the WTP electrical building, PGE Energy Demand Response Program, and optimized dewatering process for reduced solids production. Going forward, since overall we were on budget, the plan was to reallocate some of the account numbers that were under budget to those areas where there was more of a need. Specific areas for resource allocation were electrical arc-flash evaluation and safety improvements; implementation of risk and resiliency recommendations including electrical reliability improvements, cyber security improvements and table-top exercises and staff training; process optimization improvements including sample location and monitoring improvements and filter shades or protective covers to discourage algae growth and birds in the filters. She welcomed discussion and feedback on goals the committee may want to focus on over the next two years. **Councilor Newton** summarized the focus would be on safety improvements, resiliency, and process optimization and thought that made sense as the plant had been operating for a few years and now were finding areas for improvement. She added that she would like to make sure there was budget to continue to coordinate communication and messaging to the customer base. **Ms. Duncan** suggested focusing on a partnership branding strategy or a Clackamas River brand might be of benefit in the long run so as to provide a more consistent and frequent message regarding water source. **Councilor Newton** agreed.

5.3 Operating Agreement Workshop Reschedule

Chair Manz speculated an in person workshop likely wouldn't be possible for quite some time. **Ms. Duncan** agreed and said in person Boards and Commissions meetings wouldn't take place until the County was in Phase 2 of reopening and wanted to have a discussion to find out how the OVC felt about rescheduling the workshop. **Councilor Goodhouse** voiced his support for rescheduling for a date when the workshop could be held in person, perhaps December or January. **Councilor Newton** concurred. **Chair Manz** proposed January 11, 2021. **Mr. Goodrich** suggested early January new Councils were very busy and thought it might be difficult at that time. **Chair Manz** asked for input regarding that from the Tigard Councilors. **Councilor Goodhouse** said he would like to keep the January 11 date. **Councilor Newton** stated she and Councilor Goodhouse would continue to be Tigard's representatives on the OVC so she would like to keep the January 11 date. **Chair Manz** acknowledged Mayor Studebaker would be stepping down from the committee and asked Ms. Duncan if that would provide enough time to bring a new Lake Oswego member up to speed. **Ms. Duncan** asked when a new person might be appointed. **Mayor Studebaker** stated he could appoint someone at any time. **Ms. Rooney** asked for clarification that Mayor Studebaker would appoint someone before his term was done. **Mayor Studebaker** affirmed. **Ms. Rooney** noted the first meeting of the new Council would be held January 5th. **Ms. Duncan** thought that would afford the month of December to provide background to a new Oversight Committee member. **Chair Manz** requested the workshop be scheduled for January 11th and if necessary, it could be rescheduled to a later date.

5.4 2021 Meeting Schedule

Ms. Duncan stated during 2020 the Oversight Committee met on the 2nd Monday following the end of each quarter and asked if committee members would like to continue with that schedule for 2021. **Councilor Newton** said the current schedule dates work for her but would be respectful of the new Lake Oswego Councilor's schedule and would be open to a new time if the current Monday at 5:30 time was prohibitive for

them. **Councilor Goodhouse** voiced support for the current schedule. **Chair Manz** asked for input regarding scheduling the January regular meeting since the workshop was scheduled on the 2nd Monday of January. Following discussion, the group agreed to hold the regular quarterly meeting February 1st.

6. FUTURE AGENDA ITEMS

6.1 OVC Operating Agreement Workshop – Tentatively scheduled for January 11, 2021, pending ability to hold an in person meeting.

6.2 Lake Oswego Tigard Water Supply Risk and Resiliency Assessment and Emergency Response Plan
Ms. Duncan explained staff had been working with a consultant over the past year to develop a Risk and Resiliency Assessment and Emergency Response Plan and she would like the opportunity to present the results at a future meeting.

Chair Manz asked if anyone had anything else for the good of the order. **Ms. Duncan** thanked Mayor Studebaker for his eight years of service and excellent leadership on the Oversight Committee and to the City of Lake Oswego and said it was a pleasure working with him.

7. ADJOURN

There being no further business **Chair Manz** adjourned the meeting at 6:58 pm.

