



**PUBLIC MEETING  
OAK LODGE WATER SERVICES  
BOARD OF DIRECTORS  
June 9, 2026 at 4:00 PM**

1. Call to Order
2. Call for Public Comment
3. Consent Agenda
  - a. April 2026 Financial Report
  - b. Approval of May 12, 2026 Board Meeting Minutes
4. Items for Consideration
  - a. Consideration of Resolution No. 2026-0048 Adopting Fiscal Year 2027 Schedule of Rates, Fees, and Other Charges
    - i) Public Hearing: FY 2027 Schedule of Rates, Fees, and Other Charges
  - b. Consideration of Contract with Jesse Rodriguez Construction LLC for the Construction of the LS 2 Basin I&I Reduction Program Phase 1 Project
  - c. Resolution No. 2026-0049 Authorizing Transfers of Budgeted Amounts Between Categories of Various Funds of the Oak Lodge Water Services Adopted Budget, Making Appropriations and Authorizing Expenditures for Fiscal Year Ending June 30, 2026.
5. Business from the Board
6. Department Reports
  - a. Administration
  - b. Finance
  - c. Public Works
  - d. Plant Operations
7. Other Items
8. Adjourn Meeting





## AGENDA ITEM

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**Title** Call to Order

**Item No.** 1.

**Date** June 9, 2026

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### Summary

The Chair will call the meeting to order with a quorum of the board at the noticed time.

The Chair may request participation in a nonpartisan acknowledgment of their choosing.

The General Manager will review the meeting protocols before business is discussed.





## AGENDA ITEM

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**Title** Call for Public Comment

**Item No.** 2.

**Date** June 9, 2026

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### Summary

The Board of Directors welcomes comment from members of the public.

There are two basic public comment options: written and verbal.

Written Public Comment may be submitted in person, online, and by email or postal mail. Written comments may not be read out loud or addressed during the meeting, however, all public comments will be entered into the record.

Verbal Public Comment may be given during public meeting's comment period. Commenters must register to speak with the District Recorder before the start of the meeting. The Board of Directors may elect to limit the total time available for public comment or for any single speaker depending on meeting length.



## Page: Public Comment

<b>Written Public Comment Webform</b>	
<b>First Name</b>	D
<b>Last Name</b>	Halkides
<b>Group or Organization Affiliation</b>	
<b>Address</b>	2558 SE Martha CT
<b>Contact Information</b>	djhalkides@gmail.com
<b>Written Comments</b>	My Oak Lodge water/sewage bill has nearly doubled in under 5 years for roughly the same or less usage. Enough already, please. The cost of living is rising on all fronts for all of us.

## Page: Public Comment

<b>Written Public Comment Webform</b>	
<b>First Name</b>	Nicole
<b>Last Name</b>	Mangan
<b>Group or Organization Affiliation</b>	
<b>Address</b>	19594 Se Cottonwood St
<b>Contact Information</b>	nicole.crawford84@gmail.com
<b>Written Comments</b>	<p>Hello, I wanted to follow up and express my concerns regarding the proposed increase in utility costs. With the ongoing rise in expenses for families and income levels remaining the same, it seems unwise to add more financial strain by increasing the costs of another utility. Over the years, we've seen prices climb across all utilities, making it increasingly difficult for families to keep up with their bills, groceries, and other essential items. While I absolutely understand the need to update infrastructure and ensure fair compensation for department staff, I believe it's crucial to operate within budget constraints, much like families do every day. If the department is unable to manage its finances within the current budget, I don't think it's fair to request additional funds from the community simply because budgeting has proven challenging. Thank you for considering these concerns. I hope we can find a solution that balances the needs of the department with the realities faced by families. Thank you, Nicole Mangan</p>



## PUBLIC COMMENT FORM

The Oak Lodge Water Services District Board of Directors welcomes comment from members of the public. Please use this form to submit written comment.

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### Identifying Information

Name: Cindy Vetter Date: 05/28/2026

Group or Organization Affiliation: \_\_\_\_\_

Address: 16681 SE Ladd Ct, Milwaukie, OR Phone Number: \_\_\_\_\_ (email copied into template by Recorder)

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### Public Comment

Subject: Increase in water bill

Board Members,

I am an Oak Lodge Water Services customer and I am asking the Board to delay, reduce, or phase the proposed July 1, 2026 rate increase until additional information is provided to the public.

Since 2022, the average residential customer has experienced approximately \$59-\$61 per month in additional charges through a series of rate increases, totaling more than \$700 per year.

Before approving another increase, I respectfully request that OLWS publicly explain:

- The total cumulative rate increases since consolidation.
- How the reported consolidation savings have been used.? How much grant funding, loan forgiveness, and outside funding has been received.
- Which projects are legally required immediately and which could be phased or delayed.
- Why another increase is necessary before all alternatives have been fully explained.

Please include this email in the public record for the June 9, 2026 hearing.

Thank you,

Cindy Vetter  
16681 SE Ladd Ct  
Milwaukie Oregon

The District Recorder requests written comments be submitted at least 48 hours prior to a regularly scheduled public meeting for distribution to the Board of Directors in advance of the meeting. Written comment may not be read out loud or addressed during the meeting, but all public comments will be entered into the record.

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You may submit this form to the Oak Lodge Water Services District Recorder  
in person, by email, or by postal mail.

Email: [laural@olwsd.org](mailto:laural@olwsd.org)

District Offices: 14496 SE River Road, Oak Grove, OR 97267

# Page: Public Comment

<b>Written Public Comment Webform</b>	
<b>First Name</b>	Stephanie
<b>Last Name</b>	Green
<b>Group or Organization Affiliation</b>	
<b>Address</b>	3515 Southeast Roethe Road
<b>Contact Information</b>	Stephanielukasik@gmail.com
<b>Written Comments</b>	<p>Oak Lodge Water Services is proposing another rate increase effective July 1, 2026, and I think residents deserve more information before it is approved. Some facts from OLWS's own published notices:</p> <ul style="list-style-type: none"><li>• In 2016, voters approved combining the water and sanitary districts. OLWS stated the merger would create efficiencies and save money.</li><li>• OLWS later reported approximately \$711,000 in annual savings from consolidation.</li><li>• Since 2022, OLWS has implemented or proposed the following average residential increases:</li><li>• 2022: +\$4.60/month</li><li>• 2023: +\$25.03/month</li><li>• 2024: +\$14-\$16/month</li><li>• 2025: +\$8.74/month</li><li>• 2026: Proposed +\$6.47/month</li><li>• Total additional cost since 2022: approximately \$59-\$61 more per month.</li><li>• Total additional cost per year: approximately \$706-\$730 more per household.</li></ul> <p>OLWS has also stated that major infrastructure projects are being funded through a combination of customer rates, grants, loan forgiveness, and loans, including a reported \$3 million state grant for one project. I support safe drinking water, sewer reliability, and infrastructure improvements. What I want before another increase is approved is transparency. I would like OLWS to publicly explain:</p> <ul style="list-style-type: none"><li>• How much rates have increased cumulatively since consolidation.</li><li>• Where the reported consolidation savings went.</li><li>• How much grant funding and outside funding has been received.</li><li>• Which projects are legally required now and which could be phased or delayed.</li><li>• Why another increase is necessary before all alternatives have been fully explained.</li></ul> <p>If you agree, please send a respectful email to the Board and ask them to delay, reduce, or phase the proposed July 1, 2026 rate increase until additional information is provided to the public. Board Emails: kevin.williams@olws.org, heidi.bullock@olws.org, ginny.vanloo@olws.org, paul.gornick@olws.org, susan.keil@olws.org</p> <p>Suggested Subject Line: Please Delay or Reduce the July 1, 2026 Rate Increase</p> <p>Board Members, I am an Oak Lodge Water Services customer and I am asking the Board to delay, reduce, or phase the proposed July 1, 2026 rate increase until additional information is provided to the public. Since 2022, the average residential customer has experienced approximately \$59-\$61 per month in additional charges through a series of rate increases, totaling more than \$700 per year. Before approving another increase, I respectfully request that OLWS publicly explain:</p> <ul style="list-style-type: none"><li>• The total cumulative rate increases since consolidation.</li><li>• How the reported consolidation</li></ul>

savings have been used. • How much grant funding, loan forgiveness, and outside funding has been received. • Which projects are legally required immediately and which could be phased or delayed. • Why another increase is necessary before all alternatives have been fully explained. Please include this email in the public record for the June 9, 2026 hearing. Thank you, Stephanie Green

# Page: Public Comment

<b>Written Public Comment Webform</b>	
<b>First Name</b>	Joshua
<b>Last Name</b>	Green
<b>Group or Organization Affiliation</b>	Creative Undertakers
<b>Address</b>	3515 SE Roethe Rd
<b>Contact Information</b>	Thegreenbros@gmail.com
<b>Written Comments</b>	<p>As a resident and customer of Oak Lodge Water Services, I'm trying to better understand the proposed rate increase scheduled for July 1, 2026. I fully support maintaining safe drinking water, reliable sewer service, and necessary infrastructure improvements. Those are essential services and investments that benefit all of us. At the same time, many households have experienced a series of rate increases over the past several years, and I think it's reasonable for customers to ask questions before another increase is approved. Based on information published by OLWS:</p> <ul style="list-style-type: none"><li>• Voters approved combining the water and sanitary districts in 2016, with the understanding that the merger would create efficiencies and reduce costs.</li><li>• OLWS later reported approximately \$711,000 in annual savings from consolidation efforts.</li><li>• Since 2022, residential customers have seen several rate increases:</li><li>• 2022: approximately \$4.60 per month</li><li>• 2023: approximately \$25.03 per month</li><li>• 2024: approximately \$14–\$16 per month</li><li>• 2025: approximately \$8.74 per month</li><li>• 2026: proposed approximately \$6.47 per month</li></ul> <p>• Combined, those increases amount to roughly \$59–\$61 more per month for an average household, or more than \$700 per year. OLWS has also reported receiving grants, loan forgiveness, and other outside funding for major infrastructure projects, including a reported \$3 million state grant for one project. Before another increase is approved, I would appreciate additional information regarding:</p> <ul style="list-style-type: none"><li>• The total cumulative impact of rate increases since consolidation.</li><li>• How the reported consolidation savings have been utilized.</li><li>• The amount of grant funding, loan forgiveness, and other outside funding received.</li><li>• Which projects are legally required immediately versus projects that could potentially be phased over a longer period.</li><li>• Whether there are alternatives that could reduce the immediate impact on customers.</li></ul>

## Page: Public Comment

<b>Written Public Comment Webform</b>	
<b>First Name</b>	Stephanie
<b>Last Name</b>	Green
<b>Group or Organization Affiliation</b>	
<b>Address</b>	3515 se Roethe road Milwaukie Oregon 97267
<b>Contact Information</b>	5033877460
<b>Written Comments</b>	<p>Board Members, Thank you for providing the budget documents and supporting materials in response to public requests. After reviewing the information provided, I continue to have concerns regarding the proposed rate increase and respectfully request additional information before further increases are approved. I support safe drinking water, reliable wastewater treatment, environmental protection, and necessary infrastructure investments. My concern is not whether infrastructure should be maintained. My concern is whether Oak Lodge Water Services has demonstrated that the proposed increase is the least burdensome reasonable option available to customers. Several questions remain unanswered. First, OLWS has repeatedly stated that consolidation was intended to improve efficiency and reduce costs through the combination of services and administrative functions. However, customers have experienced multiple rate increases over the years following consolidation. I believe residents deserve a clear accounting showing:</p> <ul style="list-style-type: none"><li>• Total savings achieved through consolidation since implementation.</li><li>• How those savings were utilized.</li><li>• What direct financial benefit ratepayers have received from those savings.</li></ul> <p>Second, the proposed budget shows significant reliance on transfers to capital funds. The FY 2025-26 budget increases transfers to capital funds from approximately \$6.45 million to \$7.25 million. While infrastructure investment may be necessary, customers have not been provided with a project-by-project explanation showing which projects are legally required immediately, which projects could be phased over multiple years, and which projects are discretionary or recommended improvements. Third, the budget reflects substantial contingencies, reserves, and fund balances. According to the proposed budget, total contingencies and reserves exceed \$14 million while beginning fund balances exceed \$16 million. Before additional rates are imposed on customers, I believe OLWS should explain:</p> <ul style="list-style-type: none"><li>• The basis used to establish each contingency amount.</li><li>• The risk analysis supporting those amounts.</li><li>• Why existing reserves are insufficient.</li><li>• Whether a portion of the proposed increase could be deferred while maintaining required reserve levels.</li></ul> <p>Fourth, OLWS has reported receiving grants and outside funding, including approximately \$3 million in state funding associated with wastewater improvements. The public has not been provided with a clear explanation showing how those grants reduced the amount ultimately charged to</p>

ratepayers. I respectfully request a table showing:

- Total grants received by project.
- Total loan forgiveness received by project.
- Total debt financing received by project.
- The remaining amount funded by customers through rates.

Fifth, OLWS has stated that long-range planning, master planning, and capital planning have been underway for several years. If major wastewater upgrades, DEQ requirements, tertiary treatment projects, and capacity improvements were known years in advance, residents deserve an explanation of why the resulting rate impacts could not be phased more gradually. Finally, OLWS's adopted Budget Policy states that the budget process should focus on results and outcomes, explain significant variances, establish long-term planning linkages, and promote effective communication with stakeholders. In keeping with those principles, I respectfully request that OLWS publicly provide:

- Actual-versus-budget variance reports for recent fiscal years.
- A project-by-project rate impact analysis.
- A schedule identifying legally mandated projects versus discretionary projects.
- An analysis showing the impact of reducing, delaying, or phasing the proposed increase.

I am not asking OLWS to stop maintaining infrastructure. I am asking OLWS to demonstrate that all reasonable alternatives have been evaluated and that the proposed increase represents the most responsible and transparent option for customers. Until that information is provided, I believe consideration should be given to delaying, reducing, or phasing future rate increases. Thank you for your consideration and for including this statement in the public record. Stephanie Green Oak Lodge Water Services Custom

# Page: Public Comment

<b>Written Public Comment Webform</b>	
<b>First Name</b>	Joshua
<b>Last Name</b>	Green
<b>Group or Organization Affiliation</b>	
<b>Address</b>	3515 se roethe rd
<b>Contact Information</b>	Thegreenbros@gmail.com
<b>Written Comments</b>	<p>Board Members, Thank you for providing the budget documents and supporting materials in response to public requests. After reviewing the information provided, I continue to have concerns regarding the proposed rate increase and respectfully request additional information before further increases are approved. I support safe drinking water, reliable wastewater treatment, environmental protection, and necessary infrastructure investments. My concern is not whether infrastructure should be maintained. My concern is whether Oak Lodge Water Services has demonstrated that the proposed increase is the least burdensome reasonable option available to customers. Several questions remain unanswered. First, OLWS has repeatedly stated that consolidation was intended to improve efficiency and reduce costs through the combination of services and administrative functions. However, customers have experienced multiple rate increases over the years following consolidation. I believe residents deserve a clear accounting showing:</p> <ul style="list-style-type: none"><li>• Total savings achieved through consolidation since implementation.</li><li>• How those savings were utilized.</li><li>• What direct financial benefit ratepayers have received from those savings.</li></ul> <p>Second, the proposed budget shows significant reliance on transfers to capital funds. The FY 2025-26 budget increases transfers to capital funds from approximately \$6.45 million to \$7.25 million. While infrastructure investment may be necessary, customers have not been provided with a project-by-project explanation showing which projects are legally required immediately, which projects could be phased over multiple years, and which projects are discretionary or recommended improvements. Third, the budget reflects substantial contingencies, reserves, and fund balances. According to the proposed budget, total contingencies and reserves exceed \$14 million while beginning fund balances exceed \$16 million. Before additional rates are imposed on customers, I believe OLWS should explain:</p> <ul style="list-style-type: none"><li>• The basis used to establish each contingency amount.</li><li>• The risk analysis supporting those amounts.</li><li>• Why existing reserves are insufficient.</li><li>• Whether a portion of the proposed increase could be deferred while maintaining required reserve levels.</li></ul> <p>Fourth, OLWS has reported receiving grants and outside funding, including approximately \$3 million in state funding associated with wastewater improvements. The public has not been provided with a clear explanation showing how those grants reduced the amount ultimately charged to</p>

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- Actual-versus-budget variance reports for recent fiscal years.
- A project-by-project rate impact analysis.
- A schedule identifying legally mandated projects versus discretionary projects.
- An analysis showing the impact of reducing, delaying, or phasing the proposed increase.

I am not asking OLWS to stop maintaining infrastructure. I am asking OLWS to demonstrate that all reasonable alternatives have been evaluated and that the proposed increase represents the most responsible and transparent option for customers. Until that information is provided, I believe consideration should be given to delaying, reducing, or phasing future rate increases. Thank you for your consideration and for including this statement in the public record. Joshua Green  
Oak Lodge Water Services Customer

## Page: Public Comment

<b>Verbal Public Comment Registration Form</b>	
<b>First Name</b>	Roberta
<b>Last Name</b>	Thissell
<b>Group or Organization Affiliation</b>	
<b>Address</b>	1900 SE OAK SHORE LANE
<b>Contact Information</b>	5032670990
<b>I would like to speak regarding</b>	The proposed increases. Looking over the past budgets I want to address the dollars being spent. All due respect in regards to Administrative costs.





## AGENDA ITEM

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**Title** Consent Agenda

**Item No.** 3.

**Date** June 9, 2026

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### Summary

The Board of Directors has a standing item on the regular monthly meeting agenda called "Consent Agenda." This subset of the regular agenda provides for the board to relegate routine business functions not requiring discussion to a consent agenda where all included items can be acted upon by a single act.

