

FY 2025-26 Budget Presentation

Budget Committee

May 9, 2025



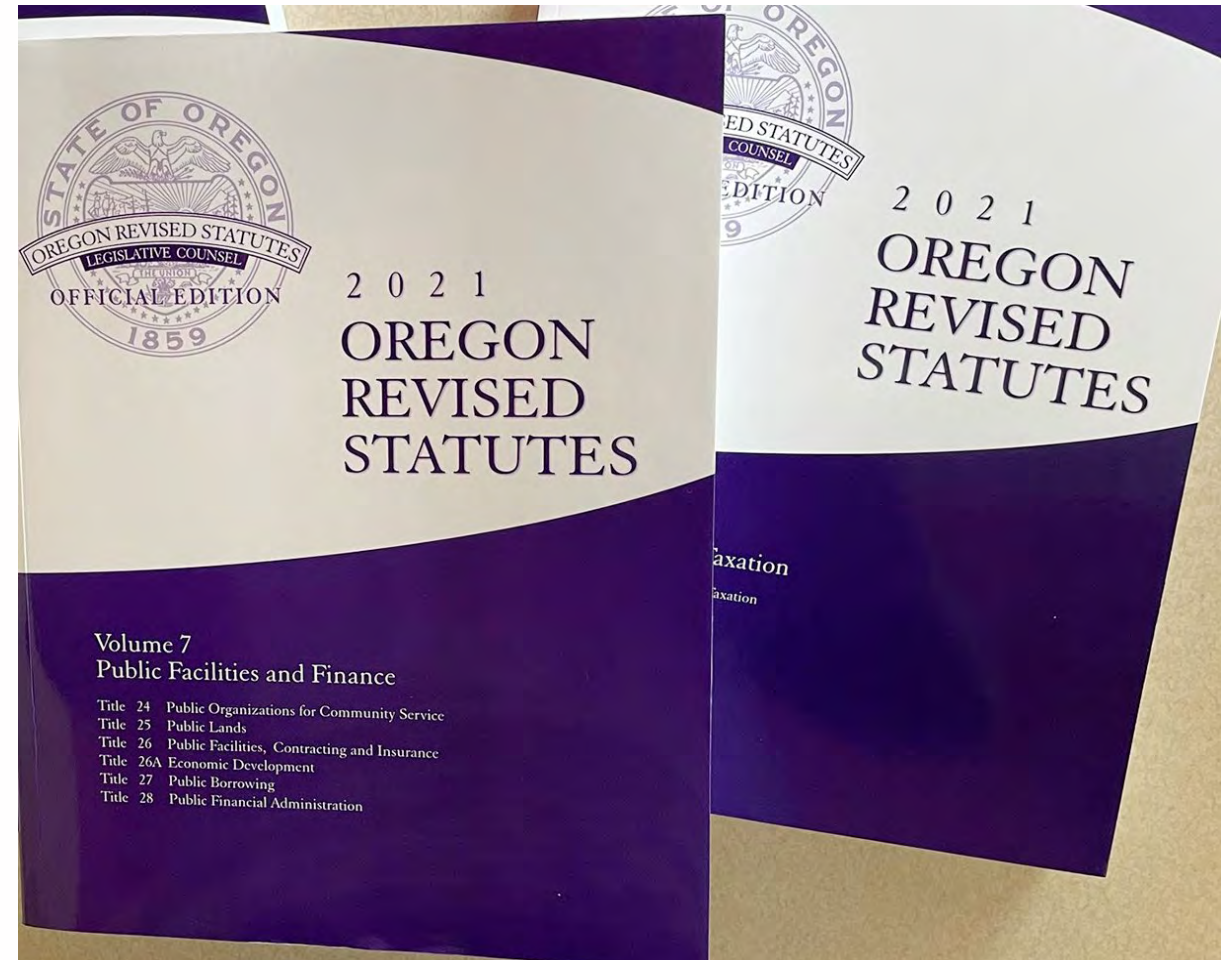
Fiscal Year 2025-26 Budget

Election of Presiding Officer (Chair)



FY 2025-26 Budget

- Clean Water Services budget prepared in accordance with:
 - Oregon Budget Law
ORS 294.305 - 294.565



Financial Excellence

- Awards from Government Finance Officers Association of the United States and Canada
- Distinguished Budget Presentation Award
 - 37th consecutive year
 - Special recognition for strategic planning past two years
- Achievement for Excellence in Financial Reporting
 - 37th consecutive year



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**Clean Water Services
Oregon**

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morill

Executive Director

Planning (July 2024 –April 2025)

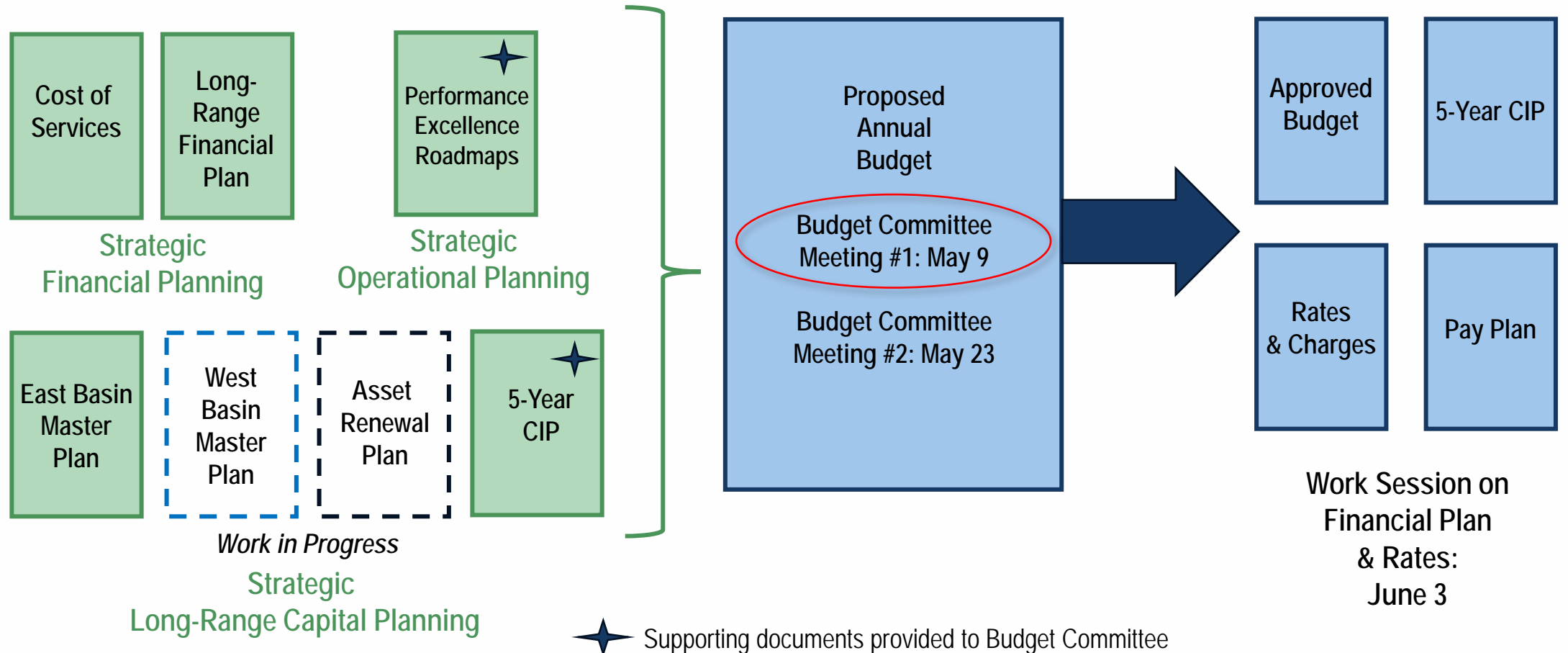
Updating Planning Documents

May 2025

Budget Committee
Review & Recommendation

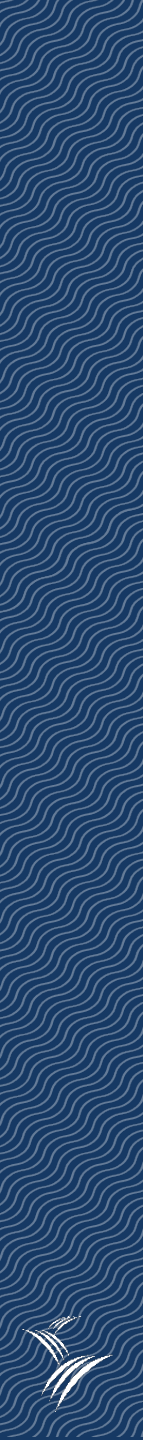
June 2025

Board Adoption:
June 17



Budget Message: Restoring Public Trust

- Focus on fiscal frugality that demonstrates careful management of financial resources with a drive to reduce and manage expenditures
- Prioritize efficiency, cost control, and value for the rate payer by:
 - Optimizing operations and transparently showing what CWS does to accomplish this
 - Providing strong department and program oversight of budget and expenditures
- Achieve more with less to make the most of available resources
- Increase understanding of the services CWS provides and joint utility bills
- Consider developing a long-term ratepayer assistance program



Budget Review: Increase Transparency Actions

- Budget Committee will review CWS FY 2025-26 proposed budget and receive public comment in a two-day format
 - May 9: Review proposed budget
 - May 23: Deliberate on proposed budget and make recommendation
- Provide detailed supplemental information to support the Budget Committee review and make information available on CWS website to increase transparency and oversight review
 - Travel and Training
 - Meals and Refreshments
 - Sponsorships
 - Budget Committee question and answers

Transparency on Travel and Training

- 51% of the 447 employees who have worked at CWS for 5 years or less contribute to need for training specific to the industry and organization to perform their work
 - Requests vetted for business need and to ensure staff can meet requirements for continuing education
 - Support the needs of employees with license, certification, and continuing education credits
 - Budgeted costs standardized for larger conferences
- 32% reduction for travel and training compared to FY 2024-25 budget
 - Proposed Travel \$308,400
 - Proposed Training \$343,000
- Revised Travel and Training Policy (FA103)

Transparency on Meals and Refreshments

- Costs itemized and budgeted in 52495 Other Materials & Services in each operating program
 - Object code 52495 includes items that don't fit in other categories
 - ❖ Food
 - ❖ Plant material
 - ❖ Education materials
 - ❖ Application fees
 - ❖ Space rental
- Starting July 1, food will have a dedicated object code 52496 for transparency
- Review Meals and Refreshments Policy (FA106)

Meals and Refreshments

- Meals and Refreshment Policy outlines qualified events where food is allowable. Budgeted items for FY 2025-26 total \$62,150:

| | |
|---|-----------|
| • One all-employee event sponsored by CWS | \$ 12,000 |
| • Clean Water Services Advisory Commission meetings | \$ 8,000 |
| • Budget Committee meetings | \$ 1,500 |
| • CWS-hosted work sessions for Board of Directors | \$ 2,000 |
| • CWS-hosted meetings such as co-implementers barbeque, Washington County managers meeting, local member associations | \$ 1,500 |
| • Meals furnished during an emergency event so staff are available to respond to the emergency during the meal period | \$ 600 |
| • One retreat per fiscal year for each CWS department/program | \$ 13,800 |
| • General coffee and tea provided at each CWS location is provided as a de minimis fringe benefit | \$ 17,500 |
| • Clean Water Leader cohorts | \$ 5,000 |
| • Wellness / Benefits fair | \$ 250 |

Additional Accountability and Transparency Actions

- Increase compliance and financial managerial control reporting to the Board
 - Implement Internal Compliance & Cybersecurity program to ensure CWS is compliant with applicable laws, regulations, internal policies, and procedures with reporting to the Board.
 - ❖ CEO identified a systemized approach to ethical business performance as part of Performance Excellence was needed
 - ❖ FY 2025-26 fully implements the program
 - ❖ Increased financial reporting to the Board and public transparency

Additional Accountability and Transparency Actions

- Increase public information and access
 - Implemented changes to the CWS website to increase transparency and provide additional information for the public
 - ❖ Clean Water Services Audit Committee and Board meetings
 - ❖ “Our Commitment to You” webpage outlining actions for transparency and accountability
 - Increase media releases, information in Clean Water News, employee communications, and other social media
 - Provide information at CWS public tours, Clean Water Essentials, and community events



Business Climate Strategy Focus

- Maintain capability to respond to residential, commercial, and industrial economic development in the region
- Maintain a stable financial foundation by:
 - Planning for infrastructure needs and sequencing of capital investments
 - Prioritizing efficiency and cost control measures as part of continual improvement and the Goal Share program



Sponsorships

Community and water sector support leverages CWS' work, nurtures the workforce, and builds strong relationships with partners. Budgeted items for FY 2025-26 total \$37,740:

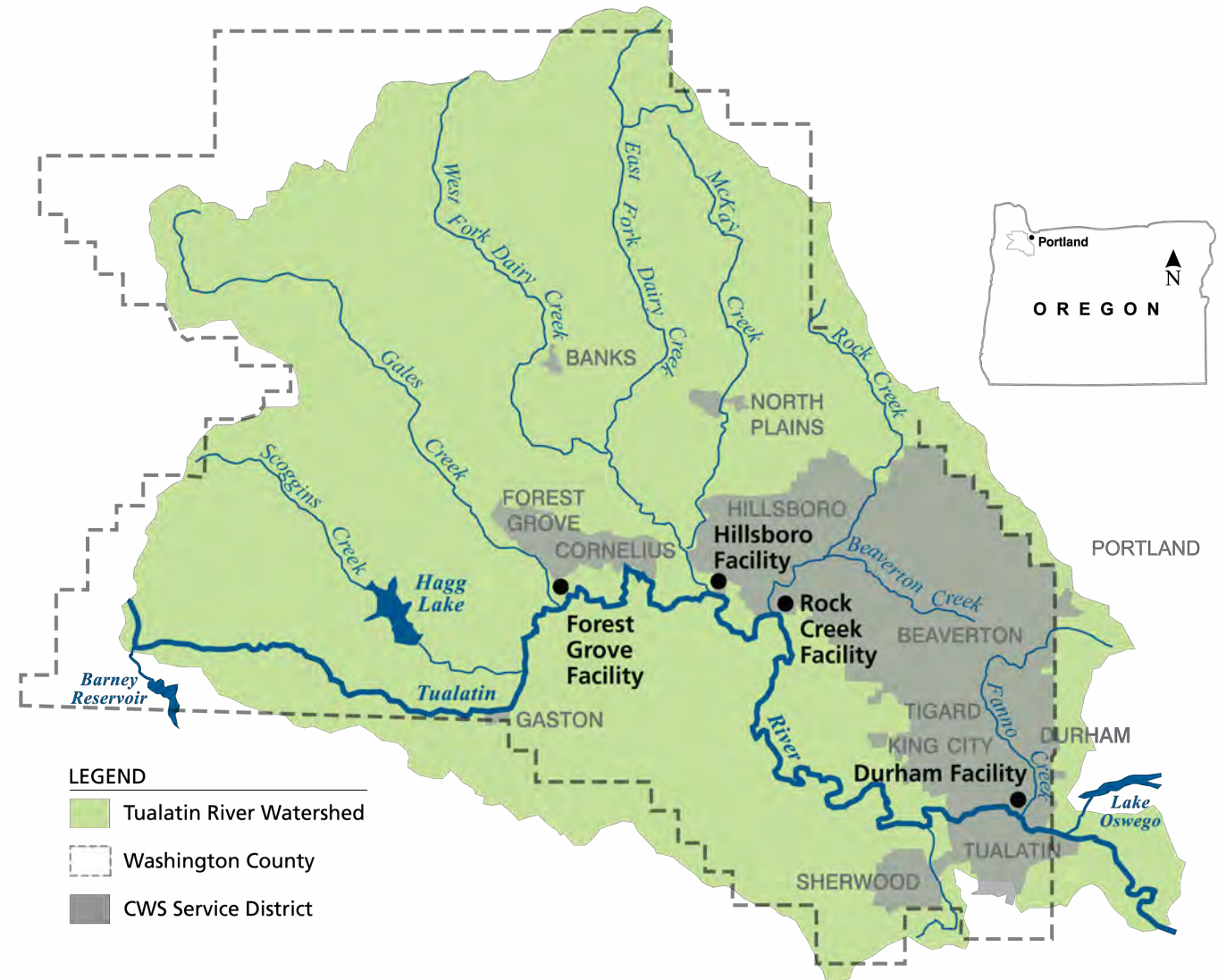
| | | | |
|--|----------|--|----------|
| American Society of Civil Engineers | \$ 500 | Rockwood Water PUD | \$ 1,000 |
| Centro Cultural | \$ 3,000 | Rogue Water | \$ 500 |
| Clearing Magazine | \$ 1,000 | The Intertwine Alliance Foundation | \$ 3,000 |
| Coalition of Oregon Trusts | \$ 2,500 | Tigard Festival of Balloons | \$ 450 |
| Community Action Organization | \$ 2,500 | Tualatin Riverkeepers – Green Heron | \$ 2,500 |
| Forest Grove School District | \$ 200 | Tualatin Riverkeepers – Discovery Day | \$ 5,000 |
| Friends of Tualatin National Wildlife Refuge | \$ 1,000 | WaterReuse Association | \$ 3,090 |
| Northwest Native Chamber | \$ 2,500 | Willamette Partnership | \$ 2,500 |
| Oregon Community Trees | \$ 1,500 | (Opportunity sponsorships as they arise) | \$ 5,000 |