Respectfully Submitted,

Susie Anderson
Administrative Assistant

Approved by the Oversight Committee:



4.2 Lake Oswego Tigard Operations Committee Report February 1, 2021

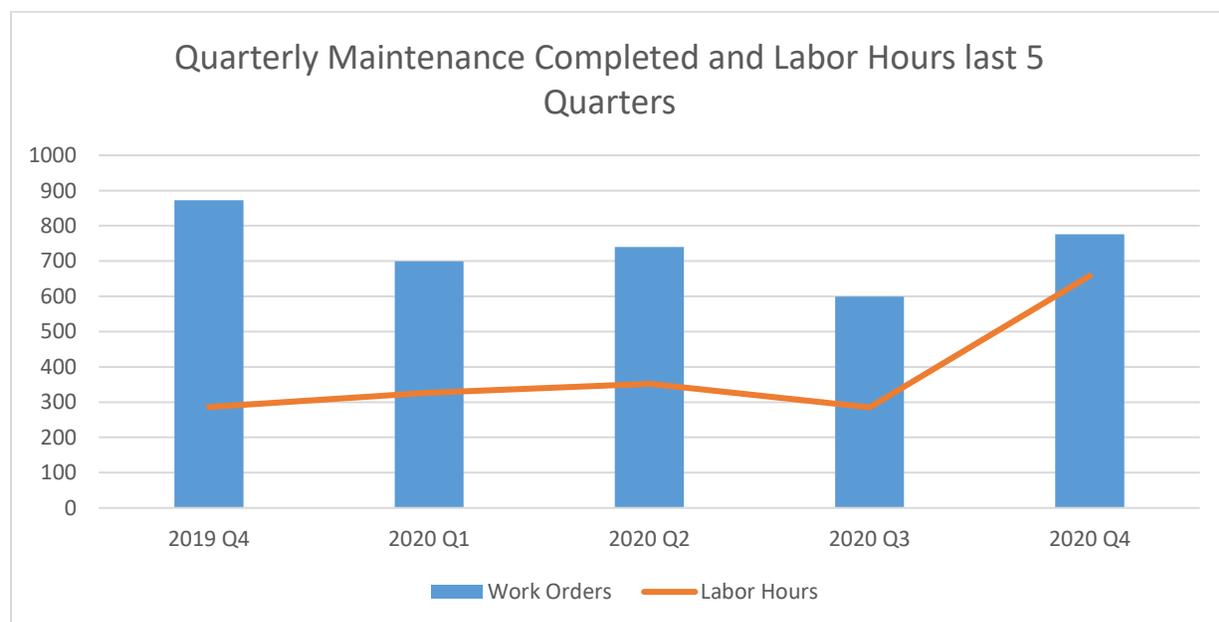
Water Quality:

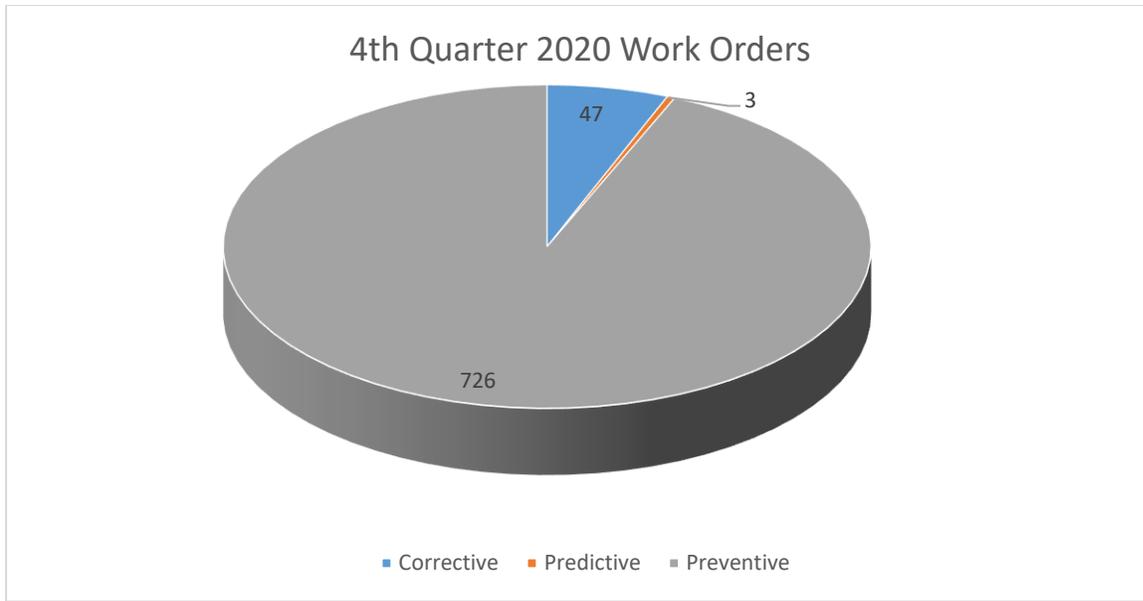
Tigard staff received 10 calls from residents between October and December. The calls were primarily about taste and odor, frequently only in part of their residence. A couple of homes needed to have their main line flushed to improve their water's taste.

Lake Oswego staff received 6 calls about water quality between October and December. Three of the calls were related to water color. These calls were solved by flushing the customers' lines. Two callers requested water quality testing which we did and found their water met all water quality parameters.