The Consent Agenda includes:

- a. **April 2026 Financial Report**
- b. **Approval of May 12, 2026 Board Meeting Minutes**

### Options for Consideration

- 1. Approve the Consent Agenda as listed on the meeting agenda.
- 2. Request one or more items listed on the Consent Agenda be pulled from the Consent Agenda for discussion.

### Recommendation

Staff requests that the Board approve the items listed under the Consent Agenda.

### Suggested Board Motion

"I move to approve the Consent Agenda."

**Approved By** \_\_\_\_\_

**Date** \_\_\_\_\_





**AGENDA ITEM**

**To** Board of Directors  
**From** Angie Wilson, Finance Director  
**Title** April 2026 Financial Report  
**Item No** 3.a.  
**Date** June 9, 2026

**Summary**

This report summarizes the revenues and expenditures for April 2026. Also incorporated in this report are account balances, including all cash and investment activity as well as checks and withdrawals.

**Cash and Investments**

<b>Account Balances As of:</b>		
<b>April 30, 2026</b>	<b>Interest Rate</b>	<b>Balance</b>
<b>Account</b>		
Wells Fargo Bank Checking-3552		\$ 0.00
Wells Fargo Bank Checking-9966		\$ 3,578,873.67
First Interstate Bank Checking-8944		\$ 532,787.39
LGIP	4.00%	\$ 14,358,609.11
		\$
Total		18,470,270.17

The OLWS' checks, electronic withdrawals, and bank drafts total \$ 2,396,283 for April 2026.

**Services Revenue**

Below is a table identifying OLWS' three principal sources of service charges in each fund with a comparison between annual budget estimates and year-to-date service charges.

<b>GL Account</b>	<b>Service Charge</b>	<b>Budget Estimate</b>	<b>Period Amount</b>	<b>Year-to-Date Amount</b>	<b>Percentage of Budget</b>
10-00-4211	Water sales	\$6,496,000	\$481,566	\$ 5,255,341	80.9%
20-00-4212	Wastewater charges	13,727,000	1,141,327	11,481,438	83.6%
30-00-4213	Watershed protection	2,066,000	171,393	1,724,944	83.5%
	Subtotal	\$ 22,289,000	\$ 1,794,286	\$ 18,461,723	82.8%

Revenues are on target for the budget as of Period 10 for all service charges, water sales, wastewater revenues, and watershed protection services.

#### **Expenses by Budget Category**

The table below provides YTD expenditures excluding Debt Service and Transfers. It is 51.8% of the actual YTD budgeted expenditure.

<b>Expense Category</b>	<b>FY 2025-26 Adopted Budget</b>	<b>Expense YTD April 30, 2026</b>	<b>YTD %</b>
Personnel Services	\$ 6,514,813	\$ 4,675,246	71.8%
Materials & Services	6,429,100	4,597,732	71.5%
Capital Outlay	18,059,000	6,801,685	37.7%
	<u>\$ 31,002,913</u>	<u>\$ 16,074,663</u>	<u>51.8%</u>

#### **Attachments**

None



**OAK LODGE WATER SERVICES  
BOARD OF DIRECTORS  
PUBLIC MEETING MINUTES  
MAY 12, 2026 AT 4:00 PM**

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1. Call to Order

Chair Williams called the meeting to order at 4:00 PM.

2. Call for Public Comment

There were no comments.

3. Consent Agenda

a. March 2026 Financial Report

b. Approval of April 14, 2026 Board Meeting Minutes

Director Van Loo moved to approve the Consent Agenda. Director Keil seconded. Elaine Murray conducted a roll call vote. Voting Aye: Directors Susan Keil, Kevin Williams, Paul Gornick, Ginny Van Loo, Heidi Bullock. Voting Nay: None. Abstentions: None.

**MOTION PASSED**

4. Items for Presentation

a. Quarterly Capital Report

Public Works Director Janicke presented the quarterly report on capital improvement projects, highlighting:

- waterline replacement projects,
- AWIA Risk & Resiliency updates,
- water master plan update,
- the aeration blower replacement and tertiary at the wastewater plant, and

- lift station rehabs.

The board provided comments and asked clarifying questions regarding:

- grant funding,
- discoveries from smoke testing for I&I,
- timeline and if on time, and
- variance on wastewater cost.

## 5. Items for Consideration

### a. Consideration of Resolution 2026-047 Adopting the Fiscal Year 2026-2027 OLWS Budget

#### i) Public Hearing: FY 2027 Approved Budget

Finance Director Wilson presented the Fiscal Year 2026-2027 OLWS Budget, highlighting:

- change to the organization chart,
- budget for materials & services was reduced,
- increase in wastewater for the revenue bond debt service,
- additional capital improvement plan pages added in, and
- a clerical error correction.

The board provided comments and asked clarifying questions regarding the additional revenue for the wastewater debt service,

Chair Williams stated the purpose and opened the public hearing at 4:22 pm.

There were no comments.

Chair Williams closed the public hearing at 4:23 pm.

Director Gornick moved to approve Resolution No. 2026-0047\* adopting the fiscal year 2026-27 Approved Budget and make appropriations. Director Van Loo seconded. Elaine Murray conducted a roll call vote. Voting Aye: Directors Susan Keil, Kevin Williams, Paul Gornick, Ginny Van Loo, Heidi Bullock. Voting Nay: None. Abstentions: None.

**MOTION PASSED**

## 6. Business from the Board

\*Attached is the Appendix for the budget resolution that was later filed.

The board discussed that the Oak Grove Community Council would like to hear from staff about tertiary treatment.

Kevin Williams provided a verbal report from the Jennings Lodge CPO.

## 7. Department Reports

- a. Administration
- b. Finance
- c. Public Works
- d. Plant Operations

The Management Team provided highlights from their written reports, including:

- introducing the new District Recorder, Michele Diaz
- the Schedule of Rates public hearing is on June 9th at 4pm,
- FY 24 financial audit,
- the accounts receivable overview,
- decrease in delinquent accounts and shut-offs,
- the financial assistance programs,
- water main and valve repairs, and
- pump installation at lift station 3.

The board provided comments and asked clarifying questions regarding:

- cause of a decrease in delinquent accounts,
- segregating system development charges,
- worker's comp expenses,
- gate valves in the system,
- bio solid hauling, and
- explanation of cottage clusters.

## 8. Other Items

There were none.

## 9. Adjourn Meeting

Chair Williams adjourned the meeting at 4:49 PM.

**Appropriation Resolution - Schedule A**

Administrative Services Fund

Personal Services	\$ 3,084,450	
Material & Services	2,482,865	
Contingency	<u>560,232</u>	
		Total \$ 6,127,547
Unappropriated Fund Balance	\$ 184,244	

Drinking Water Fund

Personal Services	\$ 1,258,000	
Material & Services	2,031,625	
Debt Service	-	
Transfers	4,828,000	
Contingency	<u>766,544</u>	
		Total \$ 8,884,169

Wastewater Reclamation

Personal Services	\$ 2,268,000	
Material & Services	1,545,650	
Transfers	11,248,605	
Contingency	<u>953,415</u>	
		Total \$ 16,015,670
Unappropriated Fund Balance	\$ 637,052	

Watershed Protection

Personal Services	\$ 205,000	
Material & Services	240,600	
Transfers	1,660,000	
Contingency	<u>110,900</u>	
		Total \$ 2,216,500
Unappropriated Fund Balance	\$ 549,085	

Wastewater Revenue Bond Debt Service

Debt Service	<u>\$ 3,391,035</u>	
		Total \$ 3,391,035
Reserve For Future	\$ 1,040,441	

Drinking Water Capital Fund

Capital Outlay	\$ 4,761,000	
Contingency	<u>500,000</u>	
		Total \$ 5,261,000
Reserve For Future	\$ 4,949,215	

Wastewater Reclamation Capital Fund

Capital Outlay	\$ 14,934,000	
Contingency	<u>1,493,400</u>	
		Total \$ 16,427,400
Reserve For Future	\$ 1,478,388	

Watershed Protection Capital Fund

Capital Outlay	\$ 300,000	
Contingency	<u>50,000</u>	
		Total \$ 350,000
Reserve For Future	\$ 3,129,390	

<b>Total Appropriations ( All Funds)</b>	<b>\$ 58,673,321</b>
<b>Total Unappropriated and Reserve Amounts (All Funds)</b>	<b>\$ 11,967,815</b>
<b>Total Adopted Budget</b>	<b>\$ 70,641,136</b>





**AGENDA ITEM**

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**Title**        Items for Consideration

**Item No.**    4.

**Date**        June 9, 2026

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**Summary**

The Board of Directors deliberates and authorizes official actions by roll call vote. These items for consideration are presented by staff.





## STAFF REPORT

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**To** Board of Directors  
**From** Angie Wilson, Finance Director  
**Title** Consideration of Resolution No. 2026-0048 Adopting Fiscal Year 2027 Schedule of Rates, Fees, and Other Charges  
**Item No** 4.a.  
**Date** June 9, 2026

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### Summary

Oak Lodge Water Services (OLWS) maintains a Schedule of Rates, Fees, and Other Charges that summarizes charges to OLWS customers for various services. The Schedule is updated each year in conjunction with OLWS' budget process.

### Background

OLWS' Schedule of Rates, Fees, and Other Charges (Schedule) summarizes utility rates, system development charges (SDC), permitting fees, and other fees associated with a variety of services provided to customers.

OLWS' utility rates are based on cost of service for drinking water, wastewater, and watershed protection. The proposed rates are incorporated into OLWS' Fiscal Year 2026-27 Adopted Budget. For the average customer that consumes 5 ccf per month, the proposed monthly rate increase is \$1.82 for drinking water, \$4.65 for wastewater, and \$0.00 for watershed protection for an overall of \$6.47 per month or 4.7%.

As part of the adopted Water Master Plan, SDCs for water distribution per water meter size increase annually based on the Engineering News Record Construction Cost Index for Seattle, WA as of January of each year. The twelve-month index as of January 2026 is 3%.

There are no changes for the wastewater SDCs per Equivalent Dwelling Unit. With the implementation of the Wastewater Master Plan, current SDCs will be reevaluated and brought separately to the Board in the future.

There are other changes:

- **Water Service Voluntary Backflow Assembly Testing Program (A.1.d.)** rates have decreased due to a new vendor. We adjust rates according to what the vendor charges. Proposed rates are actual costs plus \$2 for program administration, consistent with prior years.
- **Public Records Requests** fees have been reviewed and adjusted based on guidance from the State of Oregon.
- **Connection/Meter Set Fees** are adjusted based on the current cost for parts, equipment, and labor.
- **Fees and Services** related to OLWS' labor costs have been increased by 3.00%, equal to the FY 2026-27 COLA.
- **Fees and Charges** not related to OLWS providing the labor have been increased by 3%.
- **Public Record Request** has been modified to have a \$25.00 fee for a charge for labor.
- **Document Charges** include a \$25.00 fee for a printed and bound copy of the ACFR or budget document. Emailed copies and website access remain free.

### **Recommendation**

Staff recommends approval of Resolution 2026-0048 Adopting Fiscal Year 2027 Schedule of Rates, Fees, and Other Charges.

### **Suggested Board Motion**

*"I move to approve Resolution 2026-0048 adopting Fiscal Year 2027 Schedule of Rates, Fees, and Other Charges to be effective July 1, 2026."*

### **Attachments**

1. Resolution 2026-0048 Adopting Rates Fees Charges FY26-27
2. FY2026-27 OLWSD Schedule of Rate Fees and Other Charges-Effective 7012026

## OAK LODGE WATER SERVICES

### RESOLUTION NO. 2026-0048

#### **A RESOLUTION ADOPTING FISCAL YEAR 2026-2027 SCHEDULE OF RATES, FEES, AND OTHER CHARGES FOR OAK LODGE WATER SERVICES AUTHORITY WITH AN EFFECTIVE DATE OF JULY 1, 2026.**

**WHEREAS**, the Board of Directors for Oak Lodge Water Services (OLWS) establishes and adopts rates, fees, and other charges for OLWS, for use of the water distribution system, wastewater system, watershed protection management, and other services provided by OLWS; and

**WHEREAS**, the Board of Directors finds it necessary and proper to routinely review and from time to time revise such rates, fees, and other charges based on the cost of service and recommendations from OLWS' professional staff; and

**WHEREAS**, the Board of Directors finds is useful to make necessary revisions and adopt a master schedule of the rates, fees, and other charges on an annual basis around the start of each fiscal year so that OLWS' customer and staff have the updated rates, fees, and other charges readily available; and

**WHEREAS**, pursuant to ORS 261.312 and ORS 294.160, on June 9, 2026, the Board of Directors held a public meeting which includes a duly noticed public hearing to consider the proposed increase in rates, fees, and other charges, where the public was invited and provided an opportunity to comment; and

**WHEREAS**, the Board of Directors now wishes to adopt the rates, fees, and other charges as set forth in this Resolution to take effect beginning July 1, 2026.

#### **NOW, THEREFORE, BE IT RESOLVED BY THE OAK LODGE WATER SERVICES BOARD OF DIRECTORS:**

**Section 1.** The Board of Directors hereby adopts the Schedule of Rates, Fees, and Other Charges as set forth in Exhibit A, attached hereto and by this reference incorporated herein.

**Section 2.** The Schedule of Rates, Fees, and Other Charges shall take effect beginning on July 1, 2026. Until such a date OLWS' most recently adopted rates, fees, and other charges shall remain in full force and effect.

**Section 3.** This Resolution supersedes and replaces any and all previously adopted resolutions regarding rates, fees, and other charges for OLWS services.

**INTRODUCED AND ADOPTED THIS 9th DAY OF JUNE 2026.**

OAK LODGE WATER SERVICES

By \_\_\_\_\_ By \_\_\_\_\_  
Kevin Williams, Chair Heidi Bullock, Vice Chair

# Oak Lodge Water Services Authority

## Schedule of Rates, Fees and Other Charges

		Effective 2/1/2026	Proposed Effective 7/1/2026	
<b>A. Rates, Fees and Charges</b>				
<b>1. Water Service</b>				
<b>a. Residential Service</b>				
ii.	i. Fixed rate per meter size per	<b>Meter Size</b>	<b>Rate</b>	
	20 gallons per minute (GPM) - per month	5/8" x 3/4"	\$ 27.88	
	30 gallons per minute (GPM) - per month	Full 3/4"	\$ 41.66	
ii.	Consumption Rate per hundred cubic feet of water (CCF) per month	<b>Usage Bracket</b>	<b>Rate</b>	
	Tier 1 (Lifeline)	1-5 CCF	\$ 1.98	
	Tier 2 (Main)	6-25 CCF	\$ 2.66	
	Tier 3 (Conservation)	25+ CCF	\$ 3.13	
<b>b. Large Residential, Commercial, and Industrial Service</b>				
ii.	i. Fixed rate per meter size per month	<b>Meter Size</b>	<b>Rate</b>	
		1"	\$ 48.87	
		1.5"	\$ 84.20	
		2"	\$ 124.64	
		3"	\$ 235.82	
		4"	\$ 370.57	
		6"	\$ 707.46	
		8"	\$ 1,145.40	
		10"	\$ 1,616.98	
			<b>Usage Bracket</b>	<b>Rate</b>
			All usage	\$ 2.76
<b>c. Fire Line Service</b>				
ii.	i. Fixed rate per meter size per month	<b>Meter Size</b>	<b>Rate</b>	
		1"	\$ 38.73	
		1.5"	\$ 55.56	
		2"	\$ 77.44	
		3"	\$ 133.09	
		4"	\$ 202.15	
		6"	\$ 377.24	
		8"	\$ 572.71	
		10"	\$ 821.98	
			<b>Usage Bracket</b>	<b>Rate</b>
			1 CCF	1.c.i. Fixed rate per meter
			2+ CCF	\$ 2.76
				1.c.i. Fixed rate per meter
			\$ 3.15	
<b>d. Water Service Voluntary Backflow Assembly Testing Program</b>				
ii.	i. Fixed rate per device per year	<b>Device Size</b>	<b>Rate</b>	
		2.5" & Below	\$ 40.00	
		> 2.5"	\$ 50.00	
			\$ 30.00	
			\$ 70.00	
			\$ 75.00	
			\$ 1.30	
		Actual cost	Actual cost	
<b>2. Wastewater Collection and Treatment</b>				
a.	Fixed rate per Equivalent Dwelling Unit (EDU) per month	\$ 65.35	\$ 68.25	
b.	Rate per hundred cubic feet (CCF) of average winter water consumption per month	\$ 4.40	\$ 4.75	
<b>3. Watershed Protection</b>				
a.	Fixed rate per Equivalent Service Unit (ESU) per month	\$ 12.58	\$ 12.58	
b.	Stormwater Facility Maintenance Surcharge per ESU per month	\$ 6.29	\$ 6.29	
<b>4. Administration</b>				
		<b>Charge/Fee</b>	<b>Charge/Fee</b>	