Business Climate Strategy Focus

- Rebuild public trust
 - Increased internal fiscal controls, financial reporting to increase accountability and transparency for Board oversight and the public
 - Increased communication, public outreach, engagement, and comments on the actions taken for accountability and transparency
- Proactive management of all expenditures to ensure fiscal frugality through the lens of our customers and partners
- Closely manage expenditures impacted by inflationary costs
 - Chemical usage and cost increases
 - Electric and water utility rate increases
 - Material and construction cost increases
 - Personnel costs

Who Receives Services from CWS

- Regional only services
 - Beaverton, Cornelius, Forest Grove, Hillsboro, Sherwood, Tigard, Tualatin
- Regional services and local services
 - Urban unincorporated areas of Washington County and cities of Banks, Durham, Gaston, King City, North Plains
- Industrial services
 - All industrial customers in service area. Agreed-upon charges, right-of-way fees go to some cities



Regional Services

- Provided to all customers in service area:
 - Constructing, operating, maintaining treatment plants, sewage pump stations, pressure lines
 - Designing, building, maintaining sewer lines 24 inches and larger
 - Compliance reporting, oversight for National Pollutant Discharge Elimination System (NPDES) permit, including municipal separate storm sewer system (MS4)
 - Maintaining minimum stream flows
 - Service area restoration and enhancing stream corridors



Local Services

- Services to support operating and maintaining local collection system and 24-hour response:
 - Designing, building, maintaining, repairing sewer lines 21 inches and smaller
 - ❖ Cleaning, inspecting sewer pipes
 - Designing, building, maintaining, repairing local stormwater facilities
 - ❖ Sweeping streets
 - ❖ Maintaining water quality facilities
 - ❖ Cleaning catch basins, water quality manholes



Regulatory Compliance Strategy Focus

- Nearly midway through five-year cycle of current permit (effective January 1, 2023)
 - Increased monitoring and compliance standards
 - Increased compliance standards on air emissions impacted ability to operate Rock Creek co-generation equipment
 - Increased need for chemicals
 - Temperature changes
- Long-term strategy on permit of the future
 - Detailed plan for next permit
 - Adaptation strategies to address climate change impacts
- Increased engagement with partner cities to plan for requirements in the next permit
 - Detailed plan for next permit



People Strategy Focus

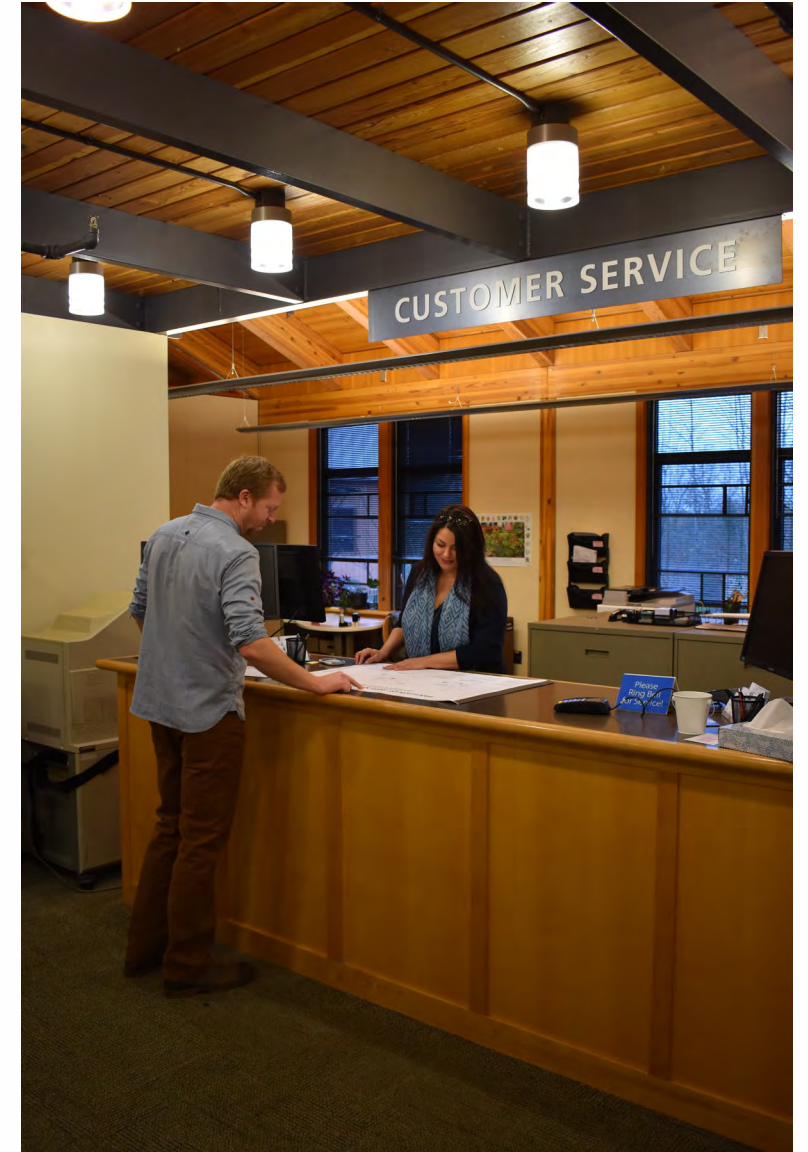
- Continue employee engagement and learning
- Remain competitive to recruit and retain talent
 - Complete pay equity analysis
 - Implement classification and compensation findings for nonrepresented employees
 - Begin negotiations on Collective Bargaining Agreement
- Continue to cultivate CWS culture to make the most of available resources by fostering creativity, innovation, and continual improvement
- Develop organizational succession plan for change in workforce
- Provide for office and building space to meet current and future needs



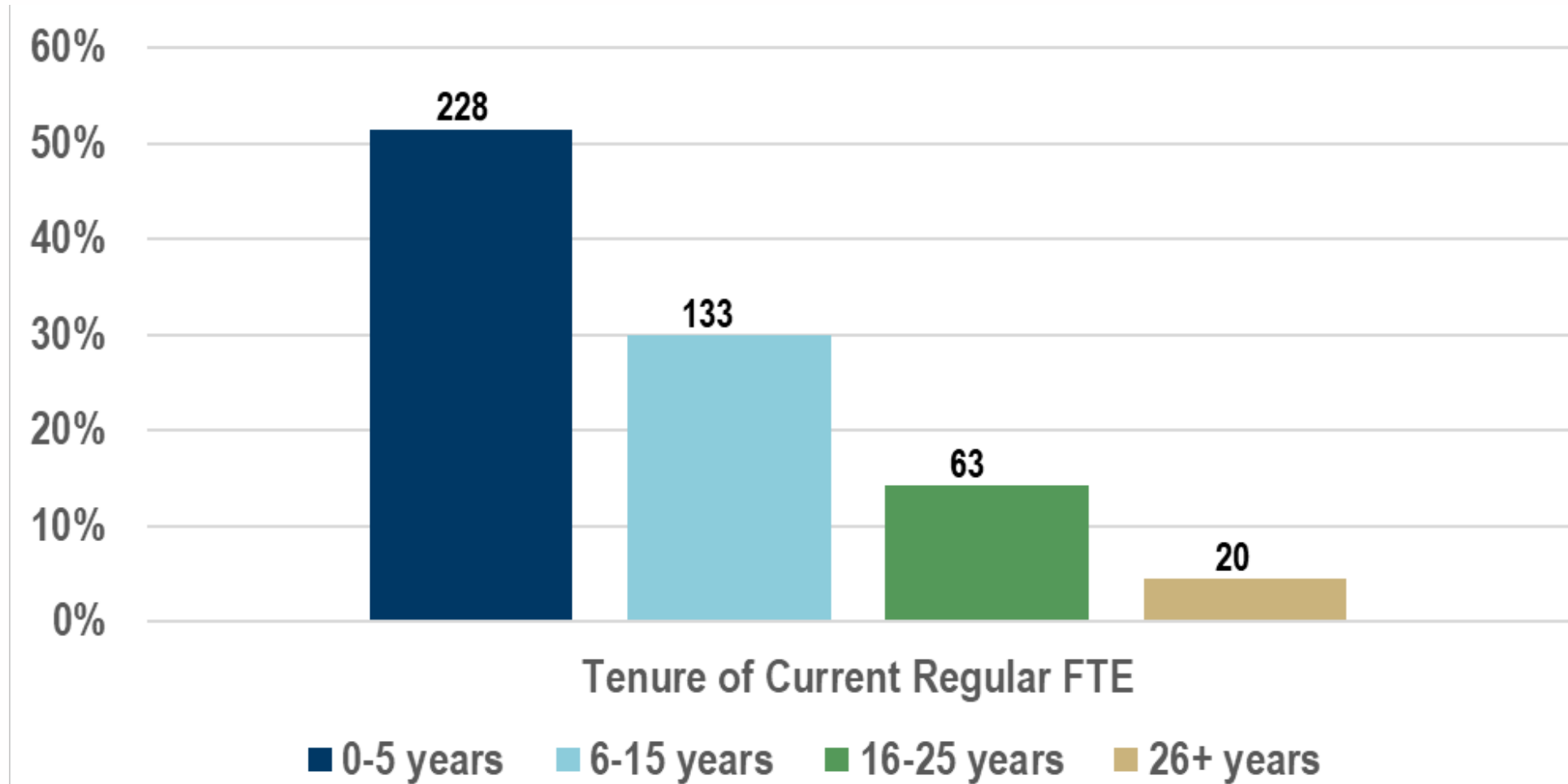
People Strategy Focus

- Provide office and building space to meet current and future needs for employees, customers, and business operations
- Project in construction phase
 - Research+Innovation+People+Labs (ripl) building
- Projects in design phase
 - Clean Water Central building
 - Springer building

More details provided in section on capital planning



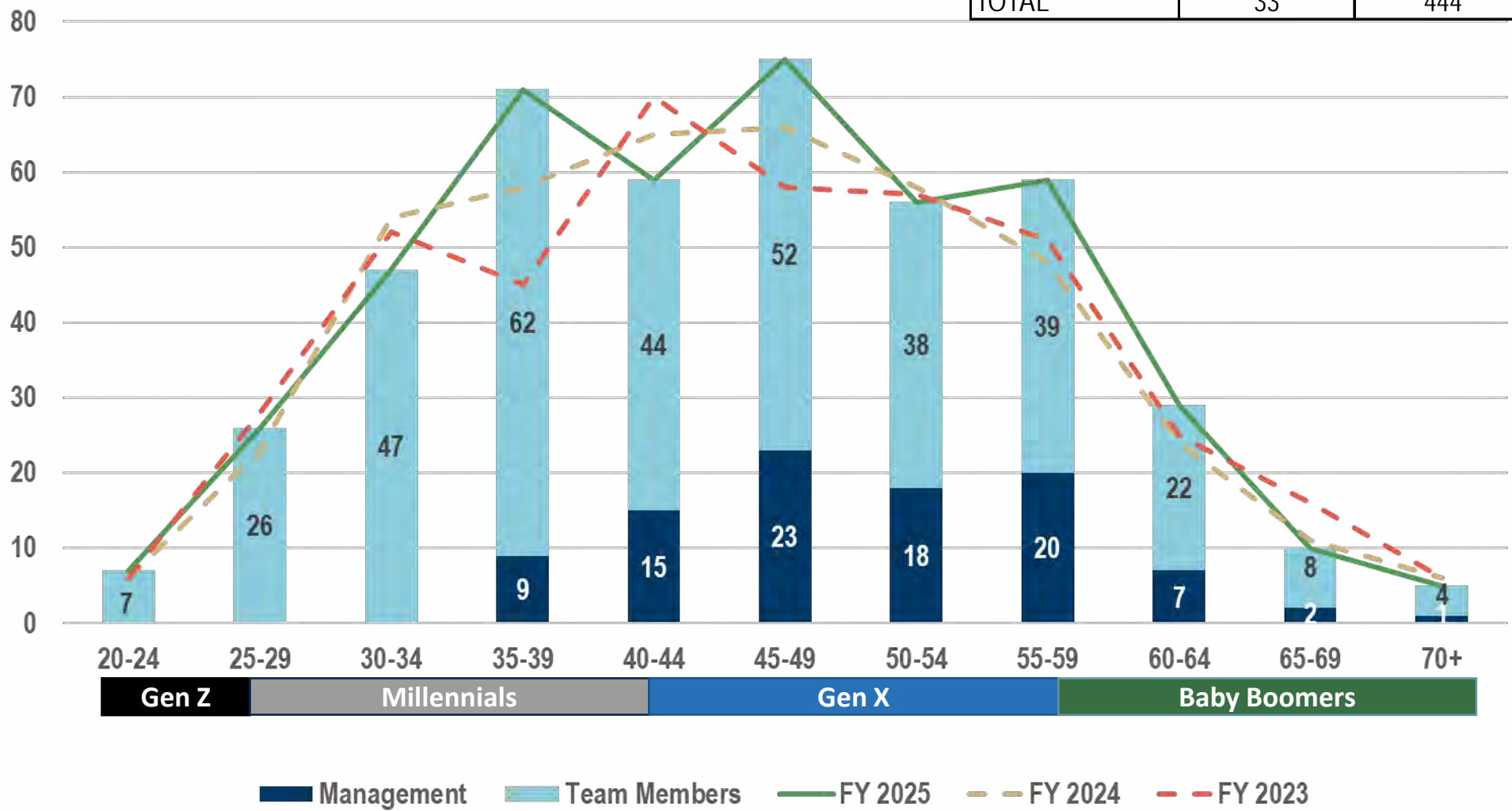
Employee Tenure



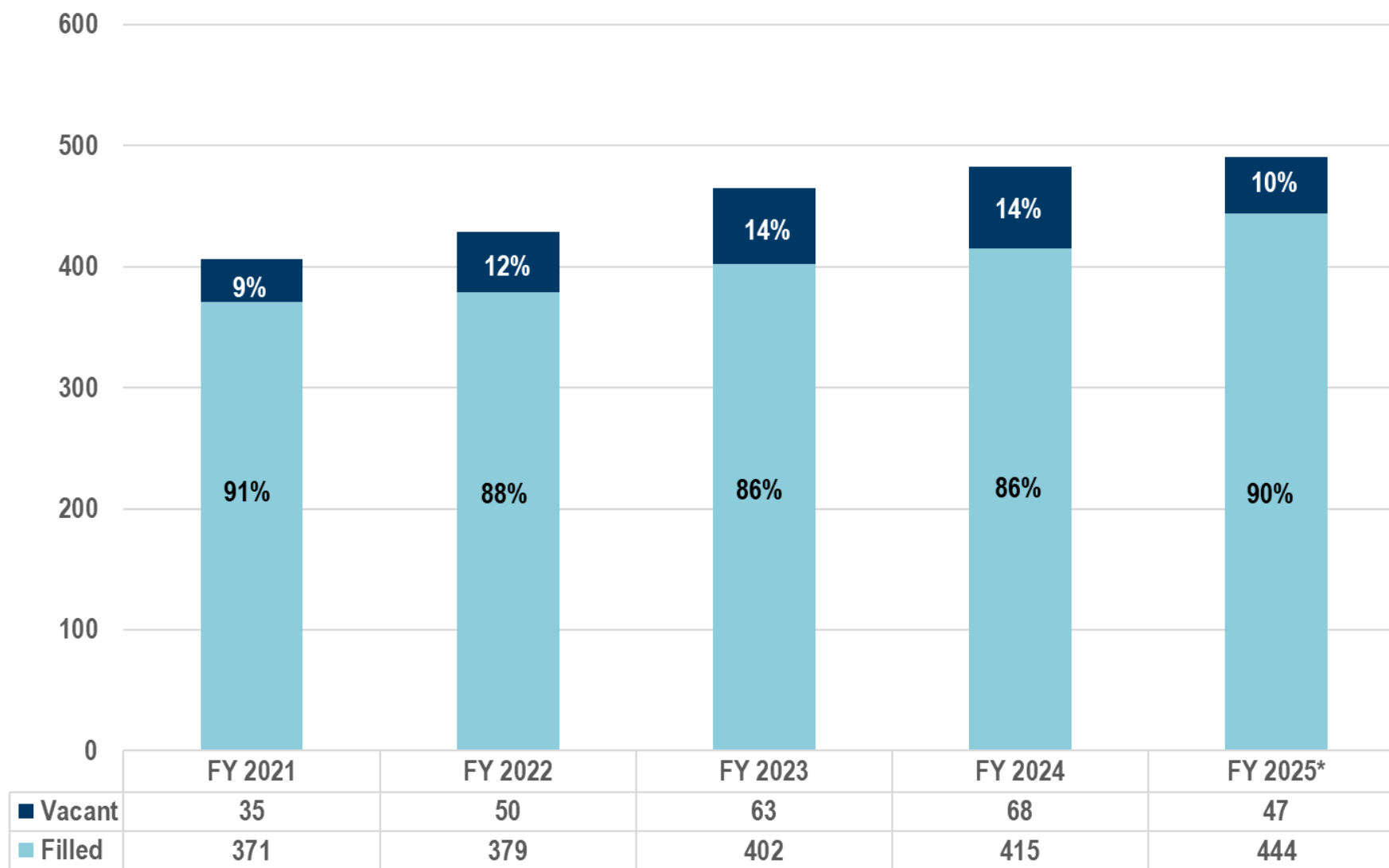
*FY 2025 data as of March 1, 2025

CWS Workforce

| | Eligible to Retire | # of Employees | Retirement % |
|-------------------|--------------------|----------------|--------------|
| Senior Leadership | 1 | 14 | 7.1% |
| Supervisors | 11 | 81 | 13.6% |
| Team Members | 21 | 349 | 6.0% |
| TOTAL | 33 | 444 | 7.4% |