Asset Management:

In the fourth quarter of 2020 we completed 776 work orders. Of these work orders 729 or 93.95% were either Preventive or Predictive Maintenance. The increase in recorded hours is the result of a greater emphasis on capturing all time spent on a work order, especially when the work order is a project that spans multiple days.





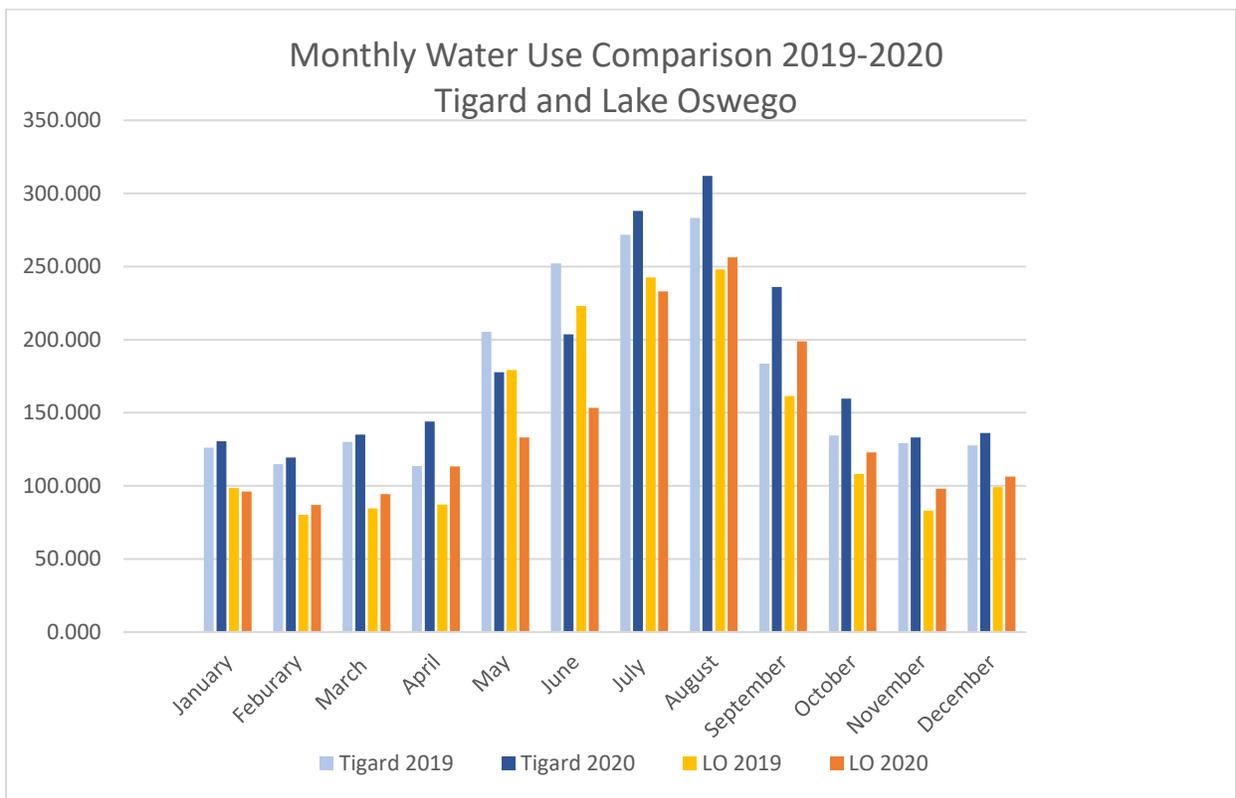
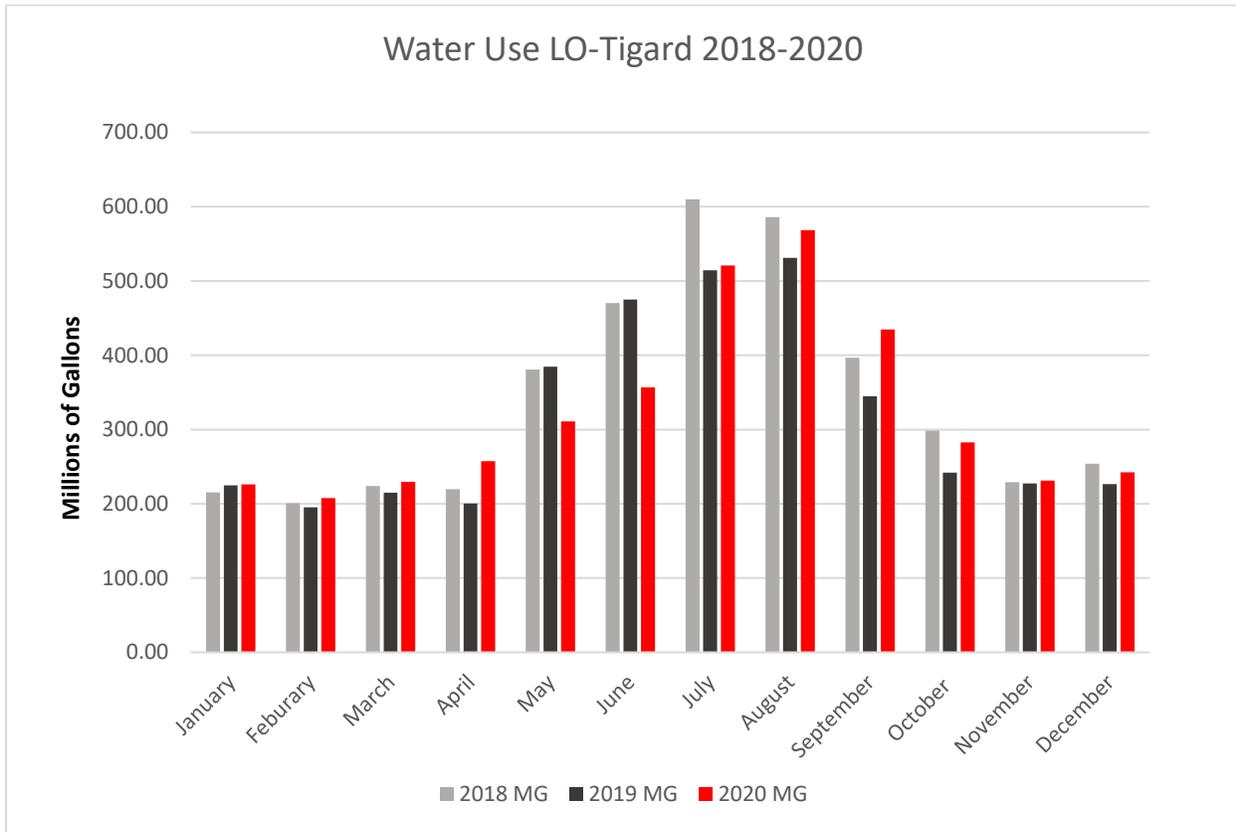
Major Projects:

In December we brought our RIPS bearing lube raw water filter system online. This filter allows us to use Clackamas river water to supply lubricating water to the large pumps' bearings. Previously we used Gladstone City water for this purpose which would have led us to being unable to pump river water if Gladstone's water was interrupted.

Our maintenance team did as much of the installation work in house as we could. Chris Warren built the control panel and integrated the controls with our SCADA system. Nick Lujan assembled the filter, built it's support stand, and made all the plumbing connections.

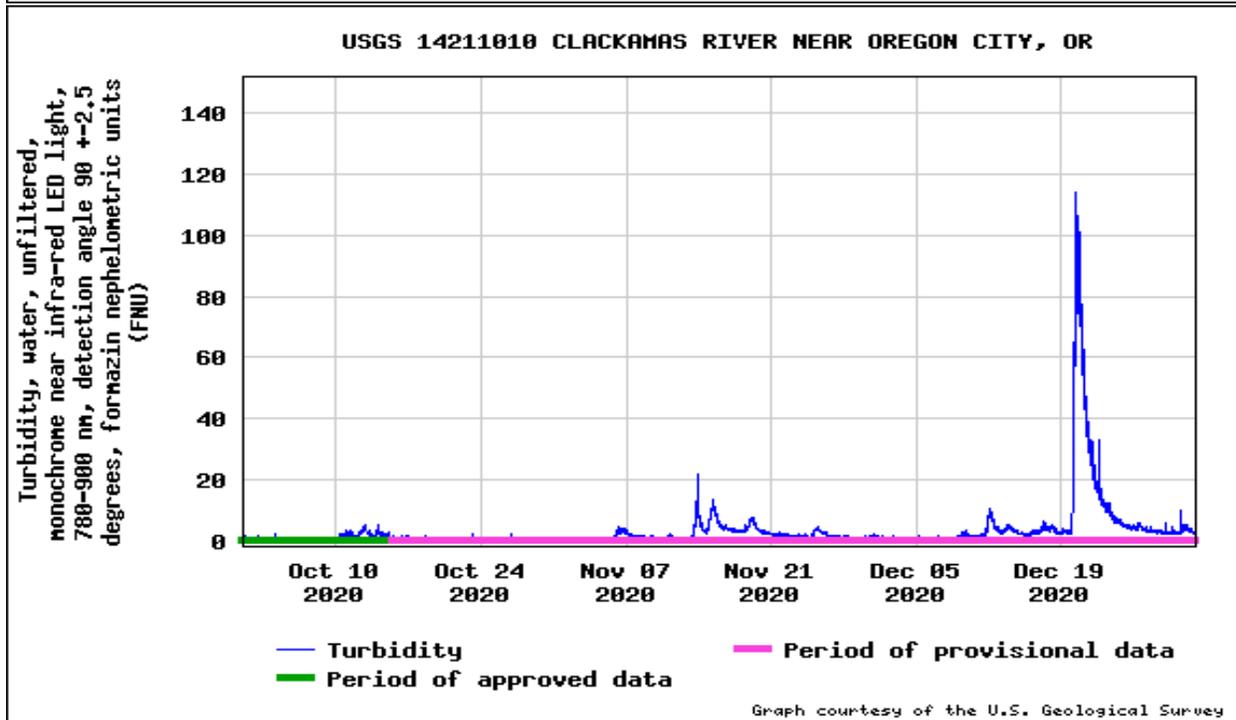
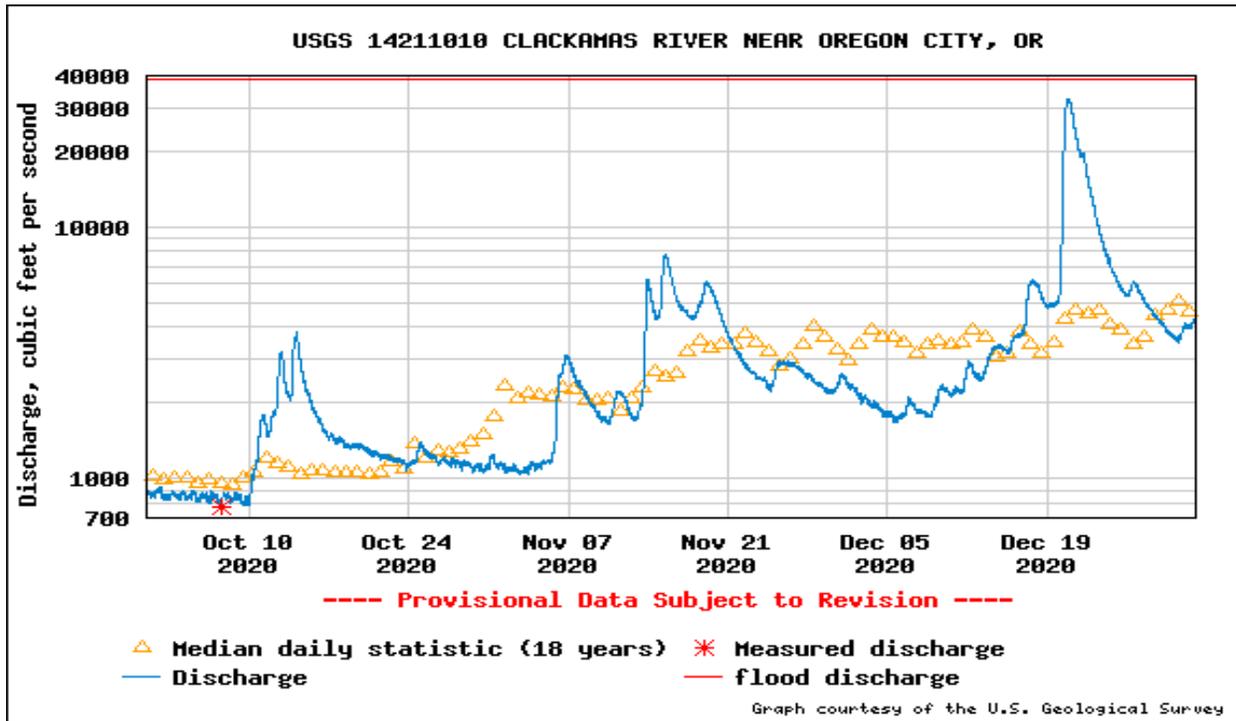


Water Production:



Clackamas River Flows

The Clackamas River ran a little lower than it’s historic average for most of the fourth quarter. We had a couple of minor storm events in October and November which did not cause any operational issues. The December 19th storm was the first major storm after the late summer fires and we saw a rapid increase in the raw water turbidity and organics load during the event.