## Oak Lodge Water Services Authority Schedule of Rates, Fees and Other Charges

	Effective 2/1/2026	Proposed Effective 7/1/2026
a. Interest penalty on delinquent utility billing service charges	12%	12%
b. NSF check/payment fee	\$ 30.00	\$ 31.00
c. Water service disconnect notification (Red Tag) fee	\$ 7.00	\$ 7.00
d. Water service disconnect fee (for nonpayment)	\$ 53.00	\$ 55.00
e. After Hours turn on fee	\$ 212.00	\$ 218.00
f. Hydrant meter deposit	\$ 3,000.00	\$ 3,000.00
Water usage will be charged against the meter deposit and any remaining balance will be returned to the contractor		
g. Hydrant Use Permit fee	\$ 150.00	\$ 150.00
h. Hydrant Flow Test	\$ -	\$ 250.00
i. Title search fee	\$ 34.00	\$ 35.00
j. Lock Cut Fee - Off and Locked is cut by other than District	\$ 159.00	\$ 164.00
k. Water Meter Key	\$ 37.00	\$ 38.00
l. Third-party collection agency	Actual Cost	Actual Cost
m. Public Record Requests		
Minimum Charge for Labor		\$ 25.00
i. Photocopies per page/side		
Letter (8.5x11)		
- Black and White Copies	\$ 1.00	\$ 1.00
- Color Copies	\$ 2.00	\$ 2.00
Legal (8.5x14)		\$ -
- Black and White Copies	\$ 1.00	\$ 1.00
- Color Copies	\$ 2.00	\$ 2.00
Tabloid (11x17)		
- Black and White Copies	\$ 2.00	\$ 2.00
- Color Copies	\$ 3.00	\$ 3.00
Large Format (Larger than 11x17)	Based on Size and Complexity	Based on Size and Complexity
ii. Postage & Handling (Flat Fee + Postage Cost)	\$ 5.00 + Postage	\$ 5.00 + Postage
Document Charges- Annual Financial Report (ACFR) and Budget Document		\$ 25.00
iii. Electronic Copies		
Flash Drive (up to 32 GB)	\$ 10.00	\$ 10.00
iv. Archive Retrieval Fees		
Base Charge	\$ 50.00	\$ 50.00
Charge per Box	\$ 5.00	\$ 5.00
v. Record Research & Processing		
Staff time up to 30 minutes	No Cost	No Cost
Staff time over 30 minutes in hour increments	\$ 51.00	\$ 53.00
vi. Legal Review & Redaction Services in hour increments	\$ 100.00	\$ 100.00
n. Other - Staff Time	Actual Cost	Actual Cost
<b>B. Fats, Oils, Grease Program Fees</b>	<b>Fee</b>	<b>Fee</b>
<b>1. Wastewater Collection System Line Maintenance Fees</b>		
a. Utility Worker Labor Rate per Hour	\$ 113.00	\$ 116.00
b. Utility Truck Rate per Truck per Hour	\$ 37.00	\$ 38.00
c. Hydro Cleaner Rate per Truck per Hour	\$ 106.00	\$ 109.00
d. Vactor Rate per Truck per Hour	\$ 160.00	\$ 165.00
e. CCTV Van Rate per Truck per Hour	\$ 212.00	\$ 218.00
<b>C. Industrial Wastewater Pretreatment Program Fees</b>	<b>Fee</b>	<b>Fee</b>
<b>1. Wastewater Discharge Permit Application and Review Fee</b>		
a. Upon issuance	\$ 1,591.00	\$ 1,639.00
b. Upon each anniversary date of permit issuance	\$ 1,591.00	\$ 1,639.00
<b>2. Significant Industrial User Fee (DEQ Pass-through)</b>		
a. Upon issuance	Actual Cost	Actual Cost
b. Upon each anniversary date of permit issuance	Actual Cost	Actual Cost
<b>3. Monitoring and Inspection Fee</b>		
a. Laboratory costs	\$ 185.00	\$ 191.00
	Actual Cost	Actual Cost

## Oak Lodge Water Services Authority Schedule of Rates, Fees and Other Charges

		Effective 2/1/2026	Effective 7/1/2026
4. Accidental Discharge Fee		\$ 1,061.00	\$ 1,093.00
5. Industrial Pretreatment Permit Appeal Fee		\$ 2,122.00	\$ 2,186.00
<b>D. Permit and Development Review Fees</b>		<b>Fee</b>	<b>Fee</b>
1. Utility Connection Permit			
a. Plan Review (per EDU or ESU)		\$ 239.00	\$ 246.00
b. Initial Inspection - water and sewer only		\$ 360.00	\$ 371.00
c. Additional Inspections - water and sewer only		Per Section E	Per Section E
2. Site Development Permit			
a. Plan Review - greater of			
i.		\$ 1,061.00	\$ 1,093.00
ii. or		2.5% of Engineer's Estimate	2.5% of Engineer's Estimate
iii. or		\$ 239.00	\$ 246.00
b. Initial Inspection - Water and Wastewater - greater of		\$ 584.00	\$ 602.00
or		2.5% of Engineer's Estimate	2.5% of Engineer's Estimate
c. Additional Inspections - Water and Wastewater		Per Section E	Per Section E
d. Initial Inspection - Surface Water		\$ 584.00	\$ 602.00
or		2.5% of Engineer's Estimate	2.5% of Engineer's Estimate
e. Additional Inspections - Surface Water		Per Section E	Per Section E
3. Post-Approval Plan Review and/or Design Review (Modifications to Approved Plans)		50% of original plan review fee	50% of original plan review fee
a. Plan Review (minimum)			
4. Erosion Prevention and Sediment Control (less than one acre)			
a. Plan Review		\$ 239.00	\$ 246.00
b. Surface Water Inspection (one initial, one monthly, and one final)			
i. 1200 CN (lots or projects with disturbance areas 1-5 acres)		\$ 360.00	\$ 371.00
ii. Plan Review Minimum Base Fee for 1 acre		\$ 504.00	\$ 519.00
iii. Additional fee per acre		\$ 360.00	\$ 371.00
c. Initial Inspection - other		\$ 360.00	\$ 371.00
d. Additional Inspection - other		Per Section E	Per Section E
<b>E. Additional and After-Hours Inspections</b>		<b>Rate</b>	<b>Rate</b>
1. Additional Inspection Fee Rate per Hour		\$ 159.00	\$ 164.00
Minimum two hour charge		\$ 318.00	\$ 328.00
2. Additional Inspection Fee Rate per Hour - After Hours		\$ 212.00	\$ 218.00
Minimum three hour charge		\$ 636.00	\$ 655.00
<b>F. Connection/Meter Set Fees</b>		<b>Fee</b>	<b>Fee</b>
1. Wastewater Connection Fee		See section G.2.	See section G.2.
2. Water Service Installation Fee			
	<b>Meter Size</b>		
	5/8" x 3/4"	\$ 2,025.00	\$ 2,090.00
	Full 3/4"	\$ 2,100.00	\$ 2,096.00
	1"	\$ 2,197.00	\$ 2,199.00
	1.5"	\$ 5,356.00	\$ 6,607.00
	2"	\$ 5,491.00	\$ 6,969.00
	3" to 10"	Actual Cost	Actual Cost
3. Water Meter Set Fee			
	<b>Meter Size</b>		
	5/8" x 3/4"	\$ 699.00	\$ 704.00
	Full 3/4"	\$ 774.00	\$ 710.00
	1"	\$ 800.00	\$ 763.00
	1.5"	\$ 1,392.00	\$ 3,367.00
	Only for meter size changes when there is an existing installed connection.		

## Oak Lodge Water Services Authority Schedule of Rates, Fees and Other Charges

			Proposed	
			Effective	
			2/1/2026	
			Effective	
			7/1/2026	
NEW	Approved Contractor	2" 3" to 10"	\$ 1,527.00	\$ 3,729.00
4. Water Meter Relocation Fee			Actual Cost	Actual Cost
5. Water Meter Testing Request Fee - per Rules and Regulations §4.15.1.3			Actual Cost	Actual Cost
<b>G. System Development Charges (SDC)</b>			<b>Charge</b>	<b>Charge</b>
1. Watershed Protection SDC per ESU			\$ -	\$ -
2. Wastewater SDC per EDU			\$ 5,165.00	\$ 5,165.00
3. Water Distribution SDC per water meter size		<b>Meter Size</b>		
		5/8" x 3/4"	\$ 13,025.00	\$ 13,416.00
		Full 3/4"	\$ 19,538.00	\$ 20,124.00
		1"	\$ 32,564.00	\$ 33,541.00
		1.5"	\$ 65,131.00	\$ 67,085.00
		2"	\$ 104,209.00	\$ 107,335.00
		3"	\$ 208,415.00	\$ 214,667.00
		4"	\$ 325,650.00	\$ 335,420.00
		6"	\$ 651,300.00	\$ 670,839.00
		8"	\$ 1,042,081.00	\$ 1,073,343.00
		10"	\$ 1,497,991.00	\$ 1,542,931.00
4. Water Meter Size Upgrades (SDC)			Diff in SDC's as listed above	Diff in SDC's as listed above

Equivalent Service Unit (ESU) = 2,500 square feet of impervious surface area  
 Engineer's Estimate includes cost of public infrastructure and all installation costs  
 Fractions of an acre count as full acre  
 One and two lot partitions are assessed minimum charge unless public infrastructure is installed

\* Items marked with an asterisk (\*) are subject to a credit card processing fee when paid by credit card. The processing fee will be passed through to the customer at the time of payment.



## AGENDA ITEM

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**Title** Public Hearing: FY 2027 Schedule of Rates, Fees, and Other Charges

**Item No.** 4.a.i.

**Date** June 9, 2026

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### Summary

Members of the public are invited to comment or provide testimony related to the FY 2027 Schedule of Rates, Fees, and Other Charges.

Written comments may not be read out loud or addressed during the meeting, but all public comments will be entered into the record.

Comments are limited to 3 minutes per speaker during the public comment period.





## STAFF REPORT

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**To** Board of Directors  
**From** Tessie Prentice, Assistant District Engineer  
**Title** Consideration of Contract with Jesse Rodriguez Construction LLC for the Construction of the LS 2 Basin I&I Reduction Program Phase 1 Project  
**Item No** 4.b.  
**Date** June 9, 2026

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### Summary

Staff seek approval to contract with Jesse Rodriguez Construction LLC for the construction of the Lift Station 2 Inflow and Infiltration (I&I) Reduction Program Phase 1 Project.

### Background

The Lift Station 2 I&I Reduction Program Project was identified in the Wastewater Master Plan. The project consists of pipe bursting for approximately 2,315 feet of sewer pipe, lateral replacement in right-of-way and manhole replacement within various locations between SE Naef Rd and SE Jennings Ave on the east side of SE McLoughlin Blvd. This project went through a competitive bid process in accordance with the Authority's Public Contracting Rules. The project was advertised in the Daily Journal of Commerce (DJC) on May 1 and May 4 of 2026. Staff received 5 bids before the May 21, 2026, 2:00 pm deadline. The following table is a summary of those bids along with the engineer's estimate:

<u>Bidder's Name</u>	<u>Bid Amount</u>
<b>Jesse Rodriguez Construction LLC</b>	<b>\$1,427,015.00</b>
Landis & Landis Construction, LLC	\$1,427,219.50
Canby Excavating, Inc.	\$1,436,000.00
K&R Plumbing Construction Co Inc	\$1,701,353.30

Braun Construction & Design, LLC	\$2,438,086.49
<i>Engineer's Estimate</i>	<i>\$1,910,885.00</i>

Jesse Rodriguez Construction LLC was the lowest responsive and responsible bidder meeting all the requirements set forth in the Bid Documents.

### **Budget**

The Lift Station 2 I&I Reduction Program Project was identified in the 2025-2026 Capital Improvement Plan as Project Number C-2 with a budget of \$2,000,000.

### **Recommendation**

Staff recommends the Board move to approve the General Manager to sign a Public Improvement Contract with

Jesse Rodriguez Construction LLC for the construction of Phase 1 of Lift Station 2 I&I Reduction Program Project for \$1,427,015.00, and an additional contingency amount of \$142,000.00 as a reserve to be used only for unforeseen alterations or changes to the project that exceeds the contract amount.

### **Suggested Board Motion**

"I move to approve the General Manager to sign a Public Improvement Contract with Jesse Rodriguez Construction LLC for the construction of Phase 1 of Lift Station 2 I&I Reduction Program Project for \$1,427,015.00, and an additional contingency amount of \$142,000.00 for unseen work related to the project."

### **Attachments**

1. Public Improvement Contract - Jesse Rodriguez Construction LLC



**PUBLIC IMPROVEMENT CONTRACT  
LS2 I&I REDUCTION PROGRAM**

This Public Improvement Contract for the LS2 I&I Reduction Program (the “Agreement”), is made and entered into by and between Oak Lodge Water Services Authority, a joint water and sanitary authority organized under ORS Chapter 450 ("OLWS"), and Jesse Rodriguez Construction LLC, an Oregon business corporation (“Contractor”).

**RECITALS**

**WHEREAS**, OLWS requires contractor services for the pipe bursting approximately 2,315 feet of sewer pipe, lateral replacement in right-of-way and manhole replacement within Oak Lodge Water Services Authority spread out between NE Naef Rd and SE Jennings Ave on the East side of SE Mcloughlin Blvd. (the “Services” or the “Work”);

**WHEREAS**, OLWS selected Contractor to provide the Services needed through a competitive bid process;

**WHEREAS**, Contractor is willing, qualified, and duly authorized to perform the requested Services in Oregon; and

**WHEREAS**, time is of the essence in this Agreement, and all Work shall be completed within the time period stated in the Contractor Bid dated May 21, 2026 (the “Bid”);

**NOW, THEREFORE**, in consideration of the promises and covenants contained herein, the Parties agree as follows:

**1. Contract Documents and Scope of Services**

This Agreement consists of the following documents:

- a. Invitation to Bid for the LS2 I&I Reduction Program (2024-WW04), issued by OLWS on April 30, 2026, including all addenda (the “ITB”).
- b. All detailed specifications and requirements, drawings, and special conditions and modifications in conditions issued by OLWS to Contractor for this project.
- c. The Bid submitted by Contractor on May 21, 2026.
- d. This Agreement, including all exhibits.
- e. Notice to Proceed issued by OLWS to Contractor.
- f. Authorized Change Orders issued by OLWs under this Agreement.

The terms of this Agreement shall control over any conflict in terms with the Bid. Contractor shall perform the Work in accordance with the terms and conditions set forth herein, and as provided in the ITB and the Bid. Contractor is required to furnish all materials, labor, tools, power, equipment, transportation, and resources needed to complete the Work. Contractor warrants that its Work will be performed in accordance with

generally accepted professional practices and standards and all requirements of the applicable state, federal, and local laws.

OLWS may, at any time and without notice, issue a written Change Order requiring additional Work of Contractor within the general Scope of Services, or any amendment thereto, or directing the omission of or variation in the Work. If such Change Order results in a material change in the amount or character of the Work, an equitable adjustment in the price and other provisions of this Agreement as may be affected may be made. Any claim by Contractor for and adjustment under this Section shall be asserted in writing within thirty (30) days from the date of receipt by Contractor of the notification of change or the claim will not be allowed. Whether made pursuant to this section or by mutual agreement, no change shall be binding upon OLWS until a Change Order is executed by an authorized OLWS Representative and expressly states that it constitutes a Change Order to this Agreement. The issuance of information, advice, approvals, or instructions by OLWS's Representative or other OLWS personnel shall not constitute an authorized change pursuant to this Section. Nothing contained in this Section shall excuse the Contractor from proceeding with the performance of the Work in accordance with the Agreement, as changed pursuant to this Section.

## **2. Effective Date and Duration**

This Agreement shall become effective when signed by both Parties and Contractor has submitted the required certificates of insurance and satisfactory performance and payment bonds required, which shall be in the full amount of the value of the Agreement (the "Effective Date"). This Agreement shall remain in effect until the Work has been completed, OLWS has accepted the Work, and the warranty period has expired. The termination of this Agreement shall have no effect on any right of the Parties that arose prior to termination. Contractor shall begin the Work when date indicated in the Notice to Proceed issued by OLWS to Contractor under this Agreement. The Work must be completed by October 1, 2026.

## **3. Compensation and Payment Terms**

- a. Payments:** OLWS agrees to pay Contractor One million, four hundred twenty-seven thousand, fifteen dollars (\$1,427,015.00) for the satisfactory performance of the Services, which payment shall be based upon the following applicable terms:

Payment shall be based upon the schedules and unit prices bid by the Contractor as identified in **Exhibit A**, attached hereto and incorporated herein by this reference. Contractor shall prepare and submit each month to the OLWS Representative, 14611 SE River Road, Oak Grove, Oregon 97267, a Statement of Services rendered, indicating the description of each Service performed or used in the bid and the dollar amount of each Service completed through the stated date, together with a request for payment duly verified by the Contractor's Representative.

Payment by OLWS shall release OLWS from any further obligation for payment to Contractor for Services performed or expenses incurred as of the date of the statement

of services. Payment of installments shall not be considered acceptance or approval of any Work or waiver of any defects therein. OLWS certifies that sufficient funds are available and authorized for expenditure to finance costs of this Contract.

Contractor shall include proof of payment to all subcontractors and suppliers with each statement submitted to OLWS. OLWS shall retain the right to withhold payments if required proof of payment to subcontractor and suppliers is not included with a statement, in addition to any other authorized withholding of retainage.

In no event shall the fees incurred by OLWS under this Agreement exceed USD\$1,427,015.00 without the prior written consent of OLWS.

- b. Timing of Payments:** OLWS shall make progress payments, less a five percent retainage as authorized by ORS 279C.555 and ORS 701.420, to Contractor within thirty (30) days of the OLWS receipt of the statement of Services.
- c. Liquidated Damages:** Contractor and OLWS agree that OLWS will suffer significant damages each day that the Work remains uncompleted after the specified Final Completion date of October 1, 2026, and that the amounts of those damages are difficult to calculate. Contractor and OLWS agree that a reasonable amount of damages for delays in completion is 0.5% of the total contract amount (USD\$1,427,015.00) per calendar day of delay past the designated Final Completion date, and Contractor agrees to pay such amounts as liquidated damages if the Work is not completed by the date of Final Completion. Contractor agrees that the liquidated damages specified herein is a fair way of ascertaining damages to OLWS and is not a penalty for late completion. OLWS shall deduct the amount of liquidated damages from any amounts due, and the Contractor and its Surety shall be liable for any excess. If the Agreement is terminated due to default by Contractor or public convenience, and the Work has not by other persons or means been completed before the Final Completion date, liquidated damages shall be assessed against the Contractor for the duration of the time reasonably required to complete the Work.
- d. Final Payment:** Contractor shall notify OLWS in writing when the Contractor considers the Work to be complete, and OLWS shall, within 15 days after receiving the written notice, either accept the Work or notify the Contractor of Work yet to be performed under the Contract.