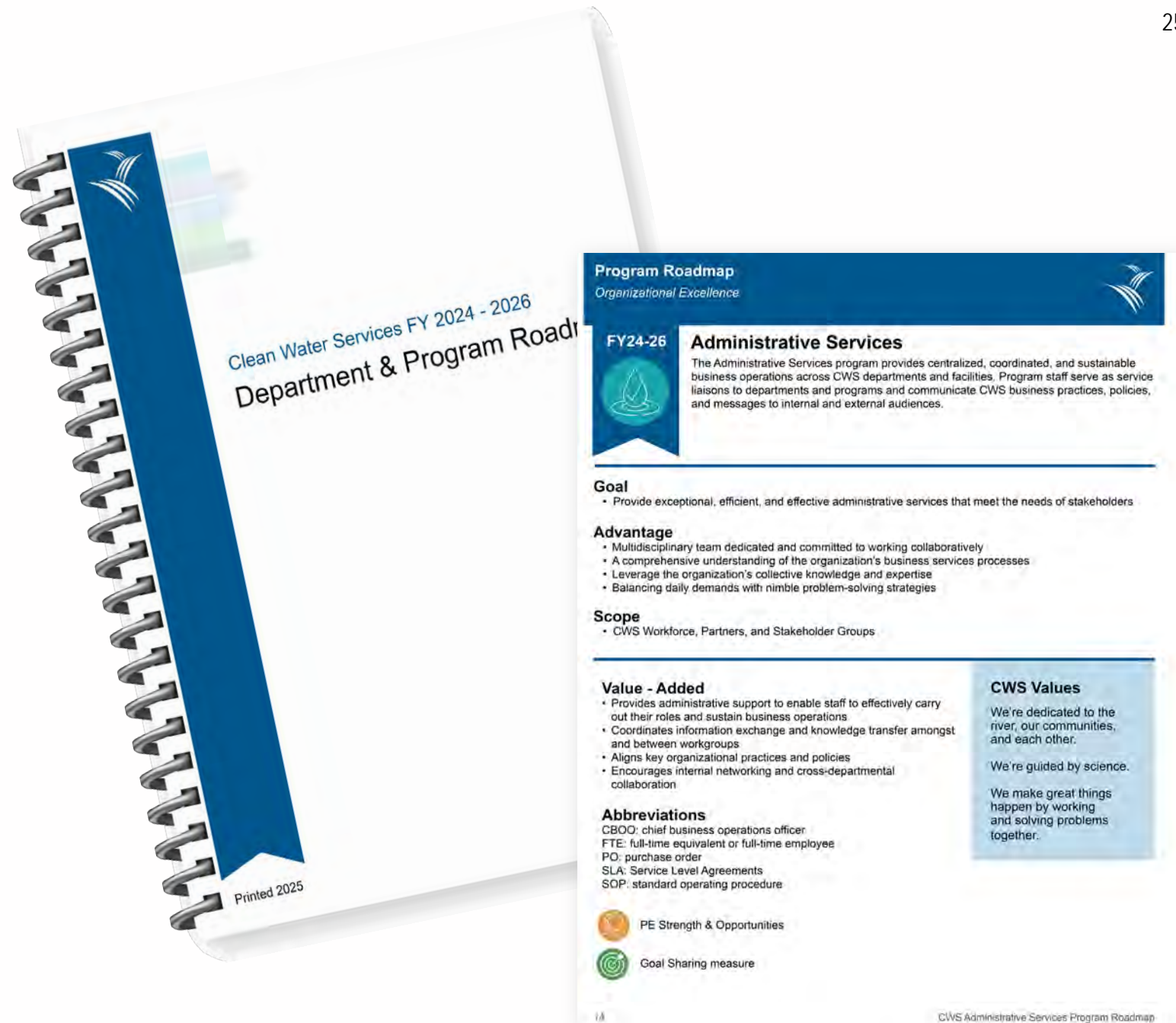
Staffing Levels FY 2020-21 - 2024-25



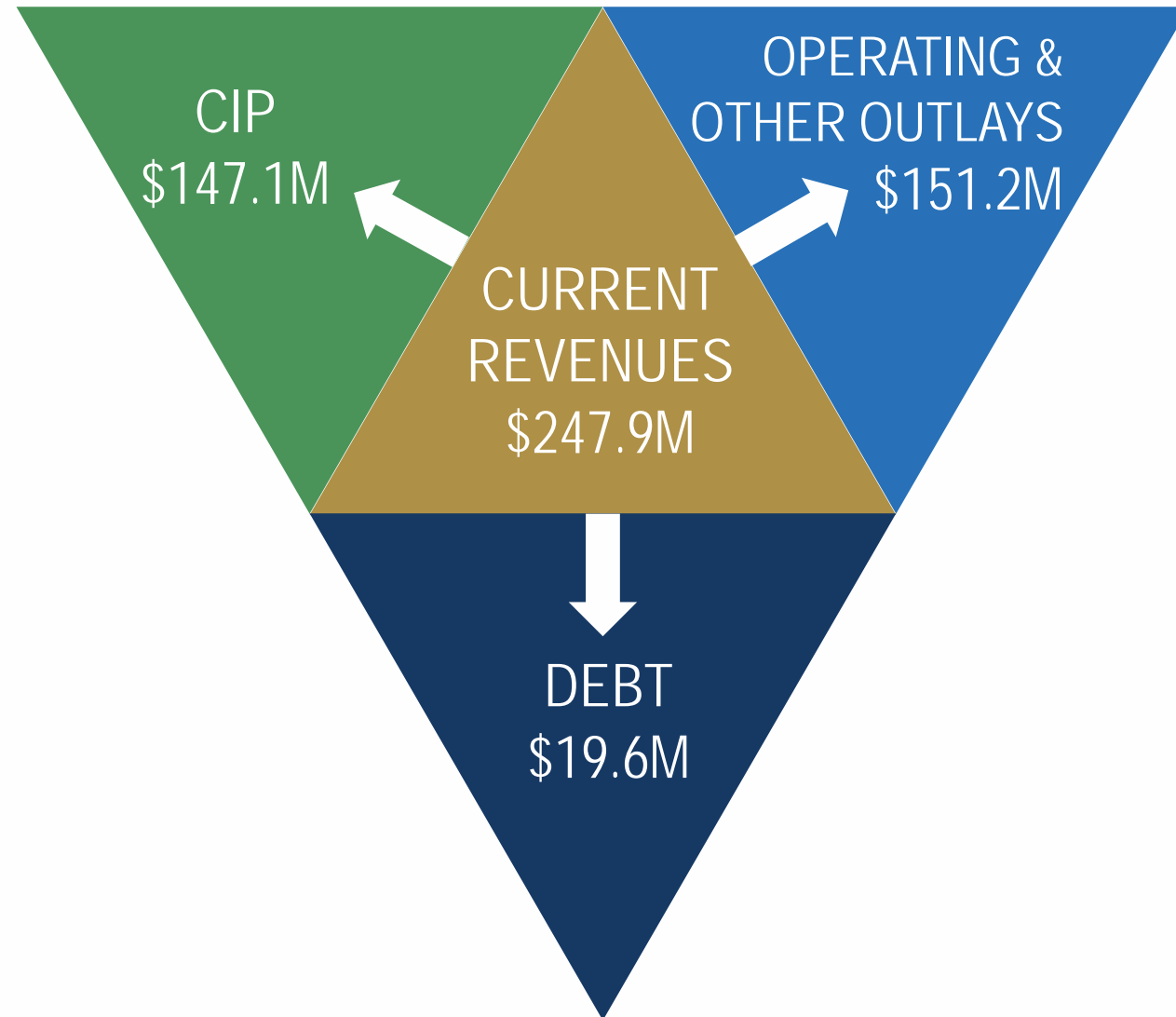
*FY 2025 data as of March 1, 2025

Strategic Planning

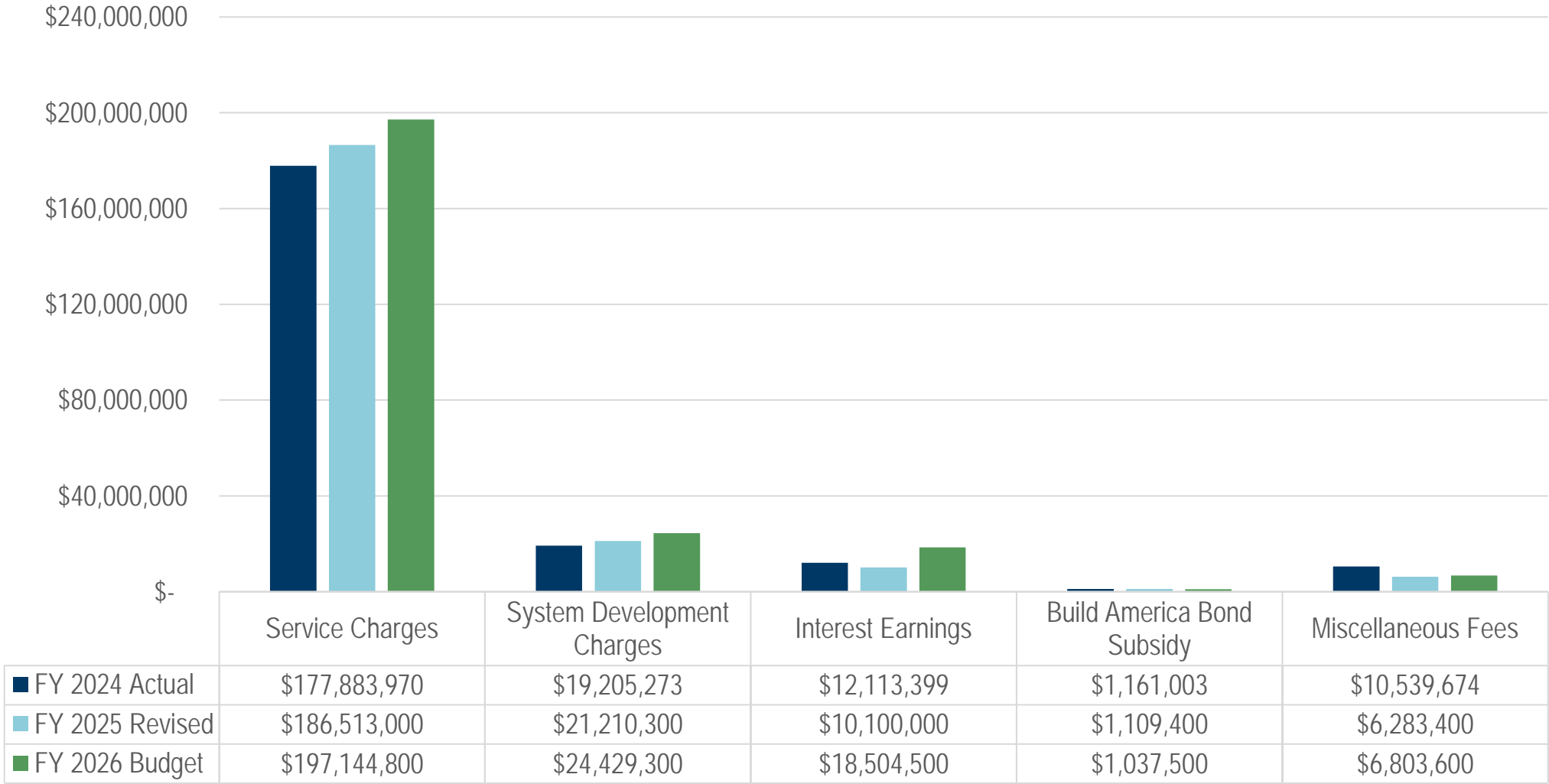
- Maturing roadmaps at strategic, department, and program levels
 - Evaluating business process maturity, organizational performance
 - Business process improvements link to Goal Share program