Forecast 2021 - 2023, FY 22 - 23

		2020-2021	2020-2021	2020-2021	2021-2022	2022-2023
		Current Budget	YTD Activity	Estimated	Proposed	Proposed Yr 2
610 Revenue						
610-610-302100-0000	Unrestricted Beginning Balance	14,149,882	14,149,882	14,149,882	9,347,049	9,347,049
610-610-302167-0000	Inventory Balance	175,000	105,603	175,000	175,000	175,000
Category: 302 - BEGINNING FUND BALANCES Total:		14,324,882	14,255,485	14,324,882	9,522,049	9,522,049
610-610-305770-0000	City of Tigard - Water Consumption	1,785,000	1,012,081	1,785,000	1,785,000	1,785,000
610-610-305800-0000	Lake Grove Water	0	0	0	0	0
Category: 305 - INTERGOVERNMENTAL Total:		1,785,000	1,012,081	1,785,000	1,785,000	1,785,000
610-610-308320-0000	Water Fee Revenue	13,265,000	9,057,609	13,265,000	13,689,000	13,963,000
610-610-308322-0000	Allowance for Doubtful Water Fees	12,000	0	-12,000	-12,000	-18,000
610-610-308325-0000	Utility Penalty	0	120	0	5,000	15,000
610-610-308330-0000	Bulk Water Sales	16,000	15,966	16,000	0	0
610-610-308332-0000	Skyland Water District Bulk Water	31,000	31,291	31,000	31,000	31,000
610-610-308333-0000	Hidalgo & Arrowwood Bulk Water	9,000	9,123	9,000	9,000	9,000
610-610-308334-0000	Alto Park Bulk Water Sales	7,000	7,459	7,000	7,000	7,000
610-610-308336-0000	Lake Grove Bulk Water Sales	123,000	123,143	123,000	120,000	120,000
610-610-308337-0000	West Linn Bulk Water Sales	0	0	0	0	0
610-610-308339-0000	Other Bulk Water Sales	4,000	3,877	4,000	2,000	2,000
610-610-308340-0000	Water Meter Installation Fees	60,000	39,389	60,000	60,000	60,000
610-610-308342-0000	Rain Sensor Sales Revenue	0	5	0	0	0
Category: 308 - SALES AND SERVICES Total:		13,527,000	9,287,981	13,503,000	13,911,000	14,189,000
610-610-310200-0000	Investment Income	75,000	40,679	75,000	75,000	75,000
610-610-310310-0000	Insurance Reimbursements	1,000	1,000	1,000	0	0
310-610-310910-0000	Sundry Income	215,000	212,397	215,000	5,000	5,000
Category: 310 - MISCELLANEOUS REVENUES Total:		291,000	254,075	291,000	80,000	80,000
610-610-326690-0000	Residual Transfer from LO-Tigard	0	0	0	0	0
Category: 320 - TRANSFERS Total:		0	0	0	0	0
610-610-344100-0000	Proceeds from Sale of Capital	0	0	0	0	0
Category: 344 - PROCEEDS SALE OF CAPITAL ASSETS Total:		0	0	0	0	0
610-610-355000-0000	Proceeds from Bonds Issued	0	0	0	0	0
Category: 355 - OTHER FINANCING SOURCES Total:		0	0	0	0	0
Revenue Total:		29,927,882	24,809,623	29,903,882	25,298,049	25,576,049
Department: 610 - Water Fund Resources Total:		29,927,882	24,809,623	29,903,882	25,298,049	25,576,049
610-611-310910-0000	Sundry Income	50,000	47,921	50,000	50,000	50,000
Category: 310 - MISCELLANEOUS REVENUES Total:		50,000	47,921	50,000	50,000	50,000
Revenue Total:		29,977,882	24,857,544	29,953,882	25,348,049	25,626,049