If accepted by OLWS, the remaining balance due to the Contractor, including the retained percentage, shall be paid to the Contractor by OLWS. OLWS shall not make final payment unless the prevailing wage rate certifications are received.

OLWS shall pay to Contractor interest at the rate of one and one-half percent per month on the final payment due the Contractor, to commence 30 days after the Work has been completed and accepted and all verifications and certifications have been received by OLWS, and to run until the date when final payment is tendered to the Contractor. If OLWS does not, within 15 days after receiving written notice of completion, notify the Contractor of Work yet to be performed to fulfill contractual obligations, the interest

provided by this subsection shall commence to run 30 days after the end of the 15-day period and shall be suspended if OLWS thereafter notifies Contractor of the remaining obligations.

As a condition of final acceptance, OLWS may require Contractor to submit evidence, satisfactory to the OLWS Representative, that all payrolls, material bills, and other indebtedness connected with the project have been paid. If any indebtedness or liens are in dispute, the Contractor may submit a surety bond satisfactory to OLWS guaranteeing payment of all such disputed amounts if such payment has not already been guaranteed by surety bond.

- g.** Contractor agrees that no person shall be employed for more than ten (10) hours in any one day, or forty (40) hours in any one week, except in cases of necessity, emergency, or when public policy absolutely requires it, and in such cases the laborer shall be paid at least time and a half pay for all overtime in excess of eight (8) hours in any one day or forty (40) hours in any one week when the workweek is five consecutive days, Monday through Friday, or ten (10) hours in any one day and or forty (40) hours in any one week when the workweek is four consecutive days, Monday through Friday and for all work performed on Saturday and on any legal holiday as specified in ORS 279C.540. No OLWS employee shall be required to work overtime or on a Saturday, Sunday, or holiday in the fulfillment of this Agreement, except where the Contractor agrees to reimburse OLWS in the amount of money paid the employee for such work as determined by state law, OLWS's personnel rules, or union agreement. The Contractor shall require every Subcontractor to comply with this requirement.

#### **4. Prevailing Wages.**

- a.** Contractor and subcontractors shall comply with all provisions required under ORS 279C.800 through 279C.875 regarding prevailing wage rates and fringe benefits. Contractors and subcontractors shall pay to all workers the current, applicable state prevailing rate of wage as established by the Oregon State Bureau of Labor and Industries ("BOLI"). Contractor and subcontractors must comply with all laws and regulations relating to prevailing wages, whether or not set out in this contract. Further information regarding prevailing wages is available by contacting BOLI at 971-673-0839 or at the BOLI web site: <https://www.oregon.gov/boli/employers/Pages/prevailing-wage.aspx>.
- b.** Before starting Work on the project, Contractor must have a public works bond filed with the Oregon Construction Contractors Board with a corporate surety authorized to do business in the State of Oregon, in the amount of \$30,000.
- c.** Contractor and subcontractors shall prepare weekly certified payroll reports and statements and submit them to OLWS by the fifth business day of each month. Reports shall be submitted to OLWS, Attention: Ben Green, Project Manager, on a form prescribed by the Commissioner of the Bureau of Labor, certifying: (a) the hourly rate of wage paid each worker who the Contractor or the subcontractor has employed to do the Work under this Agreement; and (b) that no worker has been paid less than the prevailing

rate of wage or less than the minimum hourly rate of wage specified in their contract. OLWS shall retain five percent of any amount earned by Contractor until the Contractor has complied with this provision. OLWS shall not make final payment unless the prevailing wage rate certifications have been received.

- d. Contractor shall allow BOLI to enter the office or business establishment of Contractor at any reasonable time to determine whether the prevailing rate of wage is actually being paid and shall make payment records available to BOLI on request. Contractor shall require subcontractors to provide the same right of entry and inspection.

## **5. Public Improvement Contract Requirements**

- a. Contractor shall faithfully complete and perform all of its obligations under this Agreement, and shall make payment promptly as due to all subcontractors and to all persons supplying to the Contractor or his or her subcontractors equipment, supplies, labor, or materials for the performance of the Work provided for in this Agreement and any party thereof; and shall demonstrate that an employee drug testing program is in place; and shall pay all contributions or amounts due the State Industrial Accident Fund and the State Unemployment Compensation Trust Fund from the Contractor or subcontractors incurred in the performance of this Agreement; and shall pay all sums of money withheld from the employees of said Contractor and payable to the Department of Revenue pursuant to ORS 279C.505; and shall not permit any lien or claim to be filed or prosecuted against OLWS on account of any labor or material furnished.
- b. If the Contractor fails, neglects, or refuses to pay promptly a person's claim for labor or services that the person provides to the Contractor or a subcontractor in connection with this Agreement as the claim becomes due, OLWS may pay the amount of the claim to the person that provides the labor or services and charge the amount of the payment against funds due or to become due to the Contractor under this Agreement.
- c. If the Contractor or a first-tier subcontractor fails, neglects, or refuses to pay a person that provides labor or materials in connection with this Agreement within 30 days after receiving payment from OLWS or the Contractor (as applicable), the Contractor or first-tier subcontractor owes the person the amount due plus interest charges, which begin at the end of the 10-day period within which payment is due under ORS 279C.580 and which ends upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580(5)(b). The rate of interest on the amount due is nine percent per annum and may not be waived.
- d. If the Contractor or a subcontractor fails, neglects, or refuses to pay a person that provides labor or materials in connection with this Agreement, the person may file a complaint with the Construction Contractors Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580(5)(b).
- e. Contractor shall comply with all federal, state, and local laws, regulations, executive orders, and ordinances applicable to the Work under this Agreement, including without limitation, ORS 279C.520 (labor hours).

- f. Contractor shall promptly, as due, make payment to any person, co-partnership, association, or corporation furnishing medical, surgical, and hospital care or other needed care and attention incident to sickness or injury to the employees of Contractor, of all sums that Contractor has agreed to pay for such services and all monies and sums that Contractor collected or deducted from the wages of his or her employees pursuant to any law, contract, or agreement for the purpose of providing or paying for such service, pursuant to 279C.530.

**6. Ownership of Documents: Records**

- A. OLWS shall be furnished, at no cost to OLWS, copies of all draft and final documents related to the Work. OLWS shall have unlimited authority to use final materials received from Contractor in any way OLWS deems necessary.
- B. Upon request by Contractor, OLWS shall make copies of OLWS records pertinent to the Work to be performed by Contractor pursuant to this Agreement, for use by Contractor and without cost to Contractor.
- C. All Work performed by Contractor under this Agreement shall be the property of OLWS.

**7. Subcontracts; Assignment; Delegation**

Contractor shall submit a list of Subcontractors for approval by OLWS, and Contractor shall be fully responsible for the acts or omissions of any Subcontractors and of all persons employed by them, and neither the approval by OLWS of any Subcontractor nor anything contained herein shall be deemed to create any contractual relationship between any Subcontractor and OLWS.

This Agreement, and all of the covenants and conditions hereof, shall inure to the benefit of and be binding upon OLWS and the Contractor respectively and their legal representatives. Contractor shall not assign any rights nor delegate any duties incurred by this Agreement, or any part hereof without the written consent of OLWS, which shall be in OLWS's sole discretion, and any assignment or delegation in violation hereof shall be void. If OLWS agrees to assignment of Work to a subcontract, Contractor shall remain fully responsible for the negligent acts or omissions of any subcontractors and of all persons employed by them.

**8. Contractor is an Independent Contractor**

- A. OLWS shall be entitled to provide input to Contractor with respect to the Work, but Contractor is not subject to the direction and control of OLWS. Contractor is an independent contractor for all purposes and shall be entitled to no compensation other than the compensation provided for under Section 3 of this Agreement.
- B. Contractor is not an employee of OLWS. Contractor acknowledges Contractor's status as an independent contractor and acknowledges that Contractor is not an employee of OLWS for purposes of any law. All persons retained by Contractor to provide Services under this Agreement are employees or agents of Contractor and not of OLWS.

Contractor acknowledges that it is not entitled to benefits of any kind to which a OLWS employee is entitled, and that it shall be solely responsible for workers compensation coverage for its employees and all other payments and taxes required by law. Furthermore, in the event that Contractor is found by a court of law or an administrative agency to be an employee of OLWS for any purpose, OLWS shall be entitled to offset compensation due, or to demand repayment of any amounts paid to Contractor under the terms of the Agreement, to the full extent of any benefits or other remuneration Contractor receives (from OLWS or third party) as a result of said finding, and to the full extent of any payments that OLWS is required to make (to Contractor or to a third party) as a result of said finding.

- C. Contractor hereby represents that no employee of OLWS or any partnership or corporation in which an OLWS employee has an interest, has or will receive any remuneration of any type from Contractor, either directly or indirectly, in connection with the performance of this Agreement, except as specifically declared in writing.
- D. Contractor and its employees, if any, are not active members of the Oregon Public Employees Retirement System, and are not employed for a total of 600 hours or more in the calendar year by any public employer participating in the Retirement System.
- E. Contractor certifies that it currently has an appropriate business license or will obtain one prior to delivering Services under this Agreement.
- F. Contractor is not an officer, employee, or agent of OLWS as those terms are used in ORS 30.265.

## 9. **Indemnity**

- A. OLWS has relied upon the professional ability and training of the Contractor as a material inducement to enter into this Agreement. Contractor represents to OLWS that the Services under this Agreement will be performed in accordance with the professional standards of skill and care ordinarily exercised by members of the Contractor's profession under similar conditions and circumstances, as well as the requirements of applicable federal, state, and local laws. Acceptance of Contractor's Work by OLWS shall not operate as a waiver or release of any right or remedy that may be available by OLWS under law. Acceptance of documents by OLWS does not relieve Contractor of any responsibility for negligent or wrongful design, replacement, and/or repair deficiencies, errors, or omissions.
- B. Contractor shall fully defend, indemnify, and hold harmless OLWS, its employees, board members, officers, volunteers, and agents, from any and all claims, lawsuits, demands, causes of action, liability, loss, damage, equitable relief, personal injury and/or wrongful death, whether brought by an individual or any other entity, or imposed by a court of law or by administrative action of any federal, state, or local governmental body or agency, arising out of, in any way whatsoever, this Agreement, including any acts, omissions, negligence, or willful misconduct on the part of the Contractor, its employees, subcontractors, board members, volunteers, or agents. This

indemnification applies to and includes, without limitation, the payment of all penalties, fines, judgements, awards, decrees, attorney’s fees, and related costs and expenses, and any reimbursements to OLWS for any and all legal fees, expenses, and costs incurred by OLWS in connection therewith.

**10. Insurance**

Contractor and its subcontractors shall maintain insurance acceptable to OLWS in full force and effect throughout the term of this contract. Such insurance shall cover all risks arising directly or indirectly out of Contractor's activities or work hereunder, including the operations of its subcontractors of any tier. Such insurance shall include provisions that such insurance is primary insurance with respect to the interests of OLWS and that any other insurance maintained by OLWS is excess and not contributory insurance with the insurance required hereunder. The policy or policies of insurance maintained by the Contractor and its subcontractors shall provide at least the following limits and coverages:

- A. Commercial General Liability Insurance: Contractor and its subcontractors shall obtain, at contractor’s or subcontractor’s expense, and keep in effect during the term of this contract, Commercial General Liability Insurance including all Liability including all major divisions of coverage, including, but not limited to, Premises/Operations, Completed Operations, Independent Contractors’ Protective, Products-Completed Operations, Contractual Liability (including coverage for the Contractor’s indemnity obligations and other contractual indemnity obligations assumed by the Contractor), Personal Injury, and Broad Form Property Damage (including coverage for Explosion, Collapse, and Underground Hazards). The following insurance will be carried:

Employer’s Liability Insurance

\$ 2,000,000.00	Each Occurrence
\$ 2,000,000.00	Disease Each Employee
\$ 2,000,000.00	Disease – Policy

Commercial General Liability insurance

\$ 2,000,000.00	Each Occurrence Limit
\$ 3,000,000.00	General Aggregate
\$ 3,000,000.00	Products/Completed Operations Aggregate
\$ 3,000,000.00	Personal and Advertising Injury
\$ 2,000,000.00	Limited Job Site Pollution Occurrence Sub-Limit

Comprehensive Automobile Liability Insurance including coverage for all owned, hired and non-owned vehicles

\$ 2,000,000.00	Each Occurrence Combined Single Limit
\$ 3,000,000.00	Aggregate Bodily Injury & Property Damage
	or
\$ 2,000,000.00	Each Person Bodily Injury
\$ 2,000,000.00	Each Occurrence Bodily Injury
\$ 2,000,000.00	Each Occurrence Property Damage
\$ 2,000,000.00	Each Occurrence Pollution Occurrence Sub-Limit



procuring of such required insurance shall not be construed to limit contractor's liability hereunder. Notwithstanding said insurance, Contractor shall be obligated for the total amount of any damage, injury, or loss caused by negligence or neglect connected with this Agreement.

### **11. Termination Without Cause**

- a. **Termination for Public Convenience.** At any time, OLWS shall have the right, in its sole discretion, to terminate this Agreement, in whole or in part, if OLWS determines that termination is in the best interest of the public. If OLWS terminates the Agreement pursuant to this paragraph, it shall pay Contractor for Services rendered through the effective date of termination. Payment shall be prorated to and include the day of termination and shall be in full satisfaction of all claims by Contractor against OLWS under this Agreement. OLWS shall provide the Contractor and Contractor's Surety seven calendar days' written notice of termination for public convenience. On the termination date stated in the notice, Contractor shall provide to OLWS immediate and peaceful possession of the project area, and of all of the materials and equipment to be incorporated into the Work for which Contractor received progress payments, regardless of the location of the materials and equipment at the time of termination.
- b. **Termination by Mutual Agreement.** This Agreement may be terminated without cause prior to the expiration of the agreed upon term by the mutual written consent of both parties. In such event, payment of Contractor shall be as provided by ORS 279C.660 and shall be prorated to and include the day of termination and shall be in full satisfaction of all claims by Contractor against OLWS under this Agreement.
- c. **Other Termination without Cause.** This Agreement may be terminated if the Work under this Agreement is suspended by an order of a public agency for any reason considered to be in the public interest other than by a labor dispute or by reason of any third party judicial proceeding relating to the Work other than a suit or action filed in regard to a labor dispute; or if the circumstances or conditions are such that it is impracticable within a reasonable time to proceed with a substantial portion of the Agreement. In such event, payment of Contractor shall be as provided by ORS 279C.660 and shall be prorated to and include the day of termination and shall be in full satisfaction of all claims by Contractor against OLWS under this Agreement.
- d. Termination under any provision of this Section 11 shall not affect any right, obligation, or liability of Contractor or OLWS which accrued prior to such termination.

### **12. Termination for Cause**

- a. OLWS may terminate this Agreement effective upon delivery of written notice to Contractor, or at such later date as may be established by OLWS, under any of the following conditions:
  - i. If OLWS funding from federal, state, local, or other sources is not obtained and continued at levels sufficient to allow for the purchase of the indicated quantity of Services. This Agreement may also be modified to accommodate a reduction in funds;

- ii If Federal or State regulations or guidelines are modified, changed, or interpreted in such a way that the Services are no longer allowable or appropriate for purchase under this Agreement;
- iii If any license or certificate required by law or regulation to be held by Contractor, its subcontractors, agents, and employees to provide the Services required by this Agreement is for any reason denied, revoked, or not renewed;
- iv If Contractor becomes insolvent, if voluntary, or if an involuntary petition in bankruptcy is filed by or against Contractor, if a receiver or trustee is appointed for Contractor, or if there is an assignment for the benefit of creditors of Contractor; or
- v If Contractor fails to maintain reasonable relations with the public. Verbal abuse, threats, or other inappropriate behavior toward members of the public constitute grounds for termination.

Any such termination of this Agreement under this Section shall be without prejudice to any obligations or liabilities of either Party already accrued prior to such termination.

- b. OLWS, by written notice of default (including breach of contract) to Contractor, may terminate the whole or any part of this Agreement:
  - i If Contractor fails to provide the Services called for by this Agreement within the time specified herein or any extension thereof; or
  - ii If Contractor fails to perform any of the other provisions of this Agreement, or so fails to pursue the Work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from OLWS, fails to correct such failures within ten (10) days or such other period as OLWS may authorize.

The rights and remedies of OLWS provided in the above clause related to defaults (including breach of contract) by Contractor shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

If OLWS terminates this Agreement under this Section, Contractor shall be entitled to receive as full payment for all Services satisfactorily rendered and expenses incurred, an amount which bears the same ratio to the total fees specified in this Agreement as the Services satisfactorily rendered by Contractor bear to the total services otherwise required to be performed for such total fee; provided, that there shall be deducted from such amount the amount of damages, if any, sustained by OLWS due to breach of contract by Contractor. Damages for breach of contract shall be those allowed by Oregon law, reasonable and necessary attorney fees, and other costs of litigation at trial and upon appeal.