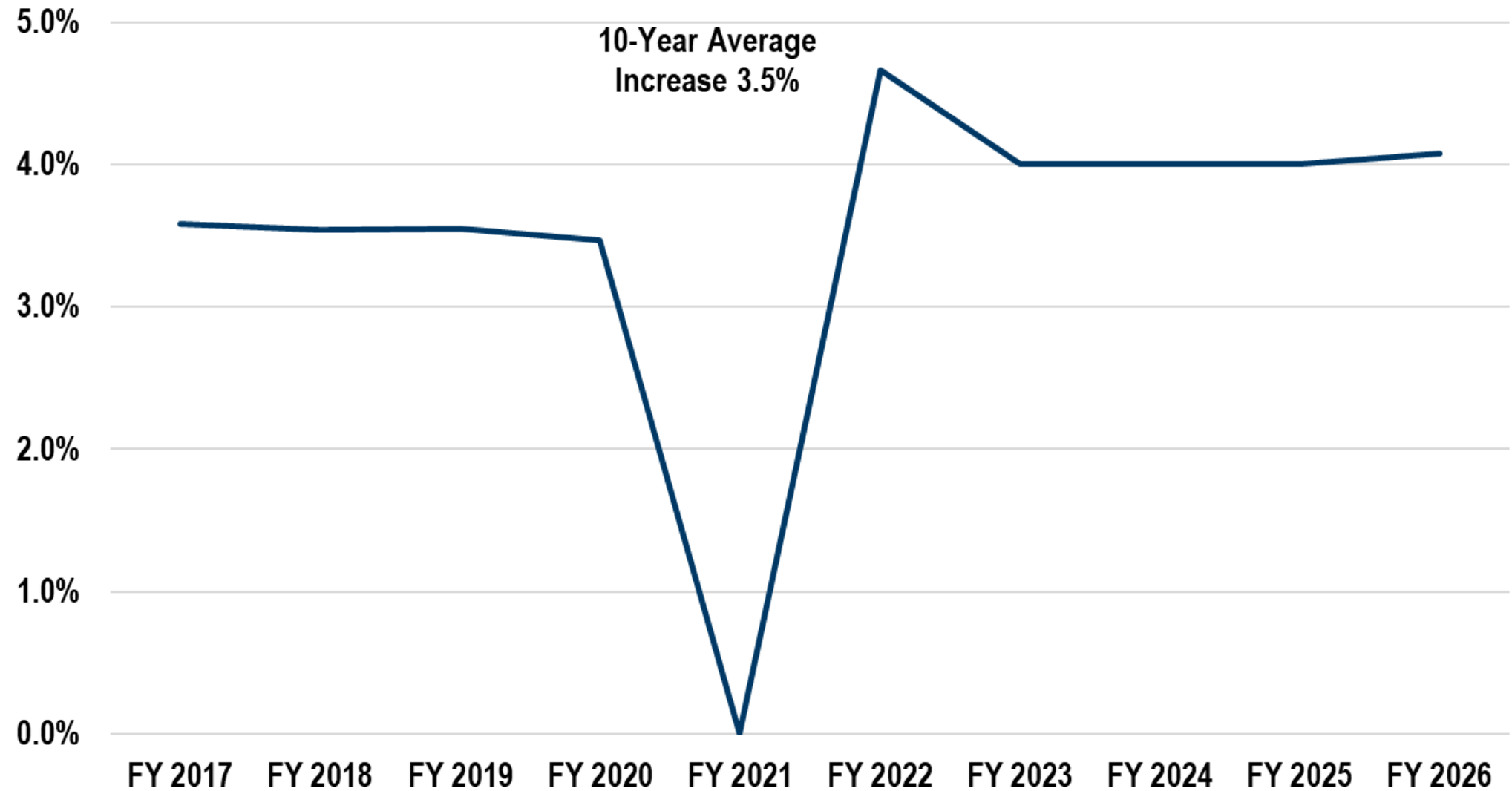
Financial Assumptions FY 2025-26



Revenue Trends

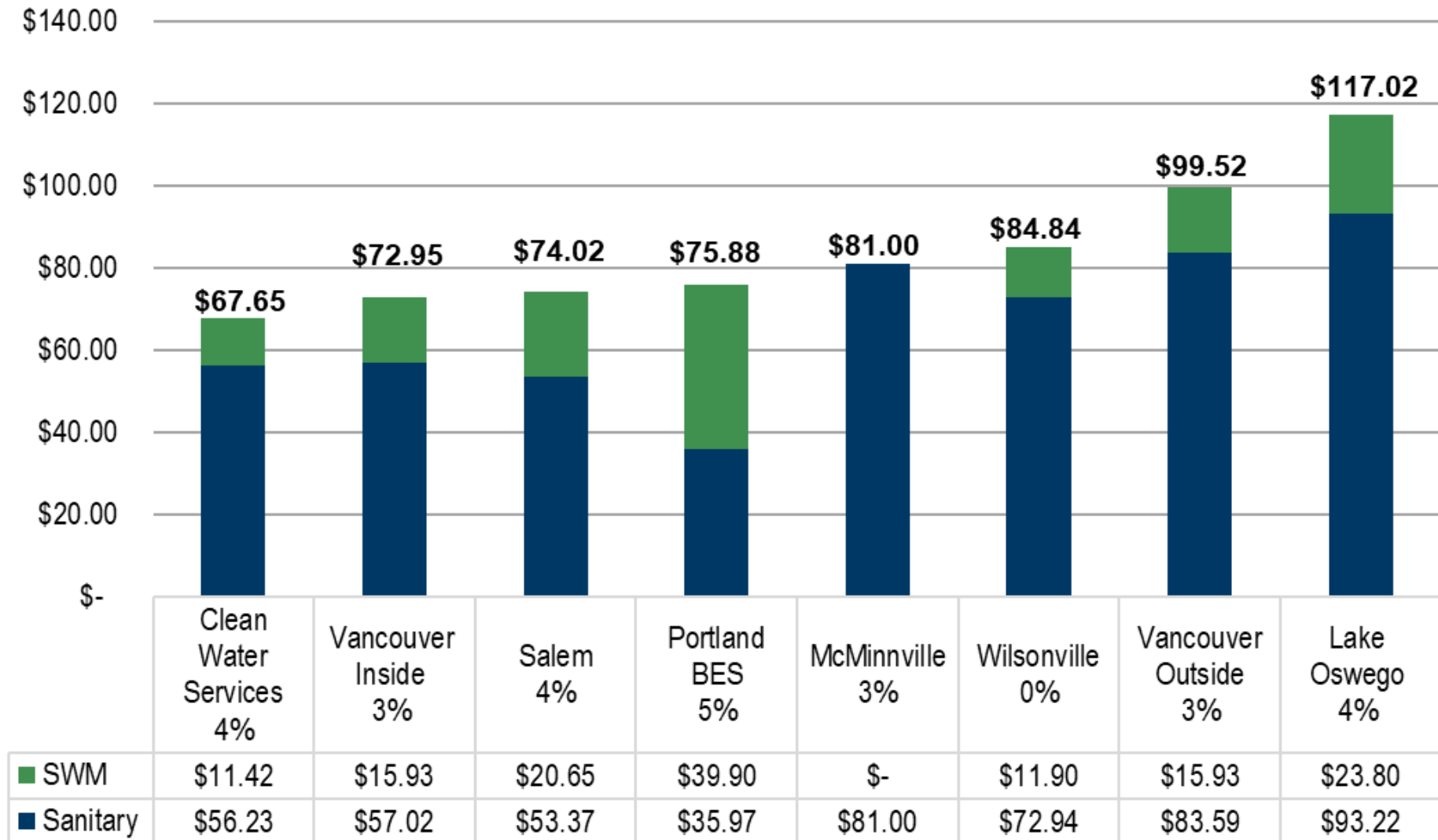


10-Year Combined Rate History

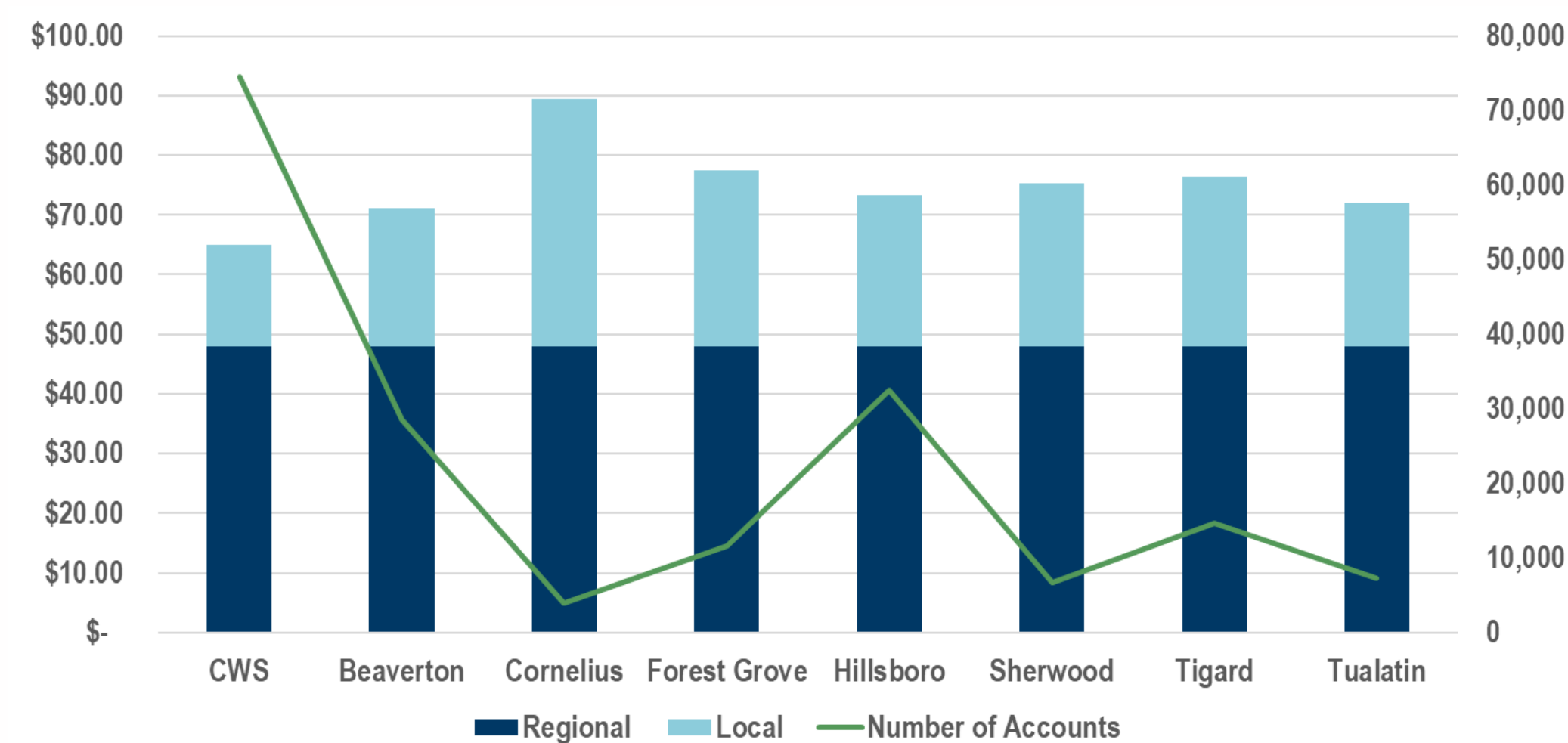


Estimated Comparable Rates

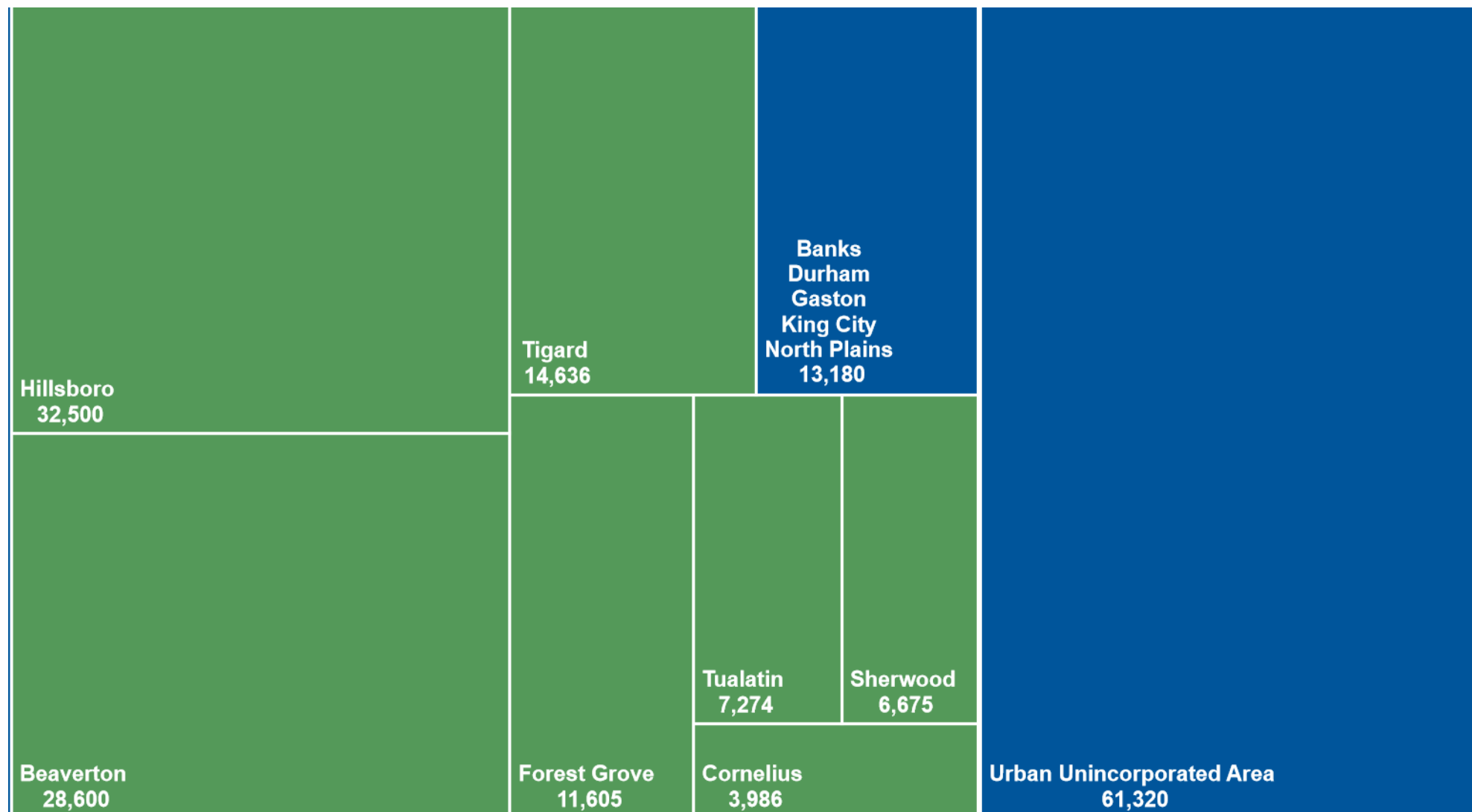
(at 800 cubic feet per month usage)



FY 2024-25 Combined Rate by Jurisdiction

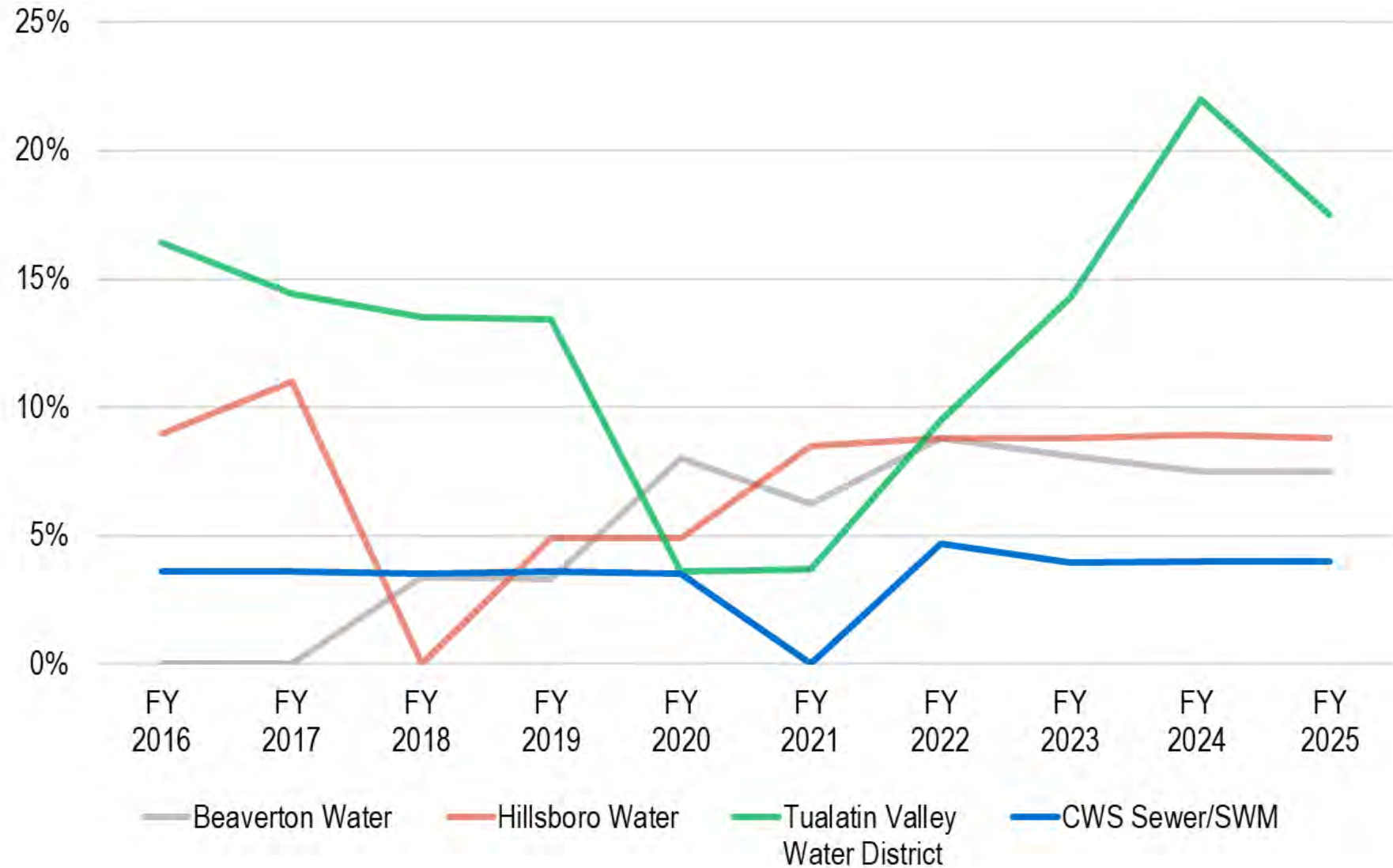


Number of Accounts Billed by Jurisdiction



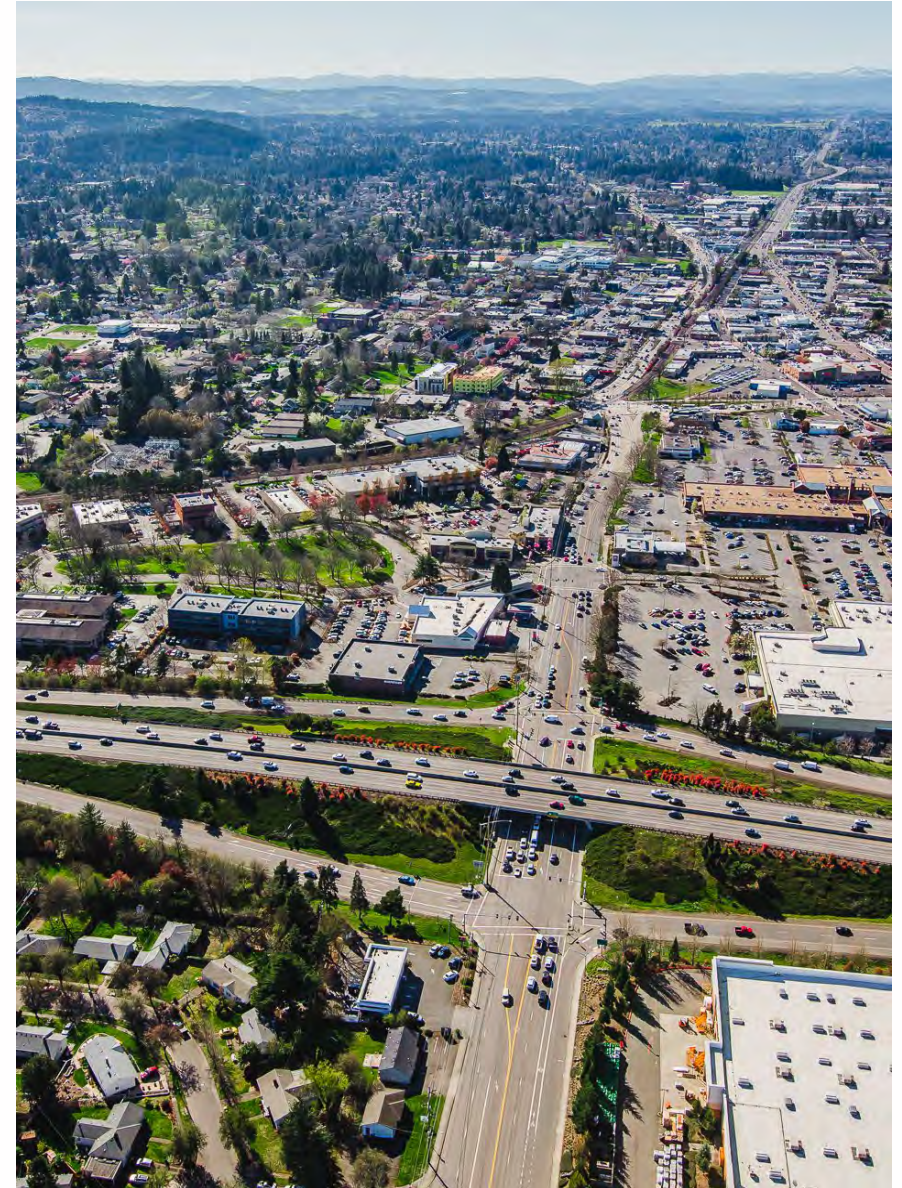
Total accounts billed FY 2023: 179,776

Rate Stabilization



FY 2025-26 Service Revenue

- Based on a proposed 4% rate increase
 - Subject to public hearing on June 17, 2025
- Average household billed by CWS will pay \$2.65 more per month
- 4% increase to regional sanitary sewer rate and regional surface water management (SWM) rate
 - All customers
- 4% increase to local sanitary sewer rate and local SWM rate
 - Customers in urban unincorporated areas and direct service cities