Forecast 2021 - 2023, FY 22 - 23

		2020-2021	2020-2021	2020-2021	2021-2022	2022-2023
		Current Budget	YTD Activity	Estimated	Proposed	Proposed Yr 2
610-611 Expense						
610-611-411100-0000	Full-Time Salaries and Wages	974,000	0	974,000	1,022,000	1,090,000
610-611-411110-0000	Full-Time Regular Salaries	0	447,245	0	0	0
610-611-411120-0000	Full-Time Other Paid Leave	0	13,361	0	0	0
610-611-411122-0000	Full-Time Vacation Leave	0	24,990	0	0	0
610-611-411125-0000	Full-Time Comp Leave	0	16,923	0	0	0
610-611-411130-0000	Full-Time Sick Leave	0	14,044	0	0	0
610-611-411240-0000	Temporary / OnCall	0	8,428	0	9,000	0
610-611-411300-0000	Overtime Salaries	20,000	10,136	20,000	21,000	22,000
610-611-411400-0000	Special Pay	35,000	10,750	35,000	33,000	33,000
610-611-411410-0000	Working out of Classification	0	0	0	0	0
610-611-411430-0000	Shift Differential Pay	0	3,816	0	0	0
610-611-411435-0000	Accrued Vacation Payoff	5,000	20,363	5,000	5,000	5,000
610-611-411450-0000	Holiday Pay	0	3,601	0	0	0
610-611-412100-0000	Payroll Taxes	87,000	47,106	87,000	92,000	97,000
610-611-412200-0000	PERS	312,000	168,272	312,000	328,000	346,000
610-611-412300-0000	Health Insurance	253,000	134,345	253,000	238,000	258,000
610-611-412400-0000	Other Benefits	37,000	19,785	37,000	39,000	41,000
611 - PERSONNEL SERVICES TOTAL:		1,723,000	943,165	1,723,000	1,787,000	1,892,000
610-611-421000-0000	General Office Supplies	2,000	1,201	2,000	3,000	3,000
610-611-422300-0000	Postage	2,000	1,106	2,000	2,000	2,000
610-611-427150-0000	Safety Equipment	1,000	426	1,000	2,000	2,000
610-611-427200-0000	Clothing Allowence	4,000	2,474	4,000	5,000	5,000
610-611-427300-0000	Laundry Service	3,000	1,668	3,000	3,000	3,000
610-611-428000-0000	Small Tools and Supplies	5,000	2,067	5,000	5,000	6,000
610-611-429500-0000	Misc Furnishings and Equipment	6,000	3,141	6,000	7,000	7,000
610-611-429700-0000	Publications and Reports	2,000	909	2,000	2,000	2,000
610-611-431000-0000	Misc Professional and Technical	100,000	57,770	100,000	100,000	100,000
610-611-431540-0000	Software Purchases and Licenses	30,000	18,291	30,000	30,000	30,000
610-611-431910-0000	Laboratory Services	30,000	25,985	30,000	10,000	10,000
610-611-431932-0000	Contracted Services	200,000	102,305	200,000	200,000	200,000
610-611-431937-0000	Vehicle Contract Service Fee	3,000	830	3,000	0	0
610-611-432110-0000	Technical Seminars, Training	10,000	5,935	10,000	15,000	15,000
610-611-432200-0000	Tuition Reimbursement	3,000	0	3,000	0	0
610-611-432300-0000	Membership Dues	5,000	1,339	5,000	5,000	5,000
610-611-434400-0000	Purchased Water	50,000	30,197	50,000	50,000	55,000
610-611-435230-0000	Telemetry Communication	2,000	1,677	2,000	4,000	8,000
610-611-435240-0000	Miscellaneous Communication	16,000	8,678	16,000	16,000	17,000
610-611-437110-0000	Landscape Maintenance Contract	65,000	57,797	65,000	65,000	65,000
610-611-437180-0000	Grounds Maintenance - Misc Contract Svcs	0	0	0	0	0
610-611-437230-0000	Janitorial and Cleaning Supplies	2,000	735	2,000	5,000	5,000
610-611-437260-0000	Sludge Bed Maintenance	95,000	120,125	95,000	100,000	100,000
610-611-437280-0000	Bldg Maint - Misc Contracted Svcs	50,000	43,550	50,000	50,000	50,000
610-611-437290-0000	Bldg Maint - Misc Materials	1,000	117	1,000	5,000	5,000
610-611-437310-0000	Equipment Repair and Service	200,000	160,256	200,000	200,000	200,000
610-611-437330-0000	Vehicle Repairs, Parts, Supplies	2,000	855	2,000	5,000	5,000
610-611-437340-0000	Gasoline, Oil, Lubricants	2,000	869	2,000	2,000	2,000
610-611-437410-0000	Electricity	650,000	283,097	650,000	800,000	800,000
610-611-437420-0000	Natural Gas	25,000	9,651	25,000	25,000	25,000
610-611-437585-0000	Water Treatment Chemicals	310,000	223,638	310,000	310,000	320,000
610-611-438110-0000	Internal Fees for Service - Admin	222,000	111,000	222,000	252,000	265,000
610-611-438672-0000	Internal Fees for Service - Electronics Div	3,000	1,500	3,000	0	0
610-611-438673-0000	Internal Fees for Service - MP	0	0	0	1,000	1,000
610-611-438674-0000	Internal Fees for Service - Beautification	0	0	0	14,000	14,000
610-611-439900-0000	Other Miscellaneous Expense	2,000	1,057	2,000	5,000	5,000
611 - MATERIALS & SERVICES TOTAL:		2,103,000	1,280,245	2,103,000	2,298,000	2,332,000
610-611 Capital Outlay						
610-611-481310-0000	Rehabilitation/Replacement	634,000	679,512	634,000	200,000	0
611 - CAPITAL OUTLAY TOTAL:		634,000	679,512	634,000	200,000	0
Expense Total:		4,460,000	2,902,922	4,460,000	4,285,000	4,224,000



January 27, 2021

TO: LO-Tigard Partnership Oversight Committee Members

FROM: Erica Rooney, Engineering & WTP Director, Lake Oswego

RE: LO Tigard Water Partnership IGA and Operational Summary

The Oversight Committee (OVC) has been interested in exploring revisions to the current IGA to provide better clarity on various roles and responsibilities that are embedded within the current IGA. We all recognize that the current IGA and subsequent amendments were developed during the design and construction of the treatment plant, and focused on a myriad of current and future operating issues that were addressed at that time. While water has been flowing since June 2016 as a partnership, the Agreement has not been changed or modified, and we continue to operate under its articles as directed.