### **13. Breach and Remedy**

Upon breach of this Agreement, the parties shall have all rights and remedies provided by law or under this Agreement. In addition, in the event of a breach of this Agreement by Contractor, OLWS may complete the work or remedy the issue either itself, by agreement with another

contractor, or by a combination thereof. OLWS may deduct the cost of completing the work or remedying the issue identified in the notice of breach from the remaining unpaid balance of the fee(s) owed to Contractor under this or other Agreements, if any.

**14. Non-Waiver**

The failure of either party to insist upon or enforce strict performance by the other party of any of the terms of this Agreement, or to exercise any rights hereunder, shall not be construed as a waiver or relinquishment of its rights to assert or rely upon such terms or rights on a future occasion.

**15. Method and Place of Giving Notice, Submitting Bills, and Making Payments**

All notices, bills, and payments shall be made in writing and may be given by personal delivery, mail, or email. Payments may be made by personal delivery, mail, or electronic transfer. The following addresses shall be used to transmit notices, bills, payments, and other information:

<b>OLWS</b>	<b>Contractor</b>
Attn: Ben Green, Associate Engineer	Attn: Jesse Rodriguez
14496 SE River Road Oak Grove, Oregon 97267	Address: 201 Airport Road NE Silverton, Oregon 97381
Phone: 971 415 4953	Phone: 503 874 4233
Email Address: ben.green@olws.org	Email Address: jesse@diggingit.us

and when so addressed, shall be deemed given upon deposit in the United States mail, postage prepaid, or when emailed, shall be deemed given upon receipt by the recipient’s servers. In all other instances, notices, bills, and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills, and payments are to be given, by giving written notice pursuant to this paragraph.

**16. Merger**

This writing is intended both as a final expression of the Agreement between the parties with respect to the included terms, and as a complete and exclusive statement of the terms of the Agreement. There are no understandings, agreements, or representations, oral or written, that are not specified herein regarding this Agreement. No modification of this Agreement shall be effective unless and until it is made in writing and signed by an authorized representative of both parties.

**17. Force Majeure**

Neither OLWS nor Contractor shall be considered in default because of any delays in completion and responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the parties so disabled, including but not restricted to, an act of God or of a public enemy, civil unrest, volcano, earthquake, fire, flood, epidemic, quarantine restriction, area-wide strike, freight embargo, unusually severe weather, or delay of subcontractor or supplies due to such cause; provided that the parties so disabled shall within

ten days from the beginning of such delay, notify the other party in writing of the cause of delay and its probable extent. Such notification shall not be the basis for a claim for additional compensation. Each party shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligations under the Agreement.

**18. Non-Discrimination**

Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor also shall comply with the Americans with Disabilities Act of 1990, as amended, ORS 659A.142, and all regulations and administrative rules established pursuant to those laws.

**19. Errors**

If requested by OLWS, Contractor shall perform such additional work as may be deemed necessary by OLWS, to correct errors in the Work required under this Agreement, without undue delays and without additional cost.

**20. Hazardous Materials and Waste**

If, as part of the performance of this Agreement, Contractor generates or uses any hazardous wastes, hazardous substances, or hazardous materials, Contractor shall be responsible for the disposal of such wastes, substances, and materials in compliance with all applicable federal and state requirements. Contractors shall provide OLWS with documentation, including all required manifests, surveys, and material safety data sheets, demonstrating proper transportation, control, and disposal of hazardous wastes, substances, and materials. Contractor shall defend, indemnify, and hold harmless OLWS for any and all claims related in any way to the disposal, control, or storage of hazardous wastes, substances, or materials generated, transported, or disposed of pursuant to this Agreement, and in any way related to any release or discharge of hazardous wastes, substances, or materials.

**21. Governing Law**

The provisions of this Agreement shall be construed in accordance with the provisions of the laws of the State of Oregon. Any action or suits involving any question arising under this Agreement must be brought in the appropriate court of the State of Oregon.

**22. Conflict Between Terms**

Should there be a conflict between the terms of this Agreement and any bid submitted by Contractor in connection with this Agreement, the terms of this Agreement shall control and nothing herein shall be considered as an acceptance of the terms of any conflicting bid.

**23. Nonwaiver**

The failure of OLWS to insist upon or enforce strict performance by Contractor of any of the terms of this Agreement, or to exercise any rights hereunder, shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon such terms or rights in the future.

**24. Access to Records**

OLWS shall have access to such books, documents, papers, and records of Contractor that are pertinent to this Agreement for the purpose of making an audit, examination, copies, excerpts, and transcripts.

**25. Audit**

Contractor shall maintain records to help ensure conformance with the terms and conditions of this Agreement, and to help ensure adequate performance and accurate expenditures within the contract period. Contractor agrees to permit OLWS, the State of Oregon, the federal government, and their duly authorized representatives, to audit all records pertaining to this Agreement for such purpose.

**26. Warranties**

All Work shall be guaranteed by the Contractor for a period of one year after the date of final acceptance of the Work by OLWS. Contractor warrants that all practices and procedures, workmanship, and materials shall be the best available unless otherwise specified in the profession. Neither acceptance of the Work nor payment therefore by OLWS shall relieve Contractor from liability under warranties contained in or implied in this Agreement

**27. Attorneys Fees.**

In the event an action, suit of proceeding, including appeal, is brought for failure to observe any of the terms of this Agreement, the parties agree that the losing party shall pay such sums as the Court may adjudge reasonable attorney's fees and court costs, including attorney's fees and court costs upon appeal. The provisions of this Agreement shall be construed in accordance with the provisions of the laws of the State of Oregon. All disputes relating to the Agreement, the Work under this Agreement, or the interpretation of any contract document not resolved by negotiation or mediation may be brought only in the Clackamas County Circuit Court.

**28. Severability**

In the event any provision or portion of this Agreement is held to be unenforceable or invalid by a court of competent jurisdiction, the validity of the remaining terms and provisions of the Agreement shall not be affected, and the remaining terms and provisions of the Agreement shall be in full force and effect.

**29. Complete Agreement**

This Agreement and the attached exhibits constitute the entire Agreement between the parties. No waiver, consent, modification, or change of terms of this Agreement shall bind either party, unless in writing and signed by both parties. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instances and for the specific purpose given. There are no other understandings, agreements, or representations, oral or written, regarding the subject matter of this Agreement. Contractor, by the signature of its authorized representative, hereby acknowledges that Contractor has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

Contract No. \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by the undersigned duly authorized representatives of each party, effective as of the Effective Date.

**OAK LODGE WATER SERVICES  
AUTHORITY**

**JESSE RODRIGUEZ CONSTRUCTION  
LLC**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name & Title

\_\_\_\_\_  
Print Name & Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



**Exhibit A LS2 I&I Reduction Program**

Item No	Item	Quantity	Unit of Measure	Jesse Rodriguez Construction Unit Cost	Jesse Rodriguez Construction Total Cost
1	Mobilization	1	LS	\$135,450.00	\$135,450.00
2	Temporary Traffic Work Zone Control, Complete	1	LS	\$54,000.00	\$54,000.00
3	Erosion Control	1	LS	\$9,250.00	\$9,250.00
4	Bypass Bumping	1	LS	\$48,999.00	\$48,999.00
5	Construction Staking	1	LS	\$2,500.00	\$2,500.00
6	Vibration Monitoring	2	EACH	\$1,000.00	\$2,000.00
7	Extra for Handling and Disposal of Asbestos Cement (AC) Sewer Pipe	985	FOOT	\$5.00	\$4,925.00
8	Removal of Curbs	515	FOOT	\$13.00	\$6,695.00
9	Removal of Walks and Driveways	1445	SQFT	\$6.00	\$8,670.00
10	Removal of Surfacing	672	SQYD	\$18.00	\$12,096.00
11	Removal of Manholes	13	EACH	\$1,000.00	\$13,000.00
12	Removal of Cleanouts	2	EACH	\$300.00	\$600.00
13	Mainline Video Inspection	2315	FOOT	\$10.00	\$23,150.00
14	Service Lateral Video Inspection	52	EACH	\$300.00	\$15,600.00
15	Pipe Bursting, 8-Inch	2315	FOOT	\$170.00	\$393,550.00
16	Service Lateral Reconnection - Burst	52	EACH	\$2,150.00	\$111,800.00
17	8-Inch PVC D3034 Sanitary Sewer Pipe, 10-Foot Depth	84	FOOT	\$275.00	\$23,100.00
18	Sanitary Sewer Laterl, 4-Inch	1011	FOOT	\$125.00	\$126,375.00
19	Sanitary Sewer Lateral, 6-Inch	26	FOOT	\$150.00	\$3,900.00
20	Cleanout, 4-Inch	48	EACH	\$950.00	\$45,600.00
21	Cleanout, 6-Inch	1	EACH	\$1,200.00	\$1,200.00
22	Cleanout, 8-Inch	2	EACH	\$1,595.00	\$3,190.00
23	Standard 48-Inch Manhole, 10-Feet	11	EACH	\$8,000.00	\$88,000.00
24	Flat-Top 48-Inch Manhole, 10-Feet	2	EACH	\$4,000.00	\$8,000.00
25	Standard 48-Inch Manhole, 10 to 20-Feet	2	EACH	\$10,000.00	\$20,000.00
26	Rehabilitate Existing Manhole, Non-Structural Lining (as needed)	2	EACH	\$3,995.00	\$7,990.00
27	Rehabilitate Existing Manhole, Minor Rim Adjustment (as needed)	2	EACH	\$1,250.00	\$2,500.00
28	Rehabilitate Existing Manhole, Minor Grout Work (as needed)	2	EACH	\$1,765.00	\$3,530.00
29	Rehabilitate Existing Manhole, Replace Frame and Cover (as needed)	2	EACH	\$1,495.00	\$2,990.00
30	Asphalt Pavement Sawcutting	2550	FOOT	\$3.00	\$7,650.00
31	Asphalt Pavement Trench Resurfacing	672	SQYD	\$120.00	\$80,640.00
32	Concrete Curb	515	FOOT	\$48.00	\$24,720.00
33	Concrete Driveway	1140	SQFT	\$26.00	\$29,640.00
34	Concrete Sidewalk	305	SQFT	\$26.00	\$7,930.00
35	Restore Pavement Markings	1	LS	\$4,000.00	\$4,000.00
36	Restoration of Unpaved Ground Disturbance Areas	1	LS	\$15,775.00	\$15,775.00
37	Grind and Inlay, 2-Inch (as needed)	3000	SQYD	\$26.00	\$78,000.00
					\$1,427,015.00





## STAFF REPORT

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**To** Board of Directors  
**From** Angie Wilson, Finance Director  
**Title** Resolution No. 2026-0049 Authorizing Transfers of Budgeted Amounts Between Categories of Various Funds of the Oak Lodge Water Services Adopted Budget, Making Appropriations and Authorizing Expenditures for Fiscal Year Ending June 30, 2026.  
**Item No** 4.c.  
**Date** June 9, 2026

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### Summary

This resolution authorizes appropriation transfers within the Drinking Water Fund, Wastewater Plant Fund, and Administrative Fund.

### Background

Oregon Budget Law (ORS 294.305 to 294.565) provides that after adoption of the annual budget, changes in appropriations may become necessary during the fiscal year. Such changes may be made through a supplemental budget or a budget amendment, depending on the circumstances.

A budget amendment may be used to transfer appropriations within the same fund when total fund appropriations are not increased. The proposed resolution utilizes this authority to reallocate existing appropriations within the Drinking Water Fund, Wastewater Plant Fund, and Administrative Fund.

The Proposed resolution authorizes the following adjustments within the **Drinking Water Fund**:

**1. Overtime – \$20,000 Increase**

Since the last budget resolution, staff has identified that we will need to increase the overtime budget in the Water Fund due to the emergency nature of water main failures, repairs are frequently performed outside normal business hours. As a result, overtime expenditures are projected to exceed the amount originally budgeted for FY 2026. An additional \$20,000 in appropriation authority is requested to cover anticipated overtime

costs through the remainder of the fiscal year.

The appropriation will be transferred from the Contingency category within the Drinking Water Fund, as authorized under Oregon Budget Law.

## **2. Water System Maintenance – \$35,000 Increase**

Due to an increase in water main breaks, staff is requesting an additional \$35,000 in appropriation authority for the replacement of parts and materials utilized during the 24-inch waterline repair completed this spring. The requested appropriation would also provide funding to purchase additional inventory parts for the 24-inch and 16-inch distribution mains necessary to respond to emergency main breaks.

These large-diameter pipe components are difficult to procure and are often not readily available locally. Maintaining an adequate inventory of these materials is critical to ensuring timely emergency repairs and minimizing potential service interruptions to customers in the event of unexpected waterline failures.

The requested appropriation authority will be transferred from the Contingency category within the Drinking Water Fund, as authorized under Oregon Local Budget Law.

The Proposed resolution authorizes the following adjustments in the **Wastewater Plant Fund**:

### **1. Equipment Rental – \$30,000 Increase**

In March, staff asked the Board to approve a budget resolution for the Equipment Rental category. This category typically covers small equipment rentals at the wastewater treatment plant and rarely exceeds \$10,000 per year. This year, however, the failure of one of the two pumps at Lift Station #3 has significantly increased costs. Because the replacement pump is taking longer than expected, the Authority will need to continue renting equipment for an additional two months.

An additional \$30,000 in appropriation authority is requested.

The appropriation will be transferred from the Contingency category within the Wastewater Plant Fund, as authorized under Oregon Budget Law.

The Proposed resolution authorizes the following adjustments in the **Administrative Fund**:

### **1. Administrative Bank Charges- \$60,000 Increase**

As part of the ongoing review of the FY 2025-26 budget, staff has identified the need for an additional \$60,000 in appropriation authority for credit card processing expenditures.

The increase is primarily attributable to uncertainty associated with processing volumes, transaction activity, and unanticipated rate increases from the original credit card processing provider. Specifically, the original provider increased its processing rate to approximately 7%, which was not anticipated at the time the initial budget adjustment was prepared.

These charges represent routine operational costs associated with customer utility payments and other transactions processed via credit card.

The requested appropriation authority will be transferred from the Contingency category within the Administrative Fund, as authorized under Oregon Local Budget Law.

## **2. Administrative Contracted Services- \$50,000 Increase**

As part of the ongoing review of the FY 2025-26 budget, staff has identified the need for an additional \$50,000 in appropriation authority for audit and related professional services expenditures.

Since the original budget adjustment request approved in March 2026, the organization has continued to accelerate progress on annual audit activities and financial reporting efforts. As a result, additional professional services expenditures are anticipated through fiscal year-end.

The requested appropriation authority will be transferred from the Contingency category within the Administrative Fund, as authorized under Oregon Local Budget Law.

### **Budget**

Resolution No. 2026-0049 transfers currently budgeted amounts and does not have any impact on the total budget of the Administrative Fund or the Water Fund.

### **Concurrence**

The Finance Director and General Manager have reviewed this report and concur with the recommendation to adopt Resolution No. 2026-0049

### **Recommendation**

**Staff recommend that the Board adopt Resolution No. 2026-0049**, Adopt a resolution authorizing an additional appropriation of \$55,000 from the Water Fund and an additional appropriation of \$110,000 for the Administrative Fund and an additional \$30,000 for the Wastewater Fund.

### **Alternatives to Recommendation**

- Modify** the proposed resolution and direct staff to make changes to the proposed resolutions.
- Decline** to take action.

### **Suggested Board Motion**

"I move to adopt Resolution No. 2026-0049, an appropriation transfer resolution authorizing a transfer of budgeted amounts between categories of Various Funds of the Oak Lodge Water Services Budget, making appropriations and Authorizing Expenditures for Fiscal Year Ending June 30, 2026.

### **Attachments**

1. 2026 Res 26-049 Budget Amendments



**OAK LODGE WATER SERVICES**

**RESOLUTION NO. 2026-0049**

**AN APPROPRIATION TRANSFER RESOLUTION AUTHORIZING A TRANSFER OF APPROPRIATED AMOUNTS WITHIN VARIOUS FUNDS OF THE ADOPTED BUDGET FOR FISCAL YEAR 2025-2026.**

**WHEREAS**, the Oak Lodge Water Services Authority (“OLWS”) Board of Directors (the “Board”) adopts a budget for each fiscal year pursuant to Oregon Local Budget Law; and

**WHEREAS**, after adoption of the budget for a given fiscal year, there may be circumstances or events that make it necessary or desirable for appropriated monies in the budget to be transferred among categories within a fund or from one fund to another fund; and

**WHEREAS**, Oregon Budget Law allows for such appropriation transfers to be authorized by resolution pursuant to ORS 294.463, provided that such transfers do not increase a fund by more than 10% of the total appropriations of the fund contained in the original adopted budget; and

**WHEREAS**, during Fiscal Year 2025-2026, it has become necessary to transfer appropriations within the Drinking Water Fund, Wastewater Treatment Fund, and Administrative Services Fund to address operational needs including emergency overtime, increased maintenance costs, rental equipment expenses, and administrative material and services expenditures; and

**WHEREAS**, the transfers authorized herein do not increase the total appropriations of any fund.

**NOW, THEREFORE, BE IT RESOLVED BY THE OAK LODGE WATER SERVICES BOARD OF DIRECTORS:**

**Section 1. Authorizing an Appropriation Transfer.** The Board hereby authorizes the following transfer of appropriations for the adopted budget for Fiscal Year 2025-2026:

<b><u>FUND OR DEPT.</u></b>	<b><u>BUDGETED</u></b>	<b><u>RESOURCES NEEDED</u></b>	<b><u>REALLOCATED</u></b>
<b><u>Administrative Services Fund (05)</u></b>			
from Admin. Services Fund Contingency	\$ 175,000	\$ 65,000	- \$110,000
to Admin/Finance Material and Services	\$ 1,352,400	\$ 1,462,400	+ \$110,000

<u>FUND OR DEPT.</u>	<u>BUDGETED</u>	<u>RESOURCES NEEDED</u>	<u>REALLOCATED</u>
<b><u>Drinking Water Fund (10)</u></b>			
from Drinking Water Fund Contingency	\$999,267	\$944,267	-\$55,000
to Drinking Water Oper. Personnel Services	\$1,154,760	\$1,174,760	+\$20,000
to Drinking Water Oper. Material and Services	\$1,947,000	\$1,982,000	+\$35,000
<b><u>Wastewater Treatment Fund (20)</u></b>			
from Wastewater Treatment Fund Contingency	\$908,222	\$878,222	-\$30,000
to Wastewater Treatment Material and Services	\$1,297,900	\$1,327,900	+\$30,000

**Section 2. Effective Date.** This Resolution shall become effective immediately upon adoption.

**INTRODUCED AND ADOPTED THIS 10TH DAY OF MARCH 2026.**

OAK LODGE WATER SERVICES

By \_\_\_\_\_ By \_\_\_\_\_  
Kevin Williams, Chair Heidi Bullock, Vice Chair



## AGENDA ITEM

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**Title** Business from the Board

**Item No.** 5.

**Date** June 9, 2026

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### Summary

The Board of Directors appoints representatives to serve as OLWS liaisons or representatives to committees or community groups.