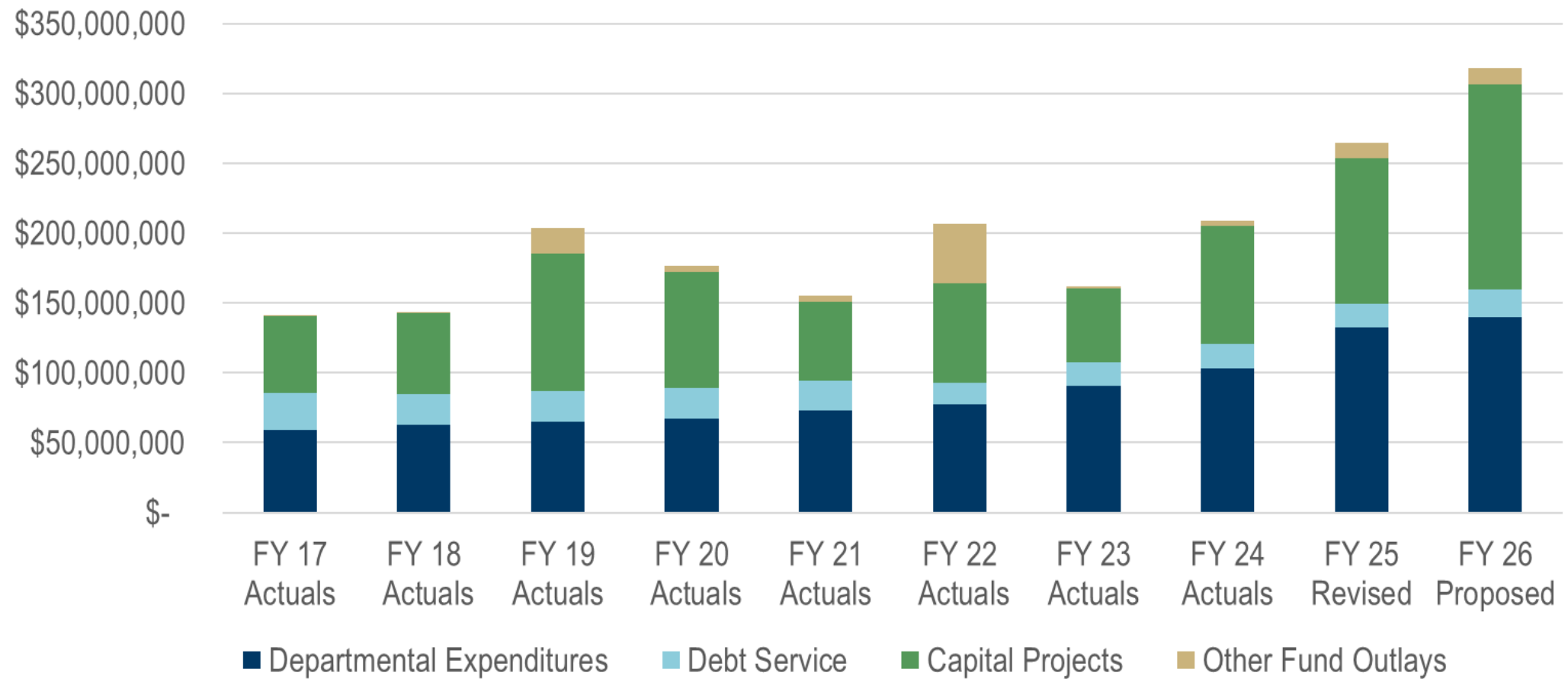


FY 2025-26 System Development Charge Revenue

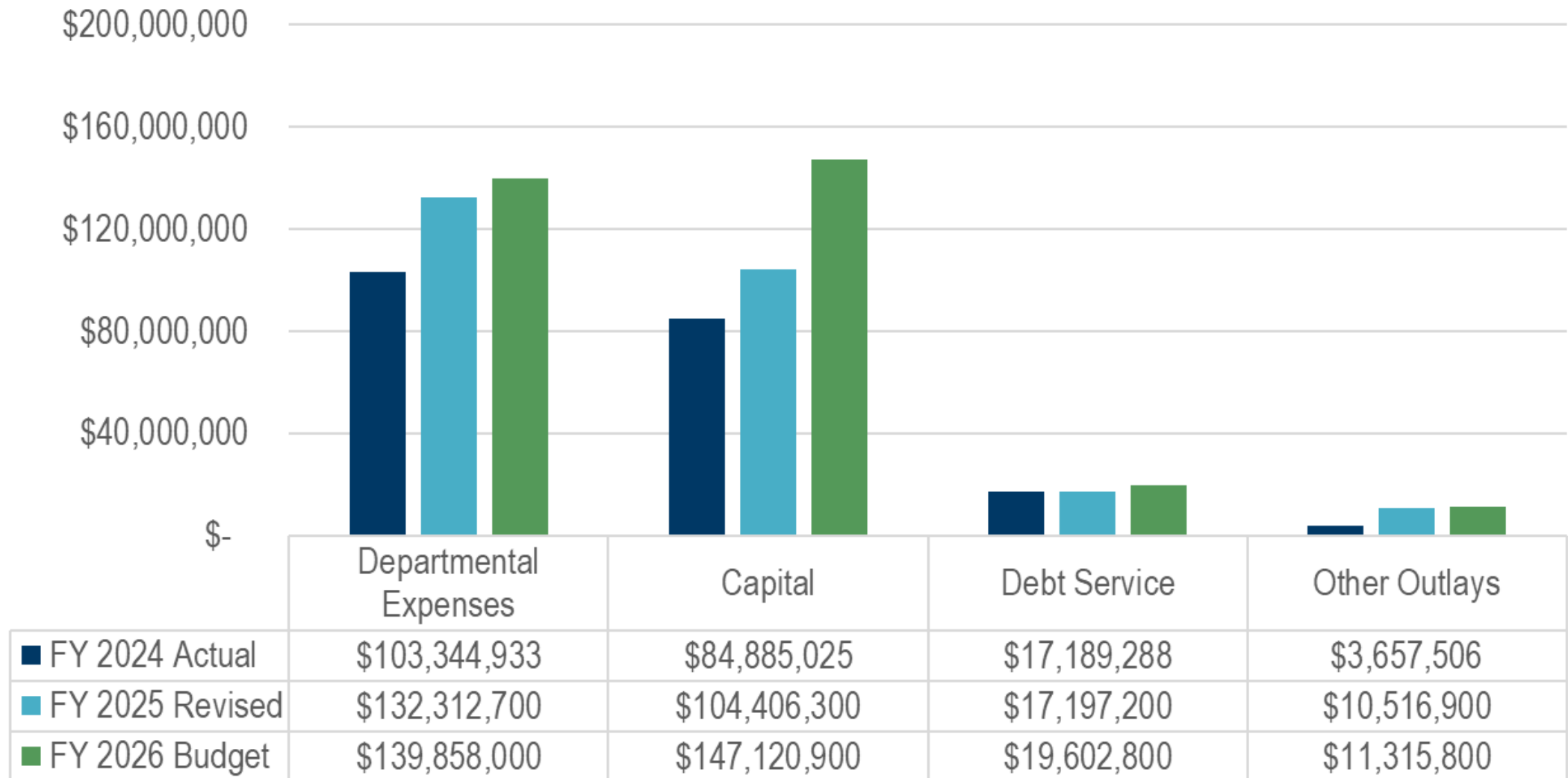
- Based on a proposed 1.9% rate increase
 - Subject to public hearing on June 17, 2025
- Sanitary System Development Charge (SDC) increase of \$130 for a total of \$7,139 per Equivalent Dwelling Unit
- SWM SDC increase of \$13 for a total of \$691 per Equivalent Service Unit



Annual Total Expenditures



Expenditure Trends



Total Proposed Expenditures

- \$317.9 million
 - \$42.7 million increase in Capital Improvement Program (CIP) budget
 - \$7.5 million increase in operating budget
 - \$2.4 million increase in debt service
 - \$798,900 increase in other fund outlays



Proposed Operating Budget

- \$6.5 million Personnel Services increase
 - 7.9% increase
 - ❖ 4 new positions in FY 2025-26
 - ❖ Reflects the full year of the 12 positions added FY 2024-25
 - ❖ Includes PERS employer contribution rate increase fiscal impact of \$3.2 million
 - ❖ Cost-of-living adjustment and performance-based pay included in budgeted wages

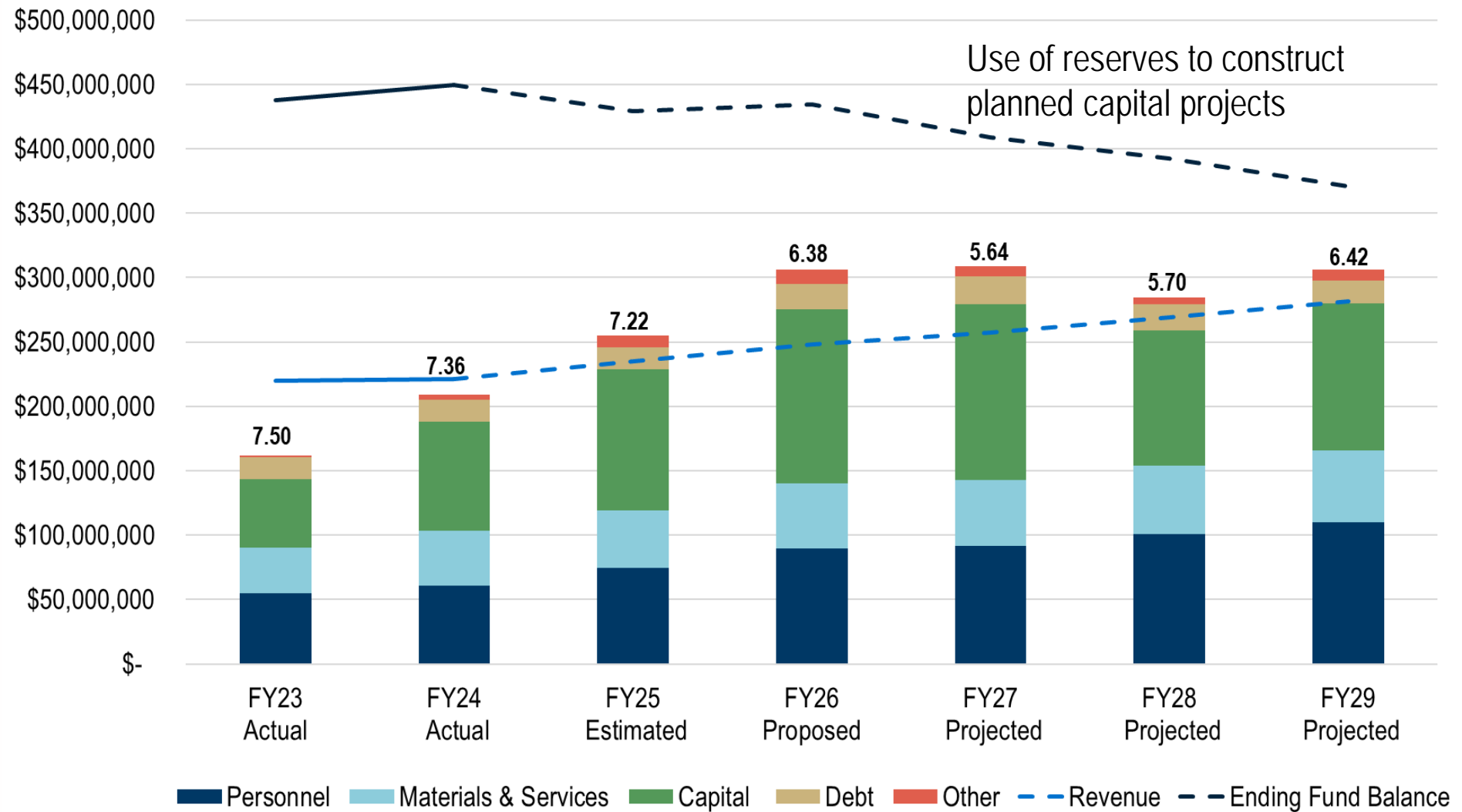


Proposed Operating Budget

- \$996,000 Materials and Services increase
 - 2.0% increase
 - ❖ Software licenses
 - ❖ Other government services
 - Joint billing with Tualatin Valley Water District
 - ❖ Electricity and water

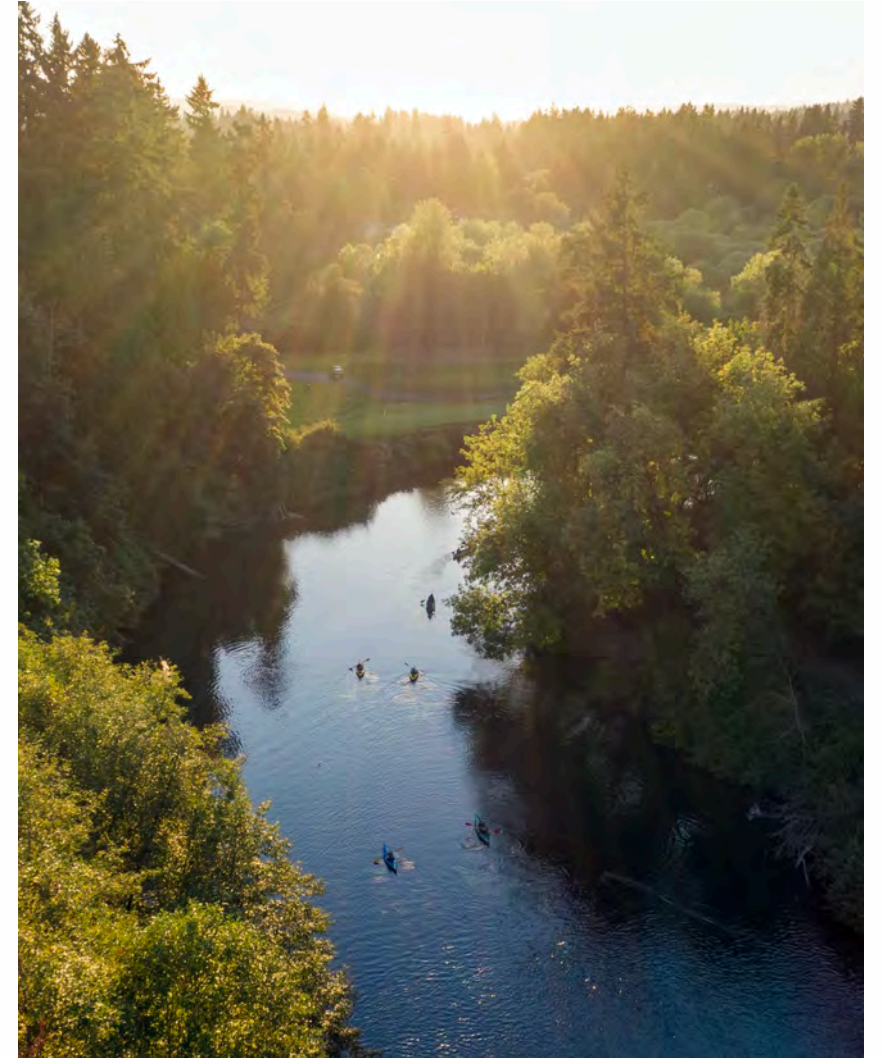


Financial Forecast: 4% Annual Rate Increases



Fund Balance and Reserves

- Ensure against fiscal stress experienced by CWS in FY 2007-08
- Grow reserves over time to better align with best practices of comparable sewer/stormwater utilities
- Maintain adequate capacity to issue debt at low interest rates
- Keep rate increases in line with inflation
- Guard against need to spike rates when financing the construction of large infrastructure projects