Before we venture into any revisions, an overview of the current Agreement is a helpful way to clarify questions, and perhaps highlight any issues of concern that may need future adjustment. By doing this review, it will help set the agenda for the proposed workshop.

Kari Duncan, former WTP Manager, has developed the attached easy-to-read table that provides clear roles and responsibilities in key topic areas of concern. She has graciously offered to walk us all through this table and to help answer any questions about how the partnership is currently operating in these areas. She will present the attachments at the OVC meeting on February 1. From here, we hope to clarify what areas need further refinement.

Lake Oswego-Tigard Water Partnership

Intergovernmental Agreement Overview

Topic	Both Cities and Councils	OVC	Managing Agency	Technical (Operations) Committee
<i>Budget Timeline (3.4)</i>	Review and Approves Final Budget by June 30th	Reviews Draft Budget by April 30th	Prepares drafts, and final for review	Reviews Draft Budget by March 1st
			Provides Quarterly Budget Reports to both Parties (3.4)	Receives Quarterly Budget Reports
<i>Management (3.1)</i>			Manage operation, repair and replacement of facilities	Reviews and makes recommendations to OVC
			Approve Contracts	Review Contracting Methods
			Respond to Emergencies	
<i>Cost Share (3.1, 7.1)</i>	Both Partners Pay share of costs according to ownership and water use (3.1 and 7.1.4)		Payment of Invoices, accounting, budgeting, operation and maintenance, planning, project management, maintaining records, Insurance (3.1 and 7.2.1)	
<i>Meetings</i>	Joint Council Meetings not defined	No less than Quarterly (3.3)	Organizes, staffs and provides public notice for OVC meetings	At Intervals "deemed appropriate" (3.2) (Monthly in Practice)
<i>Oversight Committee (3.3)</i>		Makes recommendations to Managing Agency or City Councils as appropriate (3.3)		

Topic	Both Cities and Councils	OVC	Managing Agency	Technical (Operations) Committee
<i>Asset Management (3.5)</i>	Approve Repair and Replacement and Capital Improvement Programs (CIP) and Funds	Review Repair and Replacement and CIP Proposals and recommend to Councils	Implement Repair and Replacement and CIP	Propose Policies to OVC on Repair, Replacement and CIP
<i>Council Decisions</i>	Sale, transfer, lease, exchange or disposition of property			
	Entry to mortgage, pledge, encumbrance or refinance of Property or Facility			
	Approval of nonemergency expenditures not previously approved in budget		May approve emergency expenditures not in budget	
	Approval of Initial Expansion and Long Term Expansion			
	Approval of a new Party to the Agreement			
	Approval of modification, alteration or dissolution of this Agreement			
<i>Audit, Record Keeping</i>	Has access to audit and records	Has access to audit and records	Performs annual audit, maintains records	Has access to audit and records

Additional key topics:

2.3 **Obligation of Good Faith and Fair Dealing:** All parties have an obligation of good faith and fair dealing.

5.1: **Ownership** is by “Tenancy in Common”

Capacity: (Amendment 5) 20/38 Lake Oswego, 18/38 Tigard.

9.5 **Bonita Road Pump Station:** ...”If this Pump Station is used for the benefit of Lake Oswego as the Parties agree, Lake Oswego shall pay Tigard’s costs to supply water, including Tigard’s costs to purchase water from other entities, as if it were a short-term lease. Tigard will invoice Lake Oswego on a monthly basis in such circumstances.”

Article X: **Leasing:** Acknowledges the right to lease from each other excess capacity in the system.

Article XI: **Sales to other:** Sale of water to an entity or person that is not a listed customer of the party must be approved by the other party. Revenues derived from the sale of water to another entity shall be paid to the Managing Agency, net proceeds credited back to the Parties based on a mutually agreed upon method.

Article XII: 12.1

Operations Manual: Designates that an Operations Manual shall be developed for the Supply Facilities, updated as required, and adopted by both Parties. States that an Operations Committee (12.2) shall consist of at least one designee of each of the parties, and that each party will have one vote in making recommendations to the OVC.

12.3 **Curtailment:** Shall be conducted according to the Water Management and Conservation Plan..... “if emergency or water shortage requires restriction in deliverable supply....the reduction in available water shall be shared equally among the Parties.”