Directors assigned specific roles as OLWS representatives are placed on the agenda to report to the board on the activities, issues, and policy matters related to their assignment.

Business from the Board may include:

- a. Individual Director Reports
- b. Tabled Agenda Items



## Business from the Board

### Paul Gornick's Liaison Report – May 2026

#### May 7, 2026 – C4 Meeting (Field Trip meeting at Milwaukie City Hall)

- Meeting started with a presentation on the Moderate Income Revolving Loan (MIRL) Program, which is administered by the Oregon Housing and Community Services Department. The purpose of the loan program is to increase housing production for residents at or below 120% of the Area Median Income. As such. The sponsoring jurisdictions (either cities or counties) can access this funding by implementing a local MIRL. The total funding allocated by the Legislature is only \$75 million, so it doesn't go very far statewide. Developers can access funds by applying to the local MIRL, and can be used for both owned or rental housing. See the slide deck in the meeting packet for more information.
- The next presentation was Local Perspectives on Economic Development, with representatives from the Port of Portland, City of Sandy, and City of Milwaukie. The Port's presentation focused on the large scale issues related to the airport and port facilities and their impact on region wide employment base. The City of Sandy focused on their initiatives for improved business opportunities within the Sandy Urban Renewal District, which primarily is the area along US26 as it passes through Sandy. The City of Milwaukie focused on their Business Improvement Grant Program, which is funded by a Construction Excise Tax. It is actually a grant/loan program, and can be used for new construction or tenant improvements to existing businesses. See the slide deck in the meeting packet for more information.
- The committee finalized the agenda for the C4 Retreat, which is to be held June 5-6 at Mt Hood Resort.
- Meeting packet with slide decks for presentations noted above can be found here: [Meeting Packet](#)
- Video of the meeting is available here: [Clackamas County Coordinating Committee \(C4\) - May 2026](#)

#### May 27, 2026 – Sunrise Water Board Meeting (hybrid meeting)

- Meeting started with the budget hearing for SWA FY2026-2027 fiscal year.
- Board approved consent agenda, which included prior board meeting minutes, the budget committee meeting minutes, and acceptance of new water mains and facilities in Fox Haven Estates.
- Board approved Resolution 2026-04, adopting the FY2026-27 budget in the amount of \$80,589,632 and authorizing appropriations.
- Board acknowledged receipt of the Audit Engagement Letter from REDW Advisors and CPAs for the FY2025-26 annual audit.
- Board financed the construction of their new headquarters facility using interim financing from the Business Oregon Special Public Works Fund. Now that construction is complete, SWA has the option of paying off the loan in full or having the loan long-term funded by the Oregon Bond Bank. Review by staff indicates that SWA has a strong balance sheet and healthy liquidity position, and is able to pay off the interim loan with current resources. In part, staff believes current market conditions for borrowing would not be advantageous and recommends paying off the interim loan.
- Finance Director Colin Brownsberger provided materials for board review related to SWA's Investment Policy. The draft policy was submitted to the Oregon State Treasury (specifically, Oregon Short Term Fund Board) for review in November 2025, and an updated policy in February 2026. SWA has received a letter from the OSTF Board indicating the statutory review requirement has been satisfied, and SWA can now adopt the policy, which will be on the June 2026 SWA meeting agenda.
- Executive Director Jamey Pietzold provided the monthly update, which included the dismal state of the snow pack and snow water equivalent.





## AGENDA ITEM

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**Title** Department Reports

**Item No.** 6.

**Date** June 9, 2026

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### Summary

The Board of Directors has requested updates during regular meetings regarding the status of OLWS operations. The following Department Reports are compiled by staff and management.





## DEPARTMENT REPORT

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<b>To</b>	Board of Directors
<b>From</b>	Brad Albert, General Manager
<b>Title</b>	Administration Monthly Report
<b>Item No</b>	6.a.
<b>Date</b>	June 9, 2026

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### Summary

The board has requested updates during regular meetings regarding the status of OLWS operations.

### Highlights of the Month

- Received communication from the EPA regarding the \$1.092 million federal funding for the Clarifier Refurbishment Project. The EPA has a process of providing very certain items to receive funding. Staff is working on those requirements.
- The OLWS schedule of rates public hearing is scheduled for Tuesday, June 9, 2026, at 4pm.
- OLWS will have a booth at the Oak Grove Festival on Saturday, June 27, from 11am-4pm.

### Audit

The FY24 Authority Audit is underway. Baker Tilly (Moss Adams) was onsite the week of April 20 to review physical documents for the start of the FY24 audit. The Finance Dept. has been working diligently to answer audit questions or provide additional documentation. The audits have been taking on average 4 months to complete and is on schedule to be completed in August 2026.

### Attachments

None



DEPARTMENT REPORT

To Board of Directors
From Angie Wilson, Finance Director
Title Finance Monthly Report
Item No 6.b.
Date June 9, 2026

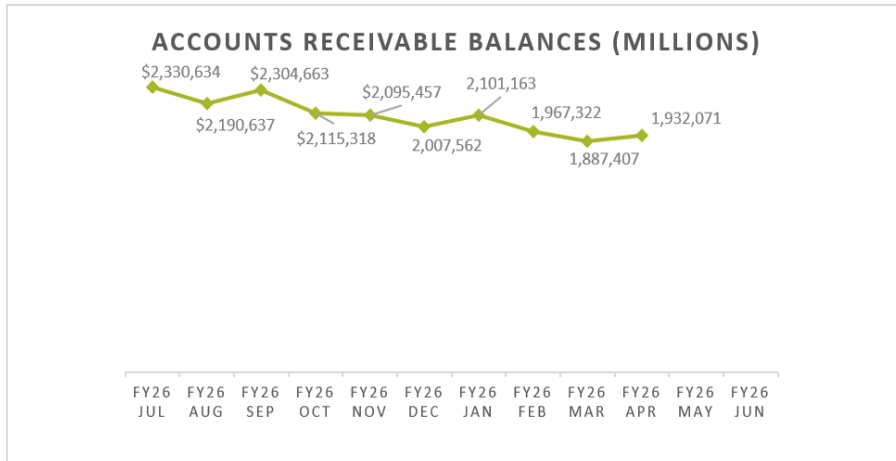
Summary

The April 2026 report outlines key shifts in customer billing and accounts receivable, including improved A/R performance, increased delinquencies, and ongoing support through the FAURRP assistance program.

Highlights of the Month

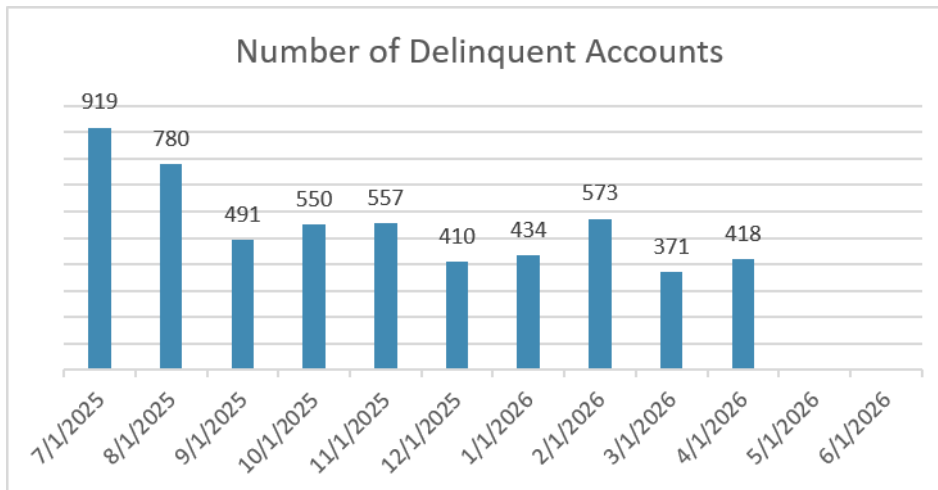
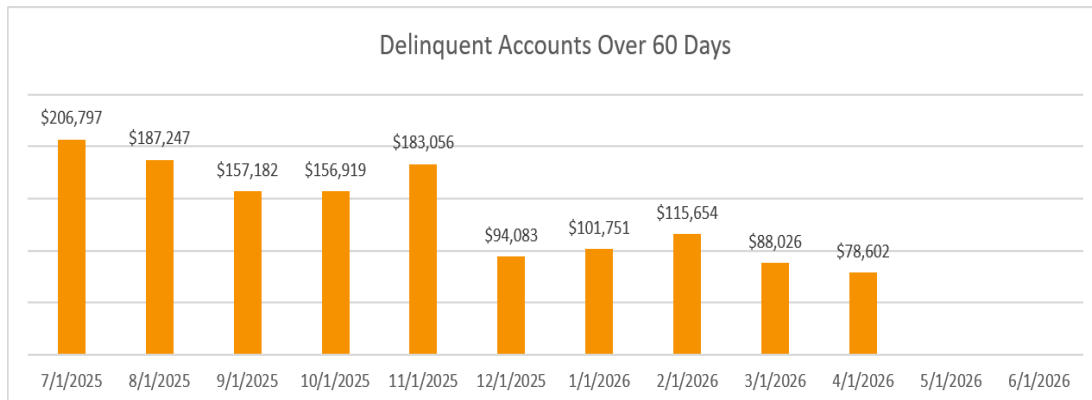
Accounts Receivable (A/R) Overview

- The Accounts Receivable Balance Increased by 2.37% in April compared to March.
Accounts receivable have increased due to seasonal higher water usage, which results in increased customer billings during this time of year. Higher accounts receivable balances are expected throughout the summer months as water consumption continues to rise.



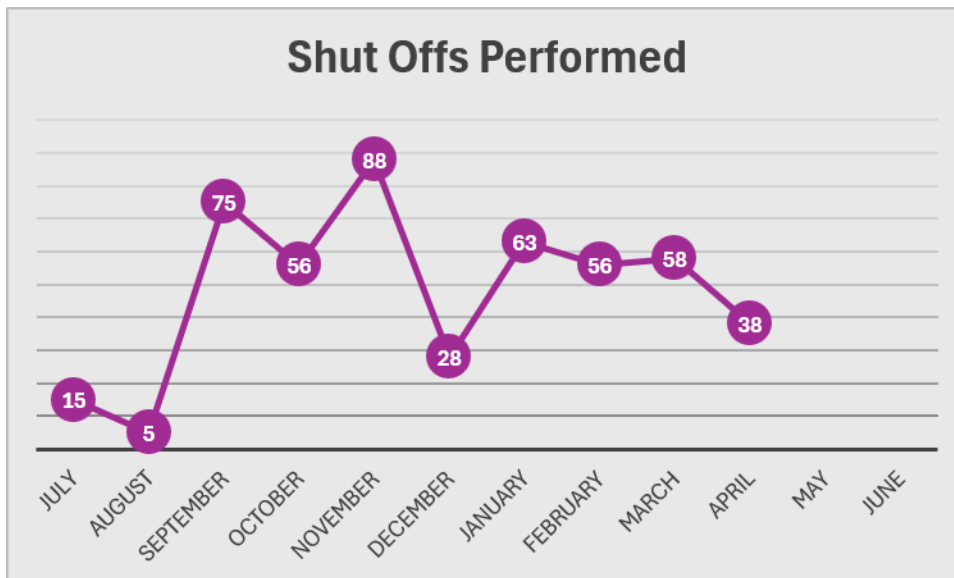
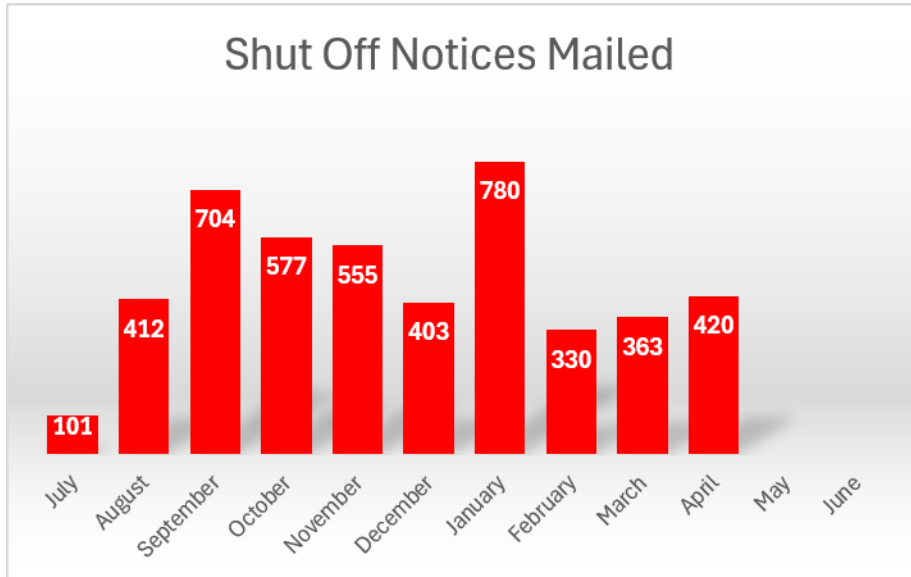
## Delinquent Accounts

- The **number of delinquent accounts increased by 47** from March to April 2026.
- OLWS' current delinquency management process includes:
- Red shut-off notices are mailed on accounts more than 30 days past due, giving customers **7 days to make payment**.
- If no payment or plan arrangement occurs, the **automated call system issues a 24-hour shut-off notice**. Shut-offs are performed the following day.



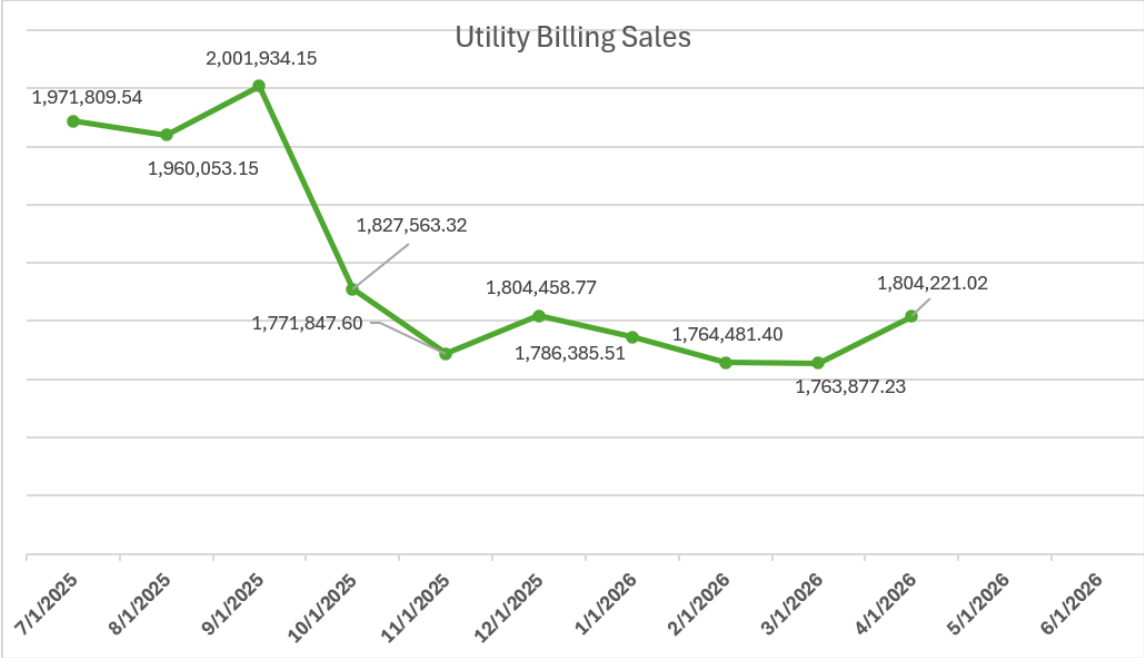
## Shut Offs

OLWS does not place red tags on accounts that are more than 30 days past due. Instead, we send red shut-off notices, which give customers 7 days to make payment. If payment is not received within that period—and no payment plan has been arranged, then use our automated call system to provide customers with 24-hour shut-off notice.



### Utility Billing Sales

Following the seasonal slowdown in the prior month, billing sales have leveled out and continue to return to normal levels. Customer activity has stabilized, reflecting a normalization of demand for this time of year.