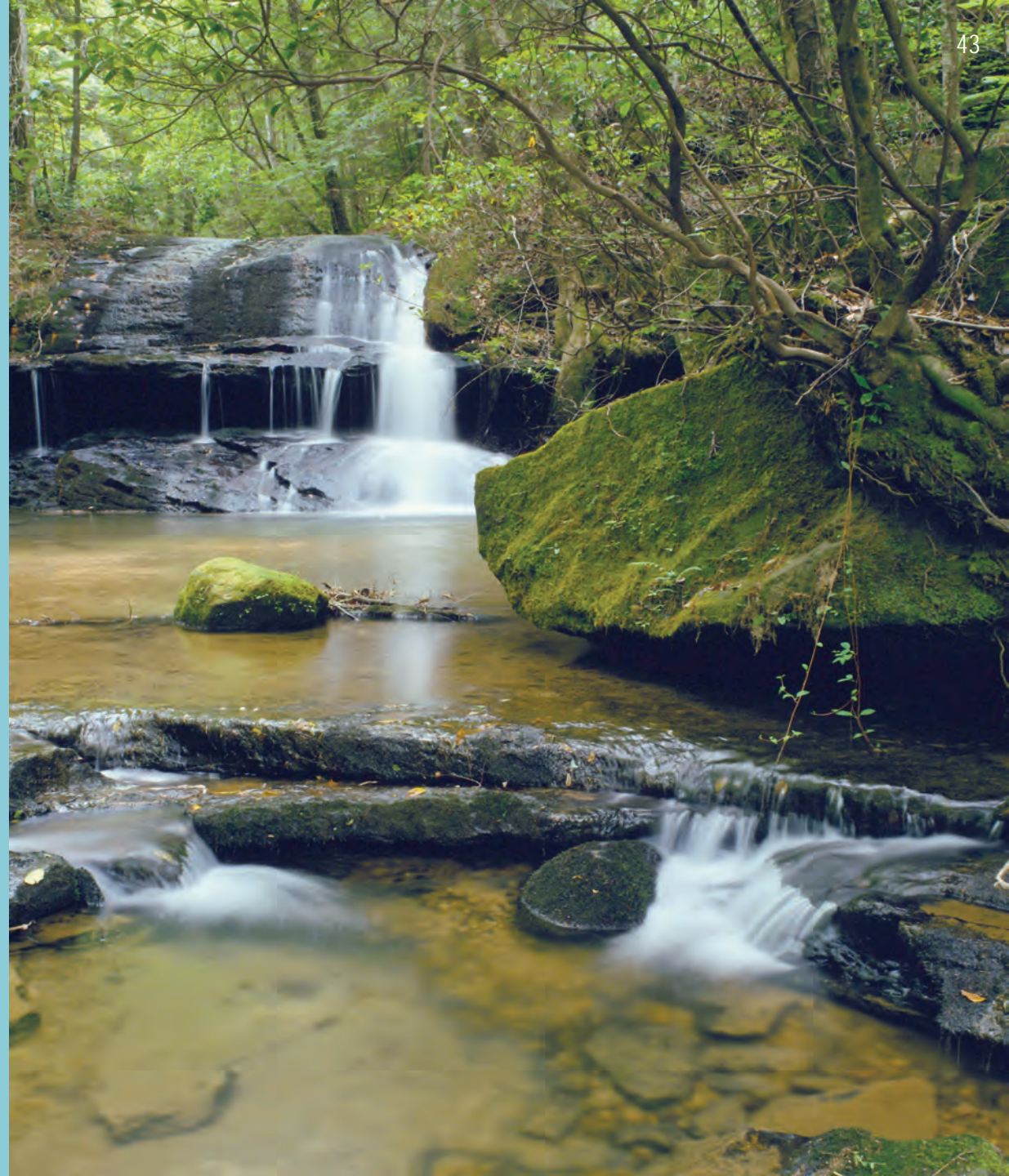
FY 2025-26 Budget Public Comments



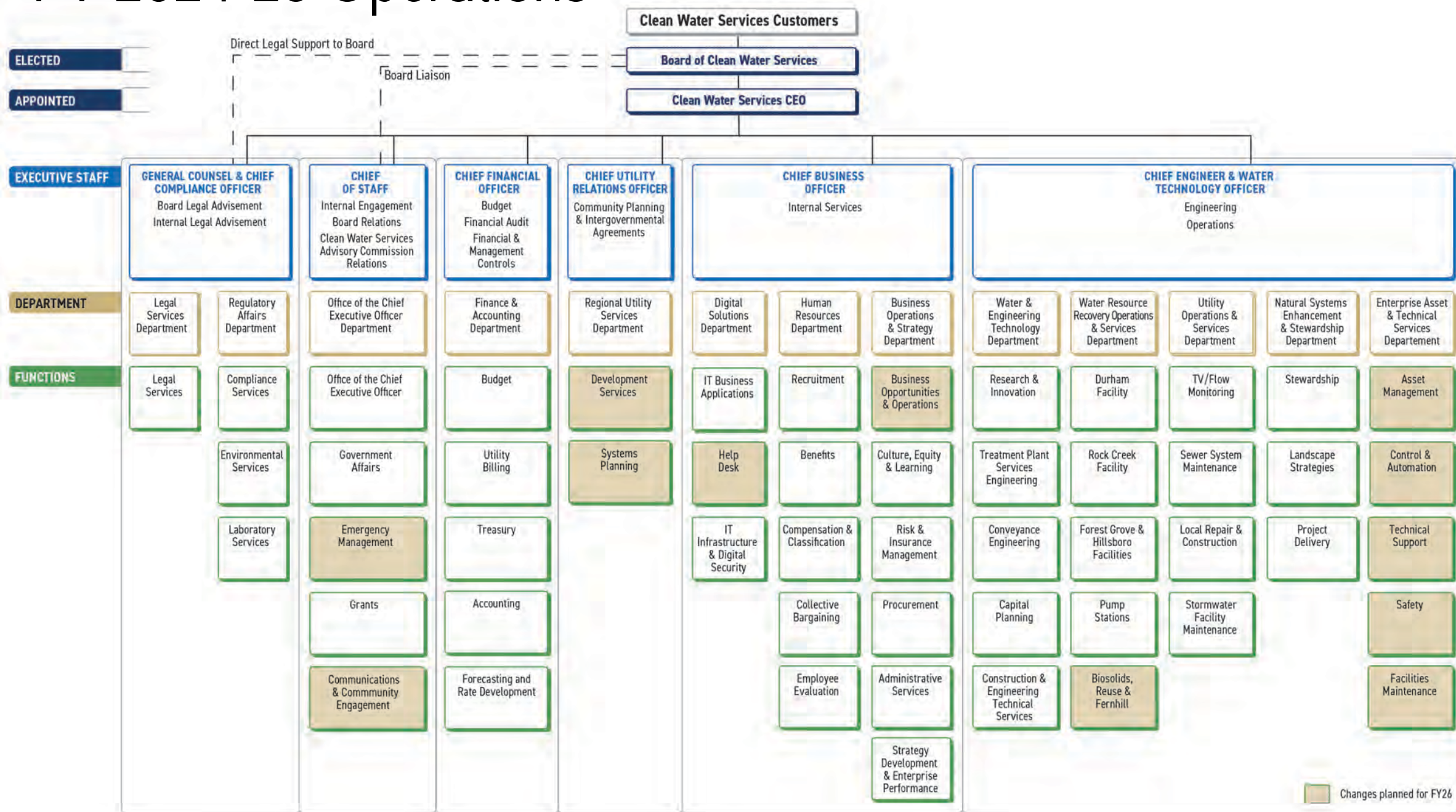
Break

FY 2025 - 2026
Budget Presentation

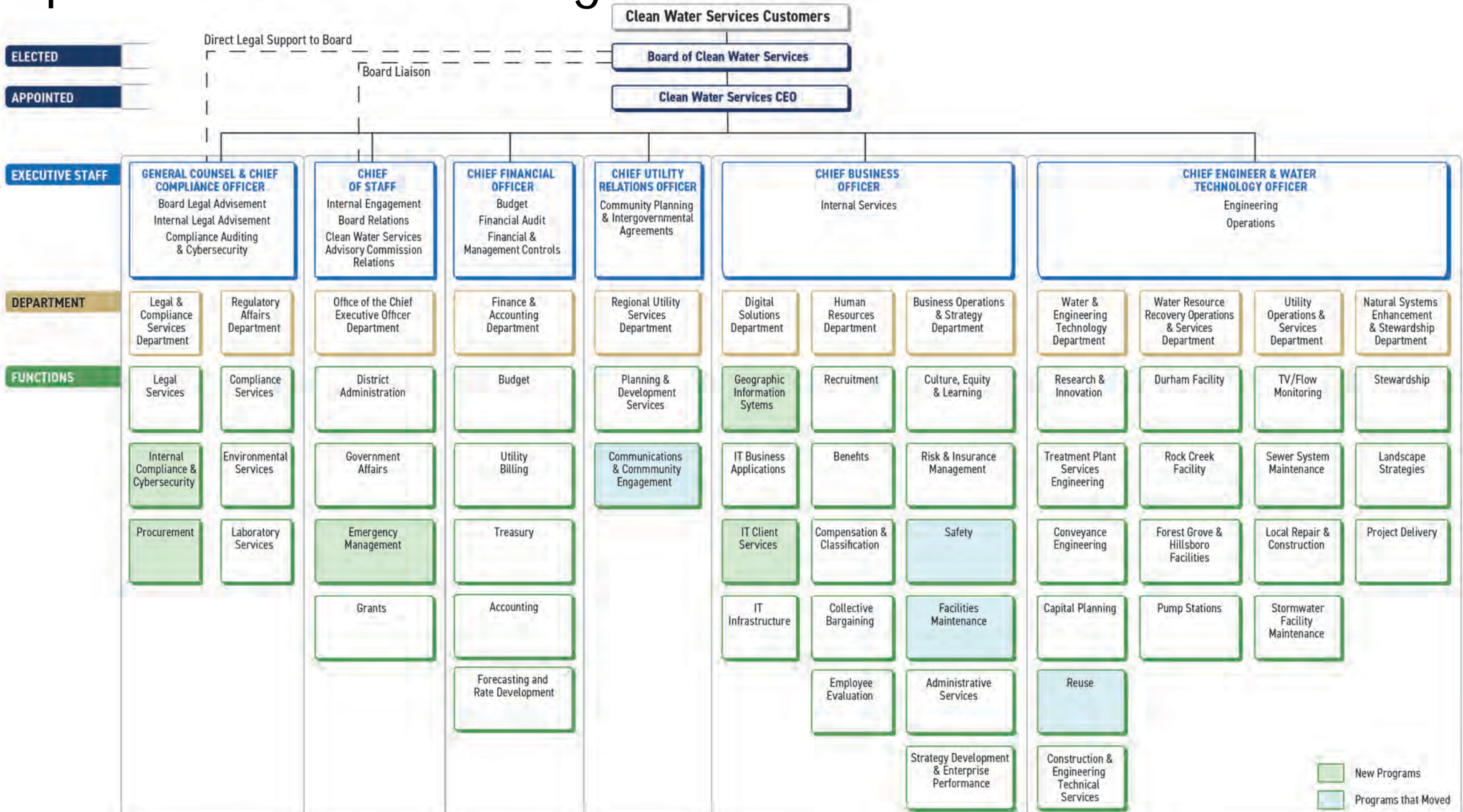
May 9, 2025



FY 2024-25 Operations



Operational Streamlining FY 2025-26



Budget Change for Cost Allocation

- All executive staff are onboarded and budgeted in the cost centers of the departments and functions they are assigned to oversee
 - **Chief of Staff:** Government Affairs in Office of the CEO
 - **Chief Business Operations Officer:** Strategy Development & Enterprise Performance in Business Operations & Strategy (BOS)
 - **Chief Financial Officer:** Finance & Accounting
 - **General Counsel & Chief Compliance Officer:** Legal Services in Legal & Compliance Services
 - **Chief Utility Relations Officer:** Administration in Regional Utility Services (RUSD)
 - **Chief Engineer & Water Technology Officer:** Administration in Water & Engineering Technology (WET)



Organizational Changes for Oversight and Efficiency

- General Counsel & Chief Compliance Officer oversight:
 - Procurement: Functions transferred to Legal & Compliance Services from Business Operations & Strategy and program implemented for increased legal oversight in contracting
 - Internal Compliance & Cybersecurity: Functions aligned in FY 2024-25 and program implemented in FY 2025-26
- Chief Utility Relations Officer oversight:
 - Communications & Community Engagement: Program has been under Chief Utility Relations Officer since 2023
 - Planning & Development Services: Combined two programs (Development Services and Systems Planning) for efficiency and management of resources



Organizational Changes for Oversight and Efficiency

- Chief Engineer & Water Technology Officer oversight:
 - Sunset Enterprise Asset & Technical Services (EATS) department: Streamline decision-making for asset management, capital planning, engineering, and operations and maintenance
 - Reuse: Transferred program to Water & Engineering Technology for oversight of reuse and recovery activities external to water resource facility operations and maintenance
- Chief Business Operations Officer oversight:
 - Sunset EATS to streamline organization functions
 - Safety: Transferred program to manage safety with risk management and insurance
 - Facilities Maintenance: Transferred program to manage building maintenance needs as an organizational function
 - Digital Solutions department:
 - ❖ IT Client Services: Refocused technical help desk to align with best practices.
 - ❖ Geographic Information Systems: Realigned staff in Digital Solutions, Regional Utility Services, Natural Systems Enhancement & Stewardship, implementing GIS functions into one unified group

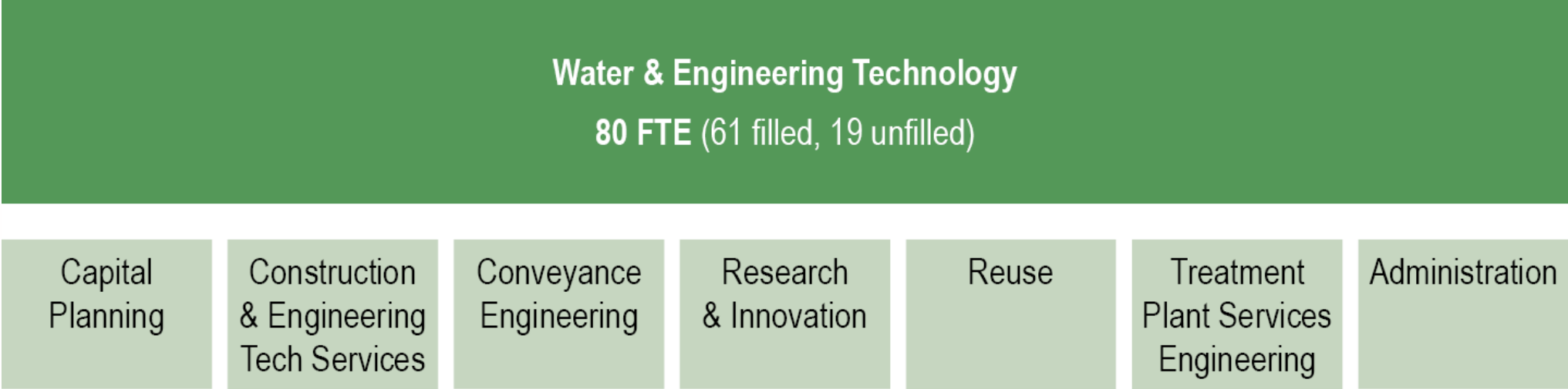


Functional Areas

- Engineering Services functional area
 - Water & Engineering Technology
- Utility Operations functional area
 - Utility Operations & Services
 - Water Resource Recovery Operations & Services
 - Natural Systems Enhancement & Stewardship
- Business Services functional area
 - Office of the Chief Executive Officer
 - Regional Utility Services
 - Legal & Compliance Services
 - Regulatory Affairs
 - Finance & Accounting
 - Business Operations & Strategy
 - Digital Solutions
 - Human Resources



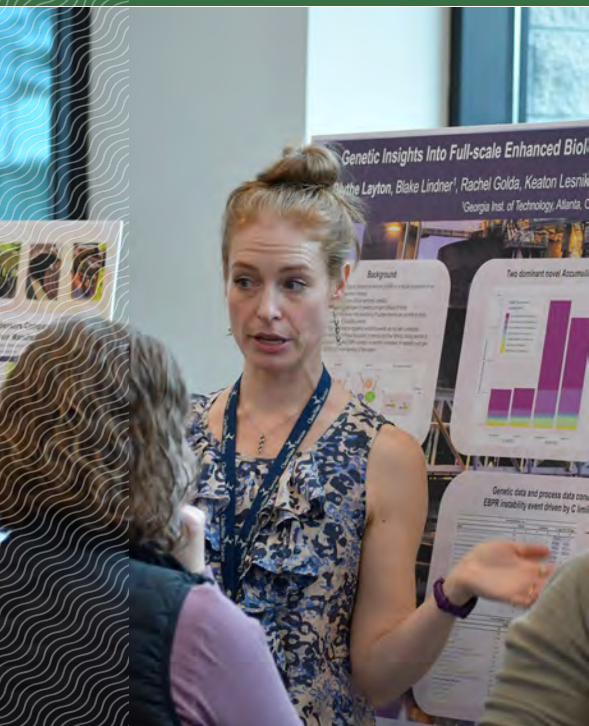
Engineering Services Functional Area



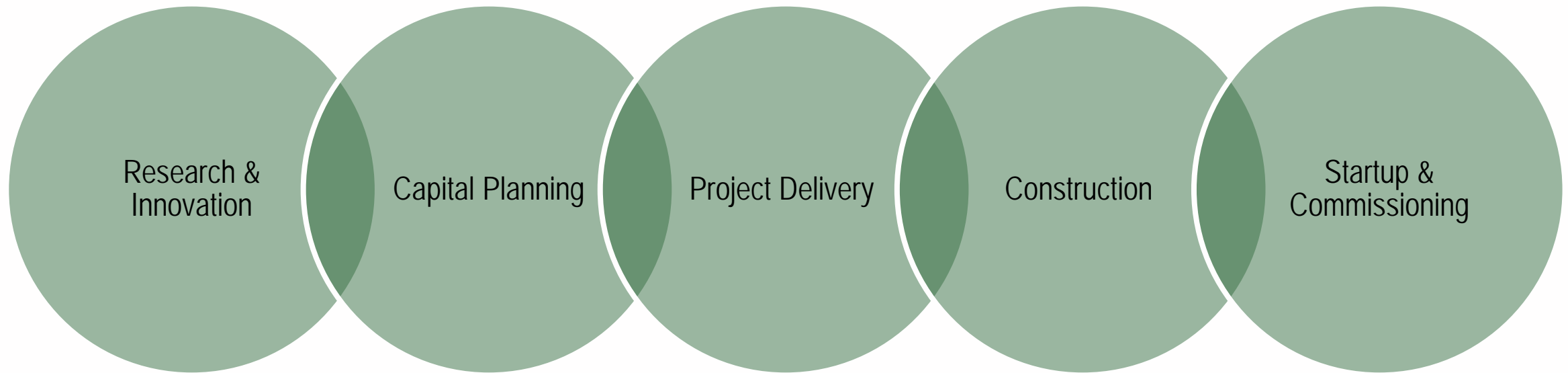
Engineering Services Functional Area

Water & Engineering Technology Department

BUDGET PAGES 233-249 | ROADMAP PAGES 155-191



Department Integrates All Project Phases



Water & Engineering Technology FTE

Capital Planning 8 FTE

- Master planning
- Permitting, easements
- Capital Improvement Plan development

Construction & Engineering Support 7 FTE

- Construction management
- Inspection
- CAD and 3D modeling

Conveyance Engineering 6 FTE

- Large diameter conveyance program
- Pump station program
- Inflow and infiltration abatement program