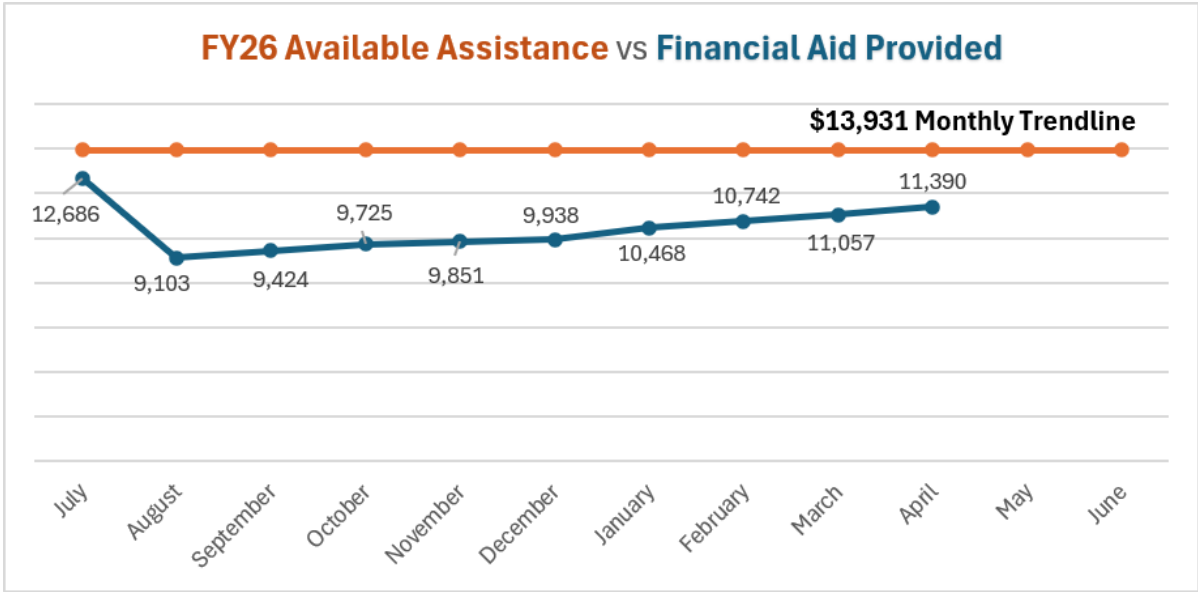


### Financial Assistance Utility Rate Relief Program (FAURRP)

#### Financial Assistance – FAURRP

- The **Financial Assistance Utility Rate Relief Program (FAURRP)** provides discounted utility rates to qualifying customers.
- On **March 19, 2024**, the Board of Directors approved an increase to the program funding cap:
  - **0.75% of budgeted utility revenues**, up from the previous **0.50%**.

This expansion supports a greater number of customers needing rate relief. Currently, we have 230 accounts utilizing this program.



**Attachments**

- 1. April 2026 Account Roll-Up



# General Ledger

## Account Roll Up

User: lisa.rowland@olws.org  
 Printed: 5/26/2026 8:25:28 AM  
 Period 10 - 10  
 Fiscal Year 2026

Sort Level	Description	Budget	Period Amt	End Bal	% Expend/Collect
<b>Revenue</b>	<b>Revenue</b>				
4210	Water Sales - CRW	\$ (41,920.00)	\$ (4,809.09)	\$ (31,444.68)	75.01%
4211	Water sales	\$ (6,496,000.00)	\$ (481,566.17)	\$ (5,255,340.77)	80.90%
4212	Wastewater Charges	\$ (13,727,000.00)	\$ (1,141,326.59)	\$ (11,481,437.90)	83.64%
4213	Watershed protection fees	\$ (2,066,000.00)	\$ (171,392.58)	\$ (1,724,944.20)	83.49%
4215	Penalties & late charges	\$ (22,872.00)	\$ (4,953.32)	\$ (61,045.78)	266.90%
4220	System Development Charges	\$ -	\$ (56,815.00)	\$ (185,940.00)	0.00%
4221	System Development-Reimburse	\$ (150,000.00)	\$ -	\$ -	0.00%
4225	System Development-Improvement	\$ (50,000.00)	\$ (115,719.00)	\$ (464,954.00)	929.91%
4227	System Development-Compliance	\$ (1,000.00)	\$ -	\$ -	0.00%
4230	Contract services	\$ (45,000.00)	\$ (6,911.72)	\$ (46,414.84)	103.14%
4240	Service installations	\$ (10,000.00)	\$ (6,600.00)	\$ (45,918.00)	459.18%
4280	Rents & leases	\$ (180,000.00)	\$ (9,037.16)	\$ (193,268.13)	107.37%
4290	Other charges for services	\$ (34,000.00)	\$ (4,165.00)	\$ (40,036.00)	117.75%
4320	State grants	\$ (3,000,000.00)	\$ -	\$ -	0.00%
4610	Investment revenue	\$ (119,500.00)	\$ (54,609.23)	\$ (628,208.80)	525.70%
4630	Miscellaneous revenues	\$ (31,000.00)	\$ (4,420.41)	\$ (136,809.67)	441.32%
4650	Proceeds from borrowing	\$ (5,615,000.00)	\$ -	\$ -	0.00%
4910	Transfer in from Fund 10	\$ (3,878,000.00)	\$ (323,167.00)	\$ (3,231,663.00)	83.33%
4920	Transfer in from Fund 20	\$ (10,478,605.00)	\$ (584,297.00)	\$ (7,655,957.00)	73.06%
4930	Transfer in from Fund 30	\$ (1,708,322.00)	\$ (142,359.00)	\$ (1,423,590.00)	83.33%
<b>Revenue</b>	<b>Revenue</b>	<b>\$ 47,654,219.00</b>	<b>\$ 3,112,148.27</b>	<b>\$ 32,606,972.77</b>	<b>68.42%</b>
<b>Expense</b>	<b>Expense</b>				
5110	Regular employees	\$ 4,257,417.00	\$ 301,038.31	\$ 3,123,898.46	73.38%
5130	Overtime	\$ 150,000.00	\$ 9,339.00	\$ 99,301.99	66.20%
5210	Employee Ins	\$ 841,768.00	\$ 53,080.83	\$ 511,413.87	60.75%
5230	Social Security	\$ 333,574.00	\$ 23,269.23	\$ 241,007.80	72.25%
5240	Retirement	\$ 811,641.00	\$ 63,555.36	\$ 591,594.66	72.89%
5250	Trimet	\$ 63,091.00	\$ 3,836.56	\$ 39,689.00	62.91%
5260	Unemployment	\$ -	\$ -	\$ 10,412.39	0.00%
5270	Workers compensation	\$ 42,322.00	\$ -	\$ 48,859.65	115.45%
5290	Other employee benefits	\$ 15,000.00	\$ 379.06	\$ 9,068.14	60.45%
6110	Legal services	\$ 300,000.00	\$ 7,688.00	\$ 72,592.16	24.20%
6120	Accounting & audit services	\$ 160,000.00	\$ 350.00	\$ 153,650.00	96.03%
6155	Contracted Services	\$ 1,305,600.00	\$ 118,820.26	\$ 932,309.05	71.41%
6175	Records Management	\$ 4,000.00	\$ -	\$ 1,656.30	41.41%
6180	Dues & subscriptions	\$ 44,200.00	\$ 3,396.00	\$ 33,053.75	74.78%

6220	Electricity	\$	542,700.00	\$	46,497.55	\$	359,204.84	66.19%
6230	Telephone	\$	63,000.00	\$	4,473.80	\$	44,037.48	69.90%
6240	Natural gas	\$	11,200.00	\$	1,004.18	\$	7,979.51	71.25%
6250	Solid waste disposal	\$	65,000.00	\$	1,309.81	\$	32,079.48	49.35%
6290	Other utilities	\$	12,500.00	\$	673.40	\$	8,068.65	64.55%
6310	Janitorial services	\$	43,500.00	\$	3,060.00	\$	30,706.49	70.59%
6320	Buildings & grounds	\$	118,000.00	\$	5,988.92	\$	78,903.01	66.87%
6330	Vehicle & equipment maint.	\$	80,000.00	\$	4,578.25	\$	55,720.06	69.65%
6340	Distribution system maint	\$	345,000.00	\$	12,096.65	\$	285,878.87	82.86%
6342	Collection system maint.	\$	260,000.00	\$	48,201.14	\$	172,229.25	66.24%
6350	Computer maintenance	\$	432,000.00	\$	(9,682.61)	\$	285,137.45	66.00%
6410	Mileage	\$	4,000.00	\$	-	\$	1,580.26	39.51%
6420	Staff training	\$	84,500.00	\$	6,796.09	\$	45,173.19	53.46%
6430	Certifications	\$	9,350.00	\$	580.00	\$	4,135.70	44.23%
6440	Board travel & training	\$	5,000.00	\$	49.00	\$	764.99	15.30%
6510	Office supplies	\$	26,000.00	\$	2,946.67	\$	17,378.73	66.84%
6520	Fuel & oils	\$	50,000.00	\$	5,389.36	\$	26,494.13	52.99%
6525	Chemicals	\$	82,000.00	\$	-	\$	36,196.76	44.14%
6530	Small tools & equipment	\$	52,000.00	\$	3,688.80	\$	28,993.31	55.76%
6540	Safety supplies	\$	39,700.00	\$	3,461.29	\$	24,300.57	61.21%
6550	Operational Supplies	\$	29,000.00	\$	1,689.57	\$	25,206.60	86.92%
6560	Uniforms	\$	42,000.00	\$	850.29	\$	20,763.96	49.44%
6570	In-House Laboratory Services	\$	15,000.00	\$	1,481.11	\$	9,946.51	66.31%
6620	Election Costs	\$	500.00	\$	-	\$	-	0.00%
6710	Purchased water	\$	1,250,000.00	\$	71,947.80	\$	914,856.30	73.19%
6715	Water quality program	\$	35,000.00	\$	3,348.74	\$	15,634.33	44.67%
6720	Insurance	\$	260,000.00	\$	741.00	\$	277,428.03	106.70%
6730	Communications	\$	41,850.00	\$	3,885.16	\$	7,426.00	17.74%
6735	Public Outreach & Education	\$	70,500.00	\$	12,975.00	\$	46,086.78	65.37%
6740	Advertising	\$	1,500.00	\$	140.00	\$	2,488.00	165.87%
6760	Equipment Rental	\$	58,000.00	\$	14,052.64	\$	58,008.39	100.01%
6770	Bank charges	\$	345,000.00	\$	22,212.03	\$	358,079.57	103.79%
6780	Taxes, Fees & Permits	\$	141,500.00	\$	13,752.13	\$	123,583.68	87.34%

**Debt Service and Special Payments**

6810	2010 SRF Loan Principal	\$	1,003,481.00	\$	-	\$	1,003,481.00	100.00%
6811	2010 IFA Loan Principal	\$	353,704.00	\$	-	\$	353,703.72	100.00%
6813	JPM Bank Loan Principal	\$	1,527,000.00	\$	-	\$	-	0.00%
6815	Zions Bank loan-principal	\$	204,000.00	\$	-	\$	204,000.00	100.00%
6820	2010 SRF Loan Interest	\$	211,127.00	\$	-	\$	211,127.00	100.00%
6822	2010 IFA Loan Interest	\$	120,415.00	\$	-	\$	120,415.36	100.00%
6823	JPM Bank Loan Interest	\$	197,050.00	\$	-	\$	98,525.00	50.00%
6825	Zions Bank loan-interest	\$	5,488.00	\$	-	\$	5,487.60	99.99%

**Capital Outlay**

7200	Infrastructure	\$	250,000.00	\$	52,946.99	\$	211,744.56	84.70%
7300	Buildings & Improvements	\$	210,000.00	\$	3,199.00	\$	142,906.15	68.05%
7400	Improvement other than Bldgs	\$	60,000.00	\$	-	\$	32,691.00	54.49%
7520	Equipment	\$	555,000.00	\$	36,735.00	\$	274,386.15	49.44%

7530	Information Technology	\$ 50,000.00	\$ -	\$ -	0.00%
7540	Vehicles	\$ 395,000.00	\$ -	\$ 231,369.07	58.57%
7600	Capital Improvement Projects	\$ 16,539,000.00	\$ 1,656,500.32	\$ 5,751,166.81	34.77%
7710	Disposal of fixed assets	\$ -	\$ 157,421.02	\$ 157,421.02	0.00%

**Transfers**

8105	Transfers out to Fund 05	\$ 5,167,605.00	\$ 430,634.00	\$ 4,306,332.00	83.33%
8120	Transfers out to Fund 20	\$ 180,322.00	\$ 15,026.00	\$ 150,265.00	83.33%
8150	Transfers out to Fund 50	\$ 3,467,000.00	\$ -	\$ 1,812,935.00	52.29%
8171	Transfers out to Fund 71	\$ 2,600,000.00	\$ 216,667.00	\$ 2,166,671.00	83.33%
8172	Transfers out to Fund 72	\$ 4,400,000.00	\$ 366,663.00	\$ 3,666,674.00	83.33%
8173	Transfers out to Fund 73	\$ 250,000.00	\$ 20,833.00	\$ 208,333.00	83.33%
9000	Contingency	\$ 4,064,889.00	\$ -	\$ -	0.00%

<b>Expense</b>	<b>Expense</b>	<b>\$ 54,754,994.00</b>	<b>\$ 3,829,565.71</b>	<b>\$ 30,382,612.54</b>	<b>55.49%</b>
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<b>Revenue Tot</b>	<b>\$ 47,654,219.00</b>	<b>\$ 3,112,148.27</b>	<b>\$ 32,606,972.77</b>	<b>68.42%</b>
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<b>Expense Tot</b>	<b>\$ 54,754,994.00</b>	<b>\$ 3,829,565.71</b>	<b>\$ 30,382,612.54</b>	<b>55.49%</b>
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<b>Grand Total</b>	<b>\$ (7,100,775.00)</b>	<b>\$ (717,417.44)</b>	<b>\$ 2,224,360.23</b>	<b>-0.31%</b>
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<b>FY 2026</b>	<b>Expense Category</b>	<b><u>Budget</u></b>	<b><u>Period Amt</u></b>	<b><u>Year to Date</u></b>	<b><u>Percent</u></b>
<b>Period 10</b>	Personnel Services	\$ 6,514,813	\$ 454,498	\$ 4,675,246	71.8%
	Materials and Services	\$ 6,429,100	\$ 418,442	\$ 4,597,732	71.5%
	Capital Outlay	\$ 18,059,000	\$ 1,906,802	\$ 6,801,685	37.7%
		\$ 31,002,913	\$ 2,779,743	\$ 16,074,663	51.8%





## DEPARTMENT REPORT

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**To** Board of Directors  
**From** Lara Christensen, Water Quality Coordinator, Aaron Janicke, Public Works Director, Jason Clifford, Collections Field Supervisor, Ryan Hunter, Distribution Field Supervisor  
**Title** Public Works Monthly Report  
**Item No** 6.c.  
**Date** June 9, 2026

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### Summary

The board has requested updates during regular meetings regarding the status of OLWS operations.

### Highlights of the Month

- Paving completed on Oatfield Rd
- Lift Station 2 construction bids closed
- Excavation continues at the Tertiary building location

### Watershed Protection

This month, OLWS water quality staff will begin auditing catch basin decals labeled to show that the basin drains to the local creek or waterway. The outreach effort will illuminate the connection between our local drains and water quality, encouraging residents to keep pollution out of the catch basins. Catch basins without labels will be labeled with decals as budgets allow.

Dry-weather field screening will take place as soon as FY27 begins, allowing OLWS staff to confirm there are no chronic illicit discharges occurring.

As part of the MS4 Permit Best Management Practices (BMPs), in the last few months, the OLWS Water Quality Coordinator completed inspections for the privately-owned

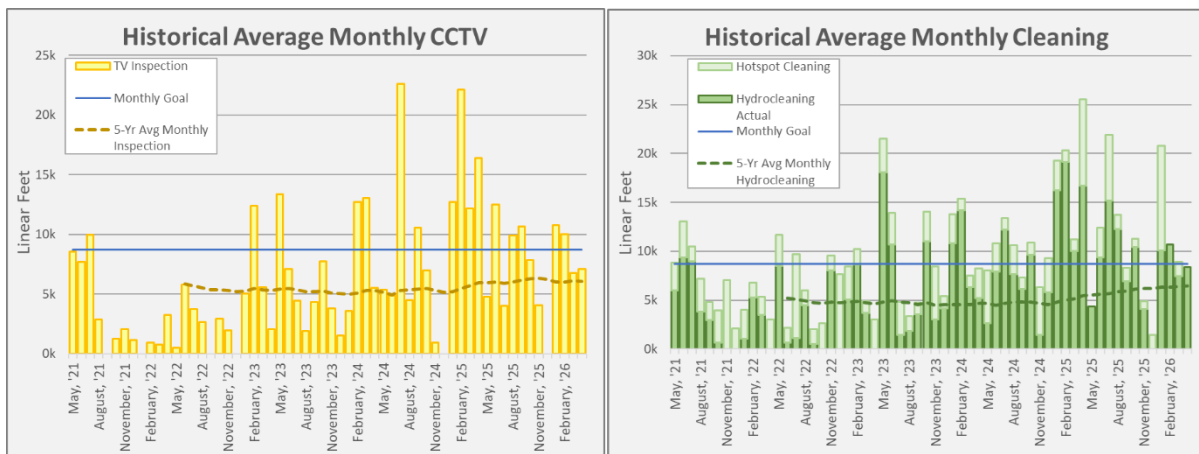
stormwater facilities. Customers were notified of their requirement to inspect, maintain, and report on the condition of their stormwater facility. This year the letters provide outreach and education to customers across the district to help them understand the importance of their stormwater facilities, which can sometimes be overlooked in landscaping plans. Next year, the outreach will begin being conducted electronically, by email, when possible.

In May, OLWS staff attended the Oregon Association of Clean Water Agencies (ACWA) Stormwater Summit in Corvallis, OR. The one-day conference attracted about 200 people and allowed OLWS staff to learn from and interact with water quality and storm water staff from around the state, including permit writers from the Department of Environmental Quality (DEQ).

### Wastewater Collection System Work

The Collections team has been focusing on vehicle maintenance and safety inspections in the month of May. Scheduled preventative maintenance vehicle inspections are being set up in Lucity to ensure vehicles and equipment are properly maintained. The Vactor truck and TV van both went in to the shop for inspection and specific issues were addressed. In addition to the vehicles, the Collections team had Ritz Safety complete a site visit to inspect all safety equipment. Following this visit, several safety harnesses and other safety equipment were replaced to ensure the team is working in safe environments and with the proper equipment.

For daily operations, the TV crew has been diligently working through inspection of laterals in the Colina Vista neighborhood. Deficient laterals will be reviewed with the intent of replacing them prior to upcoming County paving. Basin inspections will resume once the laterals have been inspected. Zone cleaning proceeded as expected as the crew worked around vehicle inspection and repairs.



### Water Distribution System Work

In May, the Water Team continued its efforts in meter maintenance, addressing communication issues, mechanical failures, and radio replacements. Each month, after

the meter reading cycle is complete, the meter reading software generates an X-Data report and meter management service requests. These reports identify issues such as no-flow or stuck meters, customer leaks, and communication problems, prompting staff to verify readings or replace meters as needed.

With several new hires joining the Water Team over the past few years, staff training has become a key priority, particularly in specialized areas such as the use of leak detection equipment. Some of our most experienced team members have been sharing their extensive knowledge and expertise to ensure staff are effective and intentional when evaluating the water system for leaks.

- 5 new water services
- 2 service abandonments
- 34 meters replaced
- 1 main break on SE Dana
- 2 fire flow tests completed
- 8 valve boxes replaced in Clackamas County paving areas
- 1 hydrant replaced on SE Wanda
- Ongoing leak detection throughout the water system
- 3 curb stop repairs

**Non-Revenue Water**

The total water purchased in May was 77 million gallons. Non-revenue water totaled 19.224 million gallons with 1.220 million gallons in apparent losses, 17.522 million gallons in real losses, and 483,000 gallons for unbilled authorized consumption. The trailing twelve month (TTM) non-revenue water trend indicates the average non-revenue water over the past 12 months is 15.566 million gallons.

**Permit Activity**

FY2025-2026	May 2026 Development Activity					
	<i>This Month</i>	<i>Last Month</i>	<i>Fiscal</i>	<i>Year-to-Date</i>	<i>This Month Last Year</i>	<i>Last Year-to-Date</i>
Pre-applications Conferences	1	6		19	2	17
New Erosion Control Permits	1	8		32	1	40
New Development Permits	1	1		8	2	7
New Utility Permits	2	12		58	2	75
Wastewater Connections	2	17		40	3	41
Sanitary SDC Fees Received	\$10,330	\$87,805		\$206,600.00	\$15,495	\$211,765
Water SDC Fees Received	\$32,563	\$330,651		\$594,642.00	\$37,938	\$719,594
Plan Review Fees Received	\$12,837	\$3,812		\$32,468.30	\$1,631	\$34,086
Inspection Fees Received	\$10,748	\$4,664		\$37,102.30	\$1,408	\$30,868

**Attachments**

## 1. May Development Tracker

<b><i>Project Status</i></b>	<b><i>Address</i></b>	<b><i>Type of Development</i></b>	<b><i>Notes</i></b>	<b><i>Last Updated</i></b>
Pre-Application	5009 and 5025 SE Hill Rd	Residential: Partition	Pre-app comments sent to CCDTD. County land use expiration timeline.	May 28, 2026
Plan Review	13506 SE Briggs St	Residential: 18-unit Cottages	OLWS permits ready to issue (pending fee payment)	May 28, 2026
Plan Review	13515 SE Briggs St	Residential: 10-unit Cottages	Current OLWS review.	May 28, 2026
Plan Review	6320 SE Roethe Rd	Residential: 43 Unit Subdivision	OLWS permits ready to issue (pending fee payment)	May 28, 2026
Plan Review	12705 SE River Rd	Residential: Wilamette View Plaza	Current OLWS review.	May 28, 2026
Plan Review	14018 SE Linden Ln	Residential: Triplex	OLWS permits ready to issue (pending fee payment)	May 28, 2026
Approved for Construction	18521 SE River Rd	Park Redevelopment	OLWS permits ready to issue (pending fee payment)	May 28, 2026
Under Construction	16305 SE Oatfield Rd.	Residential: 12-lot Subdivision	OLWS inspections occurring	May 28, 2026
Under Construction	17025 SE Oatfield Rd	Residential: 2-lot subdivision	OLWS inspections occurring	May 28, 2026
Under Construction	18900 SE Mildred	Residential: Multi-Unit	OLWS inspections occurring	May 28, 2026
Under Construction	14014 SE Linden Ln	Commercial: Senior Living	OLWS permits issued.	May 28, 2026
Under Construction	4202 SE View Acres	Residential: 6-unit Cottages	OLWS permits issued.	May 28, 2026
Warranty Period	3421 SE Vineyard Rd.	Residential: Two tri-plexes and one duplex	Public utilities constructed. Permit closing out.	May 28, 2026
Warranty Period	3811 SE Concord Rd.	Concord School Library	Public utilities constructed, As-builts received and under review.	May 28, 2026
Warranty Period	15510 SE Wallace Rd.	Residential: 15-lot Partition	Public utilities constructed. As-builts approved. Under warranty bond.	May 28, 2026
Warranty Period	13822 SE Oatfield Rd	Residential: 26-unit Cottages	Public utilities constructed. As-builts approved. Under warranty bond.	May 28, 2026
Warranty Period	13100 SE River Rd	Residential: 5-lot duplex; Willamette View Phase I	Public utilities constructed. As-builts approved.	May 28, 2026
Warranty Period	4809 SE Ina Ave.	Residential: 4-lot Subdivision (Middle Housing)	Public utilities constructed. Under warranty bond.	May 28, 2026
Warranty Period	1404 SE River Forest Rd.	Residential: 3-lot Partition	Public utilities constructed.	May 28, 2026
Warranty Period	15609 SE Meadowlark Ln	Residential: Quadplex	Public utilities constructed, final inspection complete. Permit closing out.	May 28, 2026
Warranty Period	13000 SE River Rd	Residential: 5-lot duplex Wilamette View Phase II	Public utilities constructed, final inspection complete. As-builts under review.	May 28, 2026





## DEPARTMENT REPORT

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<b>To</b>	Board of Directors
<b>From</b>	David Hawkins, Plant Superintendent
<b>Title</b>	Plant Operations Monthly Report
<b>Item No</b>	6.d.
<b>Date</b>	June 9, 2026

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### Summary

The board has requested updates during regular meetings regarding the status of OLWS operations.

### Highlights of the Month

- New Plant Drain Pumps
- Permit Renewal
- Construction on Tertiary Filters

### Wastewater Treatment Plant

The new plant drain pumps have arrived and represent a major upgrade in reliability, performance, and overall build quality compared to the existing KSB units, which have become worn out and increasingly problematic during daily operations and maintenance activities. Recurring issues with the aging pumps have led to increased maintenance demands, reduced operational dependability, and additional staff time devoted to repairs and troubleshooting. The replacement pumps are expected to provide more consistent performance, improved reliability, and reduced downtime, supporting more efficient plant operations for years to come. Installation will be both straightforward and cost-effective through the use of a retrofit design that allows the existing KSB guide rail system to remain in place, minimizing construction costs, installation time, and operational disruption during the transition. With the completion of this upgrade, all major pumps within the WWTP will now be standardized to Flygt equipment, improving consistency across the facility while simplifying maintenance procedures,

streamlining spare parts inventory, and increasing efficiency in troubleshooting, repairs, and operations.

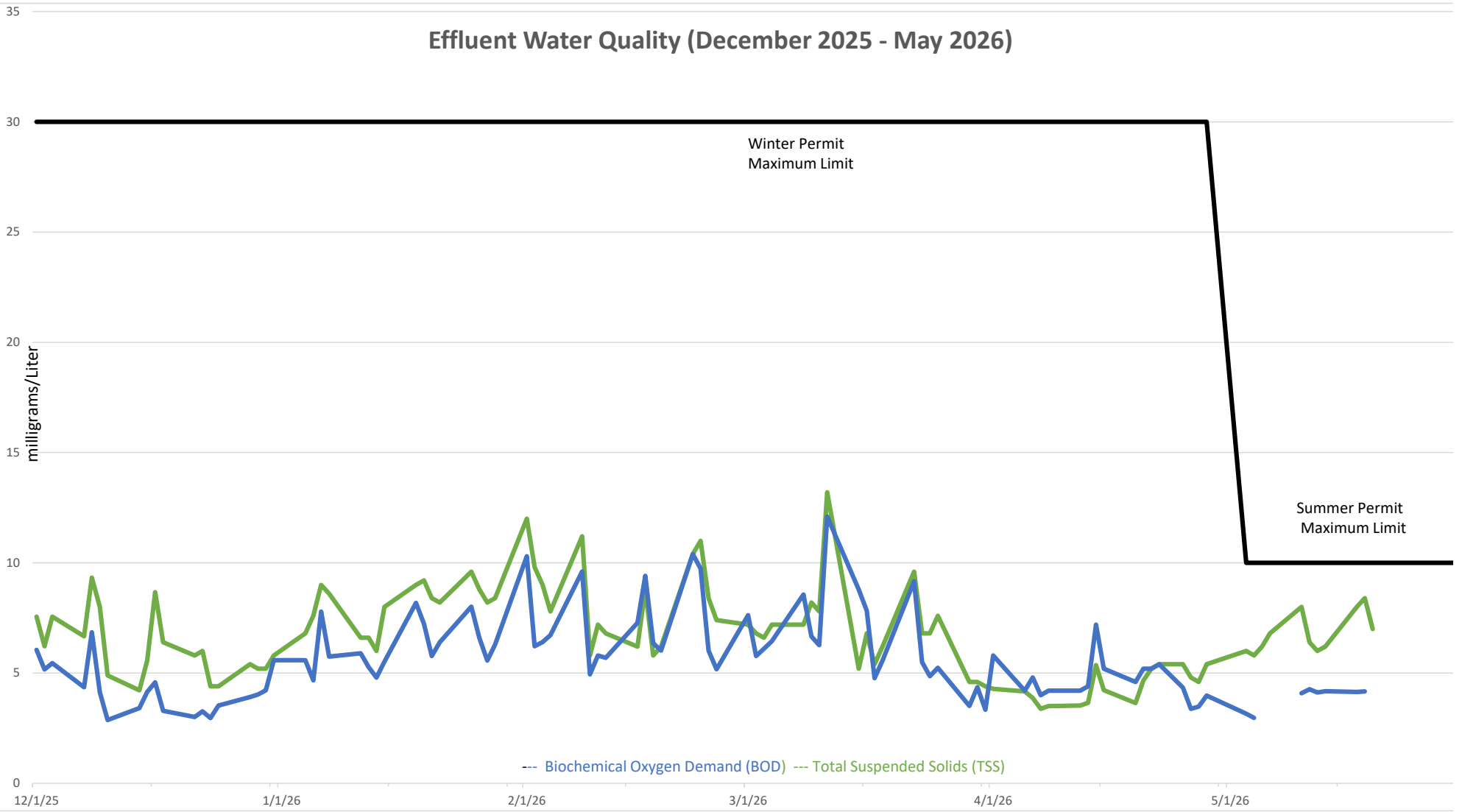
The first draft of the NPDES permit renewal was completed ahead of the 180-day submission requirement established by law, marking a significant milestone in the renewal process. Completion of the draft required the compilation, review, and organization of a substantial amount of operational and laboratory data collected since the current permit began in April 2022. This included all Whole Effluent Toxicity (WET) testing results, Tier 1 toxic pollutant testing data, as well as the extensive quarterly and daily sampling records required for the renewal application. In addition to the required testing data, several supplemental documents and supporting materials, including updated topographic maps, had to be created from scratch to complete the renewal package. The process involved considerable staff time and coordination to ensure the accuracy, completeness, and regulatory compliance of the submitted information. The next step in the process will be review of the renewal application by the Oregon Department of Environmental Quality prior to permit reissuance.

Construction of the new tertiary filtration system at the wastewater treatment plant began in May, with R.L. Reimers serving as the project contractor. The addition of tertiary filtration represents a major upgrade to the treatment process and is expected to significantly improve final effluent quality by providing an additional level of solids and nutrient removal prior to discharge. This advanced treatment step will enhance the plant's ability to consistently meet current and future regulatory requirements while improving overall treatment performance and reliability. The project has been in planning and development for more than five years and has required a substantial amount of engineering, design coordination, regulatory review, and operational planning due to the complexity and scale of the improvements being constructed. This investment, funded by OLWS ratepayers, will help protect water quality and the surrounding environment for decades to come while ensuring the long-term sustainability and compliance of the WWTP.

## **Attachments**

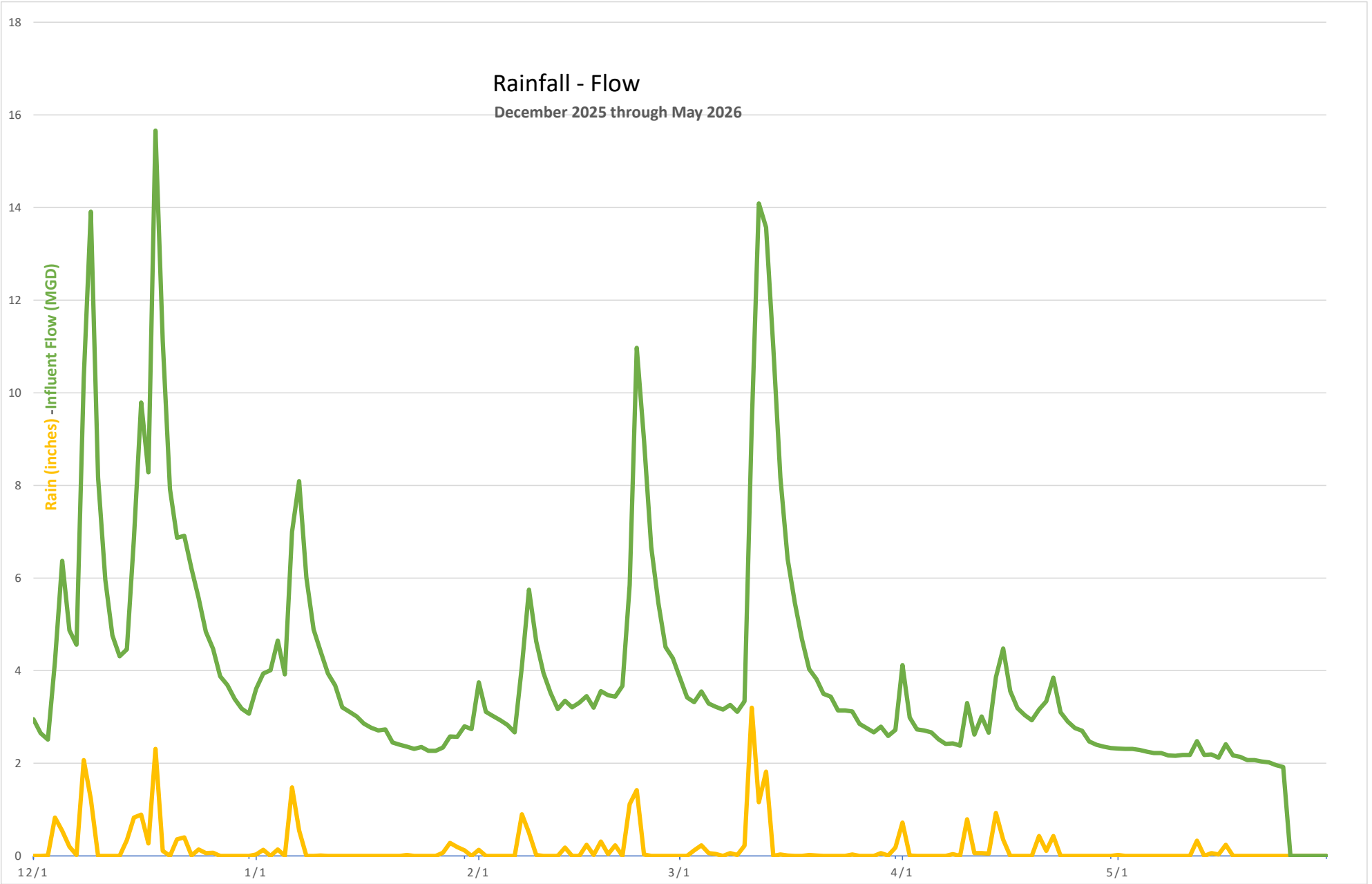
1. Plant Performance December 2025 - May 2026
2. Rainfall Vs. Flow December 2025 - May 2026

# Effluent Water Quality (December 2025 - May 2026)



# Rainfall - Flow

December 2025 through May 2026





**AGENDA ITEM**

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**Title**      Other Items

**Item No.**   7.

**Date**      June 9, 2026

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**Summary**

The Board of Directors may discuss new or tabled agenda items.





## AGENDA ITEM

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**Title**      Adjourn Meeting

**Item No.** 8.

**Date**      June 9, 2026

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### Summary

If there is no further business to be discussed, the Chair will note the time and adjourn the meeting.