Reuse 6 FTE

- Biosolids
- Recycled water
- Natural treatment systems

Research & Innovation 18 FTE

- Conduct research to support compliance & operations
- Develop innovative technologies
- Modeling and advanced analyses
- Provide capital planning support for conveyance and treatment

Treatment Plant Services 28 FTE

- Deliver WRRF capital improvements projects
- Upgrade existing processes
- Asset condition assessment, replacement, renewal and maintenance planning
- Mechanical, electrical, instrumentation engineering services
- Develop standards for design and construction, assist commissioning and startup

Administration 7 FTE

- Management
- Performance excellence
- Regulatory compliance



WET Budget Drivers

- Personnel Services increased \$5.9 million, or 106%
 - 1 new FY26 FTE: Field Engineer in Treatment Plant Services
 - 25 FTE transfer in from Enterprise Asset & Technical Services (EATS), Office of the CEO, Water Resource Recovery Operations & Services (WRRD)
- Materials and Services increased \$2.7 million, or 284%
 - Proposed Travel and Training budget
 - ❖ \$132,800, or 4% of Materials and Services budget
 - Proposed Meals and Refreshment budget
 - ❖ \$2,200, or .06% of Materials and Services budget
 - Reuse program transfers in from WRRD
 - Functions transfer from EATS
 - ❖ Asset management
 - ❖ Control systems
 - ❖ Technical support

Water & Engineering Technology Budget

| Departmental Expenditure Summary | FY 2023 Actual | | FY 2024 Actual | | FY 2025 Revised Budget | FY 2026 Proposed | Change from FY 2024-25 Budget |
|-------------------------------------|-------------------|------|-------------------|------|------------------------------|---------------------|-------------------------------------|
| Personnel Services | \$ | 0 | \$ | 0 | \$ 5,558,800 | \$ 11,463,200 | 106% |
| Materials & Services | | 0 | | 0 | 964,000 | \$ 3,697,800 | 284% |
| Total Department Budget | \$ | 0 | \$ | 0 | \$ 6,522,800 | \$ 15,161,000 | 132% |
| Full-Time Equivalent (FTE) | | 0.00 | | 0.00 | 54.00 | 80.00 | 48% |

Added to WET

- Budgets for Administration, Control Systems, Technical Support, and Asset Management in EATS (now dissolved)
- Budget for Reuse in WRRD
- 1 new FTE
- 25 FTE transfer from OCEO, EATS, WRRD

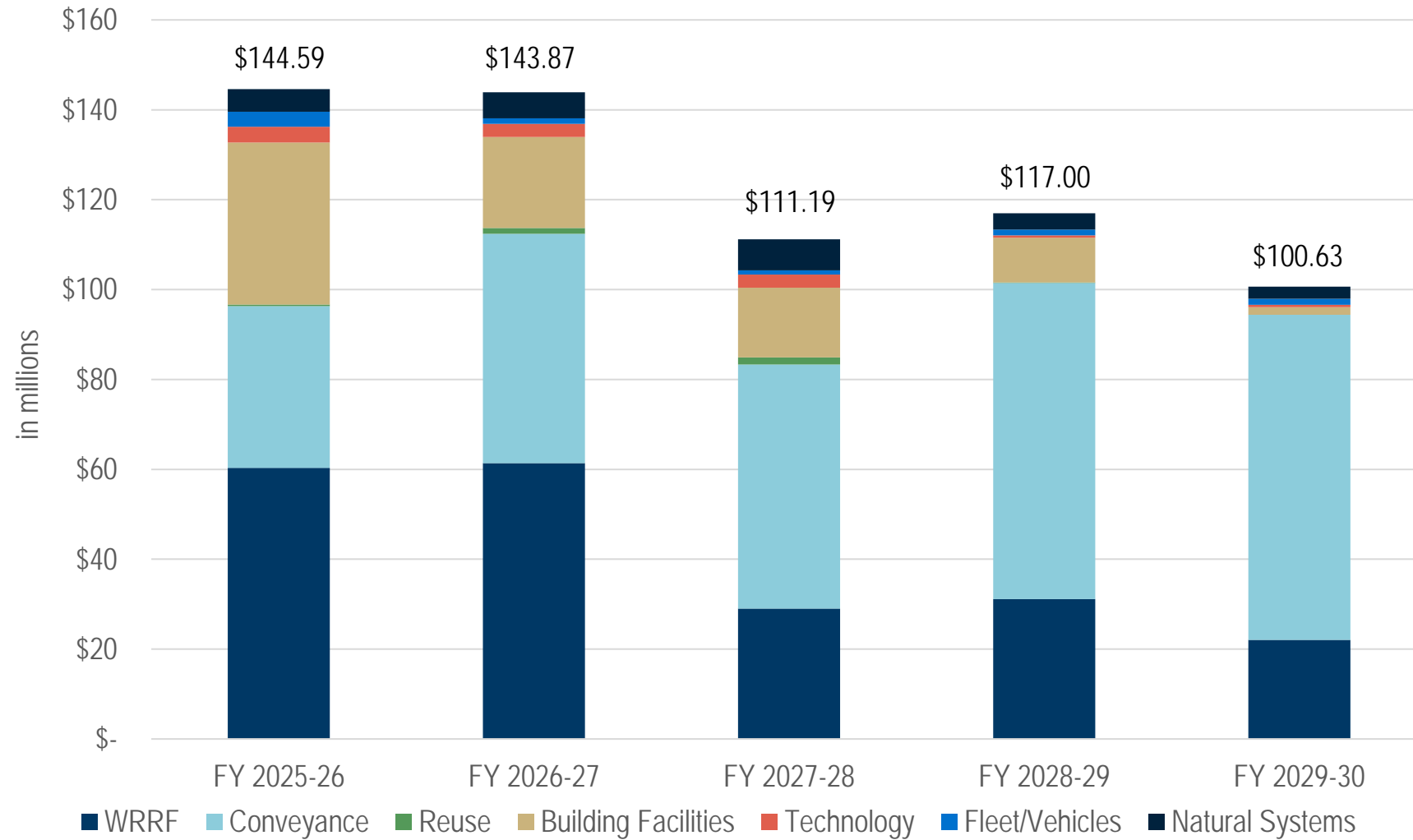
Additional details about FTE changes are in the budget beginning on page 233

Capital Planning Program

- Refine annual capital project budgeting
 - Prioritize projects to balance resources for capital delivery
 - Sequence projects based on project status and key drivers
- Align master plans with the Capital Improvement Plan (CIP)
 - Identified capacity triggers and regulatory compliance requirements; reviewed within 5-year CIP
 - Evaluated renewal and replacement projects for strategic integration with master plan capacity projects
 - Developing Recycled Water and Electrical Master Plans
- Enhance CIP best practices
 - Standardized project data entry guidelines for project managers



Sanitary 5-Year CIP Planning



Future years will continue to be refined when West Basin Master Plan is completed.

Water Resource Recovery Facility Project Prioritization

| Final fiscal Year 26 Project Prioritization Final Score + Budget + Project Manager | | Regulatory Permit | Impact of Deferral | Health and Safety | Cost Effectiveness | Reliability & Resiliency | Environmental Sustainability | |
|---|------------------------|-------------------|--------------------|-------------------|--------------------|--------------------------|------------------------------|--------------|
| <i>Project Examples</i> | <i>Project Manager</i> | 100% | 85% | 80% | 60% | 50% | 40% | Score |
| DURHAM DISINFECTION BYPRODUCT MITIGATION | Jana Otero | 9 | 10 | 3 | 5 | 10 | 5 | 5.0 |
| FERNHILL MISCELLANEOUSIMPROVEMENTS | Jared Kinnear | 10 | 8 | 7 | 5 | 5 | 5 | 5.0 |
| DURHAM ODOR CONTROL PHASE 3 | Mike Idehara | 8 | 10 | 5 | 4 | 8 | 6 | 4.9 |
| ROCK CREEK RECYCLED WATER IMPROVEMENTS | Vasily Chernishov | 8 | 10 | 1 | 8 | 8 | 7 | 4.8 |
| ROCK CREEK PRIMARY CLARIFIER #4 | Vasily Chernishov | 10 | 10 | 1 | 8 | 8 | 2 | 4.8 |
| ROCK CREEK DIGESTER #3 & #4 COVER REHAB | Vasily Chernishov | 8 | 9 | 5 | 2 | 8 | 10 | 4.8 |

Notable FY 2025-26 Sani and Stormwater Projects

| Sanitary Projects | Category | FY 2025-26 Budget (millions) | Total Expected Cost (millions) |
|--------------------------------|--------------------------------|---------------------------------|-----------------------------------|
| Forest Grove Primary Treatment | WRRF – FG | \$29.6 | \$54.5 |
| Rosedale Pump Station | Conveyance – Pump Stations | \$0.5 | \$10.8 |
| Durham Phase 6B – New Digester | WRRF – DM | \$4.3 | \$22.0 |
| Brookman Sanitary Trunk Sewer | Conveyance – Sherwood | \$7.6 | \$13.3 |
| Metzger Trunk Sewer | Conveyance – Unincorp. Metzger | \$1.9 | \$15.4 |
| Rock Creek Biogas Utilization | WRRF – RC | \$6.0 | \$19.2 |

| Surface Water Management Projects | FY 2025-26 Project Count | FY 2025-26 Budget |
|-----------------------------------|--------------------------|--------------------|
| Gray SWM CIP | 6 | \$885,000 |
| Green SWM CIP | 8 | \$1,081,500 |
| Blue SWM CIP | 3 | \$537,000 |
| TOTAL SWM | 17 | \$2,503,500 |



Occupied Building Projects - ripl

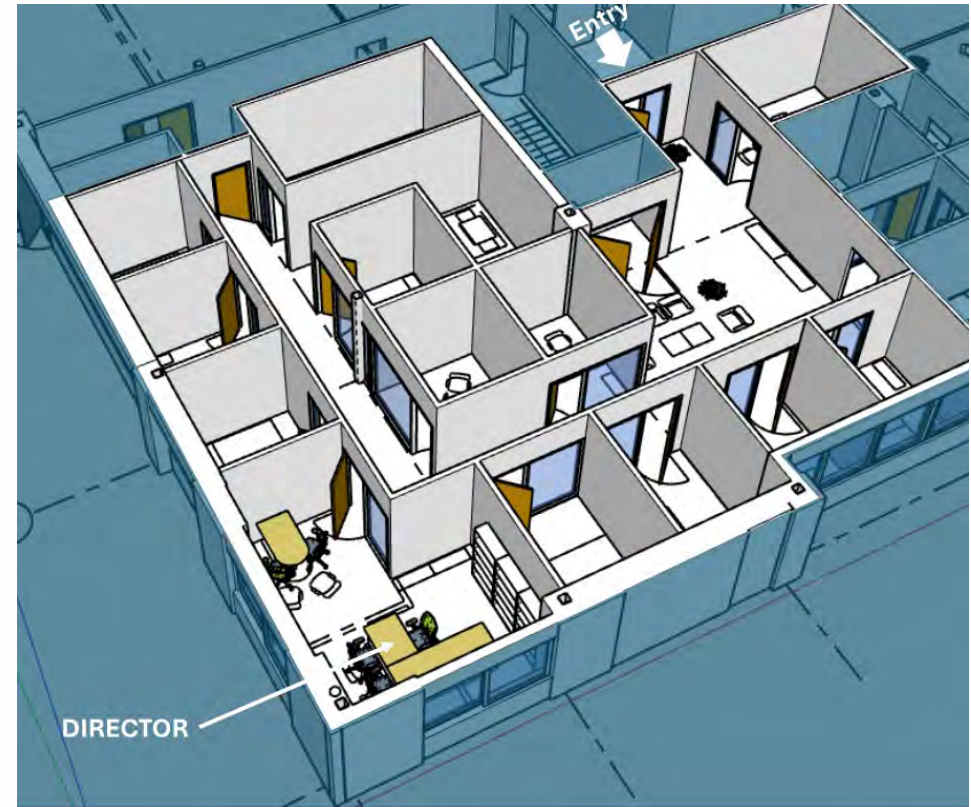
- Key project elements
 - Regulatory compliance laboratory
 - Staff office and meeting space
 - Sample receiving and logistics
- Cost reduction strategies
 - \$5 million in value engineering
 - Phase implementation of lab equipment
- Status
 - Under construction - \$54 million
 - Move-in date of January 2027

Future Lab Workspace



Occupied Building Projects – CWS Central

- Key project elements
 - 80,000 square-foot building – meets future needs
 - Seismic and flood resiliency
 - Avoids major renovation cost to Administrative Building Complex (ABC)
- Cost reduction strategies
 - Limited to essential tenant improvements
 - Utilize existing mechanical systems
 - Repurposed furnishings
- Status
 - Value engineering 30% design – \$5 million
 - Phased move-in has started
 - Full transfer from ABC - November 2026



Research & Innovation: Creating Value for Ratepayers

- Preparation for future regulations example project
 - eDNA testing to support thermal compliance (fish passage), potentially avoiding future capital for cooling
- Optimization and payback example projects
 - InDense for increased secondary treatment at capacity
 - ❖ Potential to save \$5 million versus conventional expansion
 - Digestion testing with operations increased design fats, oils, and grease (FOG) loading from 29% to 40%
 - ❖ We add 2-4x more FOG than other comparably sized digesters in the area.
 - Conveyance and treatment evaluations and designs in-house, offsetting outside consultant needs
- Reducing operational risks example project
 - Collaboration with utilities to set industry data standards to support operations

Water & Engineering Technology



16

rehab sani & storm
projects \$100,000
or larger



200

permit of entries
obtained



15

analyses performed
for Environmental
Services



10,200

dry tons of biosolids
applied



22,500

acres of land
fertilized



90

million gallons used
for irrigation

Lunch Break

FY 2025-26
Budget Presentation

May 9, 2025

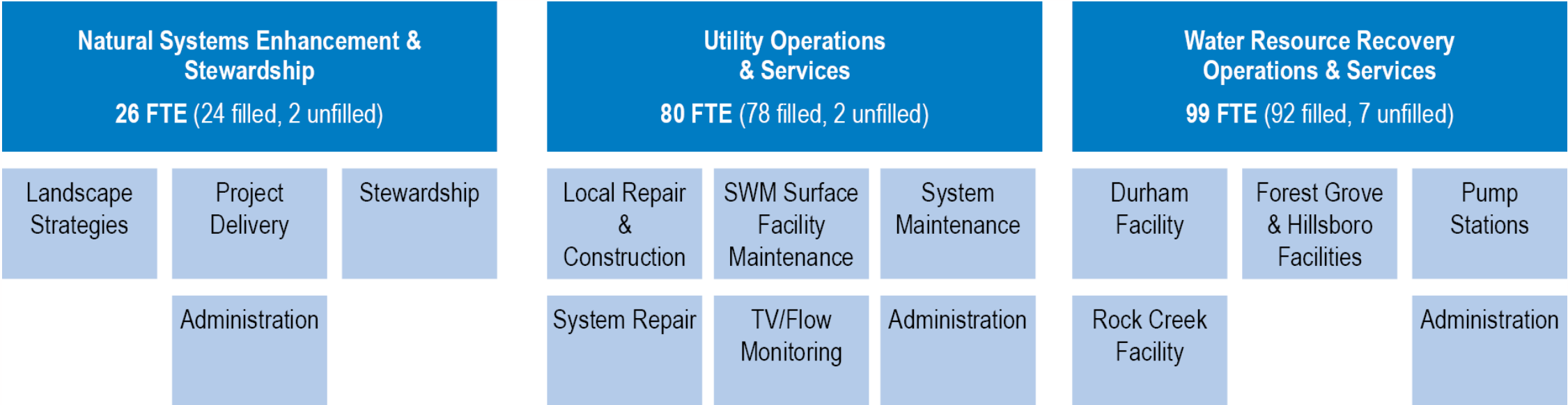


Functional Areas

- Engineering Services functional area
 - Water & Engineering Technology
- **Utility Operations functional area**
 - **Utility Operations & Services**
 - **Water Resource Recovery Operations & Services**
 - **Natural Systems Enhancement & Stewardship**
- Business Services functional area
 - Office of the Chief Executive Officer
 - Regional Utility Services
 - Legal & Compliance Services
 - Regulatory Affairs
 - Finance & Accounting
 - Business Operations & Strategy
 - Digital Solutions
 - Human Resources



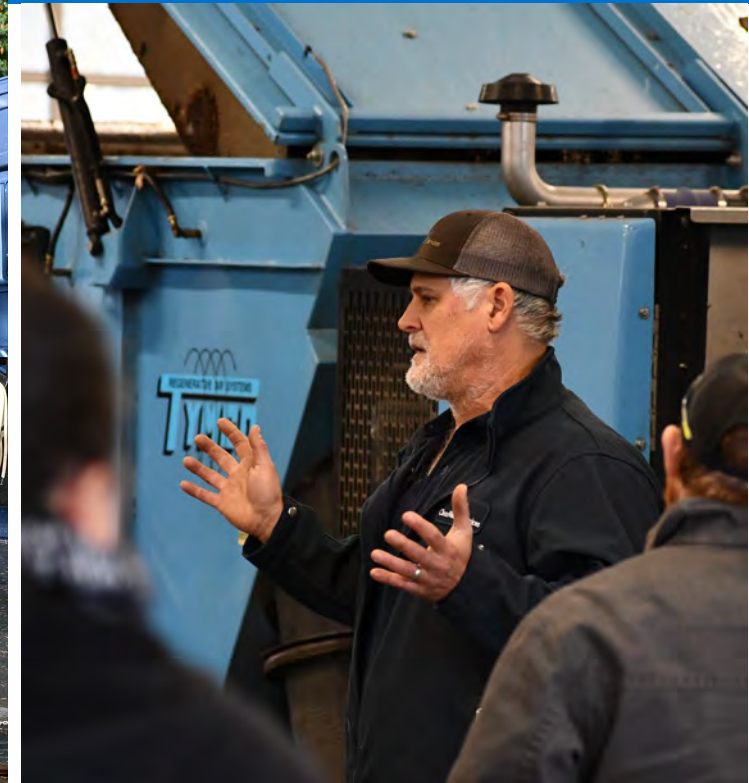
Utility Operations Functional Area



UTILITY OPERATIONS FUNCTIONAL AREA

Utility Operations & Services Department

BUDGET PAGES 285-301 | ROADMAP PAGES 219-232



Utility Operations & Services FTE

Field Operations Construction

27 FTE

- System repair
- Local repair and construction

Field Operations Maintenance

45 FTE

- System maintenance
- TV/flow monitoring
- SWM surface facility maintenance

Administration

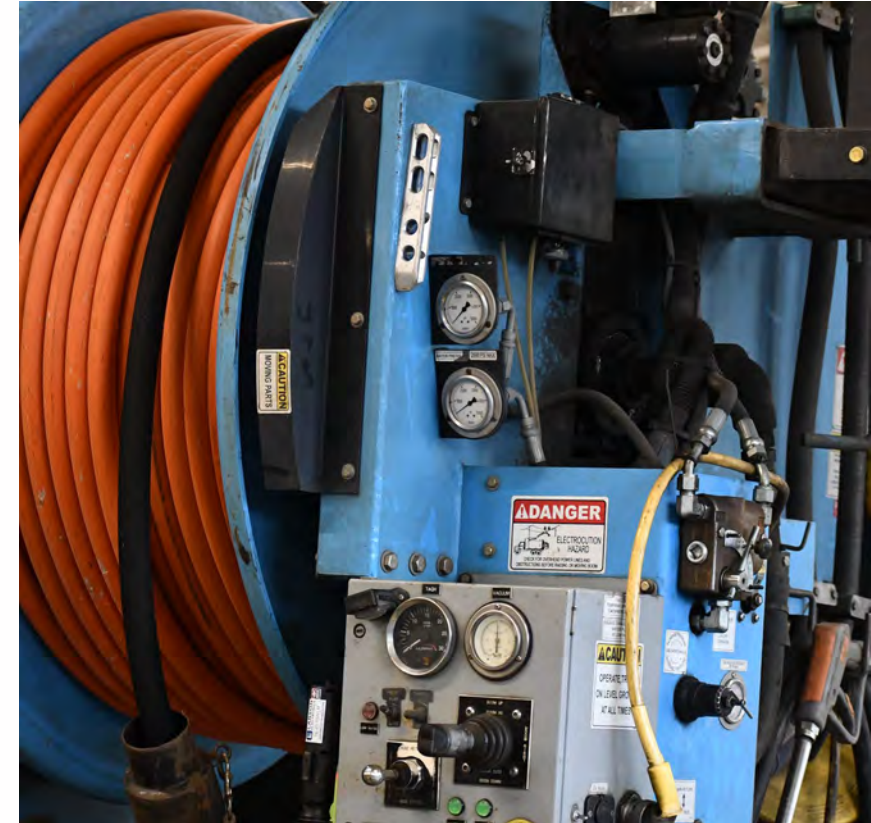
8 FTE

- Management
- Process documentation
- Asset management
- Business process improvement
- Fleet services
- Performance excellence
- Regulatory compliance



Utility Operations & Services Budget Drivers

- Personnel Services increased \$508,400, or 4.2%
 - 1 FTE midyear addition for TV Inspection program
 - Drivers: PERS, wages, Other Personnel Expenses
- Materials and Services decreased \$378,400, or 12.1%
 - Contract and professional services reduced due to nonannual requirements
 - Drivers: Fleet repairs, contracted services, repair and maintenance supplies, fuel
 - Proposed Travel and Training budget
 - \$44,300, or 2% of Materials and Services budget
 - Proposed Meals and Refreshments budget
 - ❖ \$2,700, or 0.1% of Materials and Services budget



Utility Operations & Services Budget Drivers

- Achievements
 - 0.62 sanitary sewer overflows (SSO)/100 miles of sanitary sewer system
 - ❖ An SSO is an uncontrolled release of sewage that is caused by a fault in the public system
 - ❖ Goal: less than 2
 - Swept 12,000 curbed miles (at 4-7 miles per hour)
 - Responded to 797 customer requests for service



Utility Operations & Services Budget

| Departmental Expenditure Summary | FY 2023 Actual | FY 2024 Actual | FY 2025 Revised Budget | FY 2026 Proposed | Change from FY 2024-25 Budget |
|-------------------------------------|-------------------|-------------------|------------------------------|---------------------|-------------------------------------|
| Personnel Services | \$ 9,988,856 | \$ 11,433,606 | \$ 12,002,800 | \$ 12,511,200 | 4.2% |
| Materials & Services | 2,599,015 | 3,098,470 | 3,136,400 | 2,758,000 | -12.1% |
| Total Department Budget | \$ 12,587,871 | \$ 14,532,076 | \$ 15,139,200 | \$ 15,269,200 | 0.9% |
| Full-Time Equivalent (FTE) | 93.00 | 95.00 | 80.00 | 80.00 | 0% |

Field Focus

- New staff onboarding
 - New employee orientation
 - Program-specific qualification checklists
- Safety focus
 - Training matrix, Local Safety Committee
- Certification
 - Staff earning DEQ certification
 - Level of professional achievement
- Performance Standards update
 - Move to inspection-based operations and maintenance standards
 - Adaptive management (permit driver)
 - Adds complexity, but puts resources where needed most



Continuous Improvement

- Implementing results of Collection System Monitoring Study
 - Standard operating procedures
 - Equipment testing
 - Equipment replacement schedule
- Collection system asset management (AM) program
 - Formalize and improve
 - Part of Asset Renewal plan
 - Consistency with Water Resource Recovery Operations & Services AM efforts
- Draft CMOM document for CWS and city use
 - CMOM = Capacity, management, operations, and maintenance
 - Collection system program description
 - Supports explanation of program during audit or SSO



Fleet: FY 2025-26 Capital Improvement Program

- Replacements (\$1.8 million, 9 vehicles)
 - Based on Fleet asset management system - quantitative score for each vehicle
- Additions (\$1.1 million, 6 vehicles)
 - Based on business unit needs
 - 2 new FTE (Environmental Services, Treatment Plant Services)
 - Vactor: increased inventory and downtime
 - Rental replacements: telehandler, dump truck
 - Triple axle trailer: supplement older trailer
- Carryovers (\$632,000, 3 vehicles)
 - Replacements approved in FY 2024-25. Delivery takes longer than 12 months, so need to budget for them again



Utility Operations & Services



11,500
miles of street
swept



510,000
feet of routine
sanitary line TV
inspection



<2
SSO per 100 miles
of collection system



797
responses to
customer service
requests



920,000
feet of routine
sanitary line
cleaning



UTILITY OPERATIONS FUNCTIONAL AREA

Water Resource Recovery Operations & Services Department

BUDGET PAGES 303-331 | ROADMAP PAGES 233-241



Water Resource Recovery FTE

Durham
35 FTE

- Operations
- Mechanical maintenance
- Electrical and instrumentation maintenance

Hillsboro
Forest Grove
13 FTE

- Operations
- Mechanical maintenance
- Electrical and instrumentation maintenance

Rock Creek
36 FTE

- Operations
- Mechanical maintenance
- Electrical and instrumentation maintenance

Pump Stations
7 FTE

- Operations
- Mechanical maintenance
- Electrical and instrumentation maintenance

Administration
8 FTE

- Management
- Performance excellence
- Regulatory compliance



Water Resource Recovery Budget Drivers

- Personnel Services increased \$904,900, or 5.2%
 - 20 midyear redesignations
 - ❖ 19 were career pathing opportunities for Represented staff
- Materials and Services decreased \$2.3 million, or 13.3%
 - Driven by transfer of Reuse program into Water Engineering & Technology
 - Proposed Travel and Training budget
 - ❖ \$65,900 or .44% of Materials and Services budget
 - Proposed Meals and Refreshments budget
 - ❖ \$2,800, or 0.02% of Materials and Services budget



Water Resource Recovery Budget

| Departmental Expenditure Summary | FY 2023 Actual | FY 2024 Actual | FY 2025 Revised Budget | FY 2026 Proposed | Change from FY 2024-25 Budget |
|-------------------------------------|-------------------|-------------------|------------------------------|---------------------|-------------------------------------|
| Personnel Services | \$13,928,448 | \$14,470,719 | \$17,499,000 | \$ 18,403,900 | 5.2% |
| Materials & Services | 15,997,611 | 17,681,428 | 17,357,900 | 15,056,300 | -13.3% |
| Total Department Budget | \$ 29,926,059 | \$ 32,152,147 | \$ 34,856,900 | \$ 33,460,200 | -4% |
| Full-Time Equivalent (FTE) | 128.00 | 119.00 | 103.00 | 99.00 | -3.9% |

Added to WRRD

- 3 FTE transfer from OCEO, Enterprise Asset & Technical Services

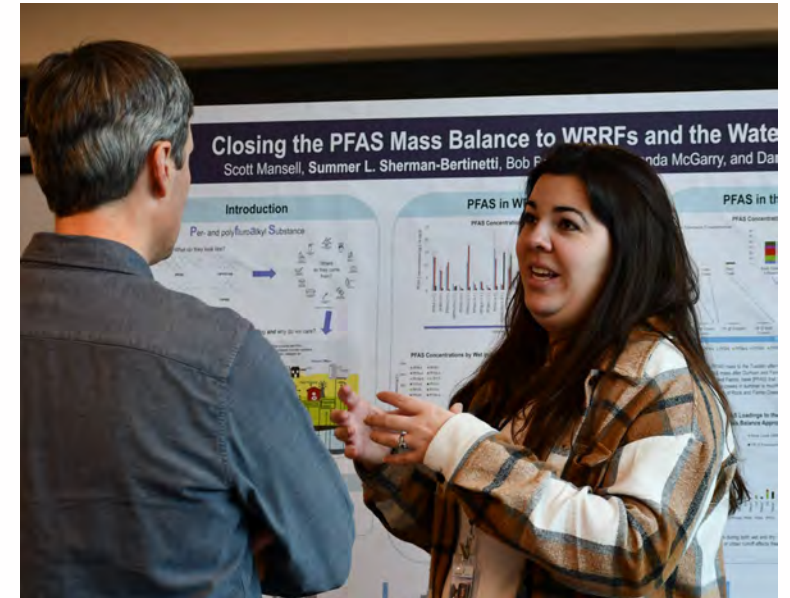
Removed from WRRD

- Reuse program budget transfer to Water Engineering & Technology (WET)
- 7 FTE transfer to WET, Business Opportunities & Strategy

Additional details about FTE changes are in the budget beginning on page 303

Enhanced Internal Teamwork

- Increased use of internal work groups to improve quality and responsiveness
- Help from Research & Innovation, Environmental Services to investigate negative changes in flows to Durham that have reduced volatile fatty acids (VFAs) to near zero
 - VFAs critical to biological phosphorus removal process
 - Drastically reduced dependence (and cost) for alum to achieve effluent phosphorus at required permit levels
- Coordination with WET, Regulatory Affairs to negotiate Mutual Agreement and Order from Department of Environmental Quality for Rock Creek to investigate and test phosphorus and aluminum before permit renewal application



Continuous Improvement

- Staff worked closely with Research & Innovation, Field Operations, Carollo Engineering to troubleshoot and rehabilitate Durham's 30-year-old effluent tertiary filters
 - Adjust backwash flows
 - Remove mud balls
 - Add additional media ahead of summer permit season to increase performance and reduce chemical usage
- Memorialize new approaches for filter operation
 - Standard operating procedures
 - Preventative maintenance schedules, instructions



Cost Reduction Efforts

- Use of lower-cost parts vs parts from original equipment manufacturer for aging equipment where quality is not lost
 - Fabrication of parts in-house where cost/benefit makes good business sense
- Fat, oils & grease (FOG), Ostara, and septage receiving programs to help offset the cost of facility operations
 - FY 2023-24: \$3,300,000 in revenue
- Use in-house talent for small plant upgrades to save cost of hiring outside consultants
 - Rock Creek new reuse pumping system



Cost Reduction Partnerships

- Participate in PGE Demand Response program
 - Saves electrical cost with little risk to treatment process
 - ~\$66,000 per year
- Plant co-generation and solar power generation offset annual utility costs
 - ~\$1,149,000
- Participate in Energy Trust and Bonneville Power Administration incentive programs to gain energy efficiency and incentive dollars
 - Most recently at Forest Grove Plant this year
 - \$189,606
- Partner in PGE Dispatchable Standby Generation Program for new stations to offset construction costs



Peak Performance

- We received four awards for 2024 calendar year from the National Association of Clean Water Agencies for Peak Performance in wastewater treatment
 - Platinum Award given to facilities with 100% compliance for five or more consecutive years
 - ❖ Rock Creek: 21 years of perfect compliance
 - ❖ Durham: 9 years of perfect compliance
 - ❖ Hillsboro: 6 years of perfect compliance
 - Silver award given to facilities with five or fewer violations
 - ❖ Forest Grove



Water Resource Recovery Operations & Services



28

billion gallons of
water treated
(28,000 million)



400

kilowatt hours of energy
produced per million
gallons processed



120

million cubic feet
of biogas flared



14,150

pieces of equipment
maintained



25

million therms of
natural gas consumed



3

Platinum NACWA
awards



UTILITY OPERATIONS FUNCTIONAL AREA

Natural Systems Enhancement & Stewardship Department

BUDGET PAGES 273-283 | ROADMAP PAGES 193-218



Natural Systems Enhancement & Stewardship FTE

Landscape Strategies 5 FTE

- Planning, monitoring, and evaluation
- Stormwater and natural systems integration
- Knowledge systems and watershed analysis

Project Delivery 11 FTE

- Project development and implementation
- Ecological enhancement
- Regional stormwater management, developer-fee programs
- Resilient stream corridors
- Integrated project leadership and support

Stewardship 5 FTE

- Long-term maintenance for established enhancement areas
- Plant material management
- Natural system response and resiliency
- Collective capacity

Administration 5 FTE

- Management
- Performance excellence
- Regulatory compliance



NSES Budget Drivers

- Personnel Services increased \$62,100, or 1.2%
 - Transfer 2 FTE to new GIS program
 - 4 FTE redesignated midyear FY25
- Materials and Services decreased \$425,700, or 7.5%
 - Contracted Services
 - ❖ Shifted site management approach to improve efficiency
 - Other Government Services
 - ❖ Leveraging co-investment with Tualatin Soil and Water Conservation District programs
 - Other Materials and Services
 - ❖ Cost savings through plant material process improvements
 - Proposed Travel and Training budget
 - ❖ \$51,500, or 1% of Materials and Services budget
 - Proposed Meals and Refreshments budget
 - ❖ \$900, or .02% of Materials and Services budget



Natural Systems Enhancement & Stewardship Budget

| Departmental Expenditure Summary | FY 2023 Actual | FY 2024 Actual | FY 2025 Revised Budget | FY 2026 Proposed | Change from FY 2024-25 Budget |
|----------------------------------|----------------|----------------|------------------------|------------------|-------------------------------|
| Personnel Services | \$ 3,446,566 | \$ 3,570,520 | \$ 5,207,100 | \$ 5,269,200 | 1.2% |
| Materials & Services | 2,417,245 | 2,654,597 | 5,658,400 | 5,232,700 | -7.5% |
| Total Department Budget | \$ 5,863,821 | \$ 6,225,117 | \$ 10,865,500 | \$ 10,501,900 | -3.2% |
| Full-Time Equivalent (FTE) | 30.00 | 30.00 | 28.00 | 26.00 | -7.1% |

Removed from NSES

- 2 FTE transfer to Digital Solutions to create centralized GIS program

Additional details about FTE changes are in the budget beginning on page 273

A Growing Portfolio

- 20 years of water quality trading (temperature)
 - 115 stream miles enrolled = 641 million kilocalories (kcal) per day thermal credit
 - Enrolled 3.1 miles, 27.5 million kcal this year
- Sustaining function through stewardship
 - 7,100 acres of natural assets
- Expanding regional stormwater services
 - Fee-based programs for co-implementers and developers
 - Resilient stream corridors, vegetated corridor enhancement fee program



Maximizing Outcomes and Efficiency

- Delivering and supporting integrated projects
 - Infrastructure project cost savings
 - Exposed sanitary sewer program
- Transformational partnerships
 - Collaborative regional restoration
 - Rural and urban
 - Ecological management units (EMUs)
- Regulatory reporting and compliance
 - Rapid, qualitative monitoring
 - Remote sensing tools



Risk Management and Resilience

- Emerging threats to natural systems
 - Invasive pests (emerald ash borer, Mediterranean oak borer)
 - Climate-adaptive plant materials
 - Increased plant species diversity
 - Adaptive management
- Scoggins Dam
 - Bureau of Reclamation's Safety of Dams design process
- Workforce
 - Staff development
 - Community of practice
 - Contractors and nurseries



Natural Systems Enhancement & Stewardship



7,173
acres of active
projects



1,609
acres of farmland
enrolled in co-sponsored
incentive programs



60
UAS missions flown per
year collecting valuable
remote sensing data



96
% of enhancement projects
achieving greater than 40%
canopy cover



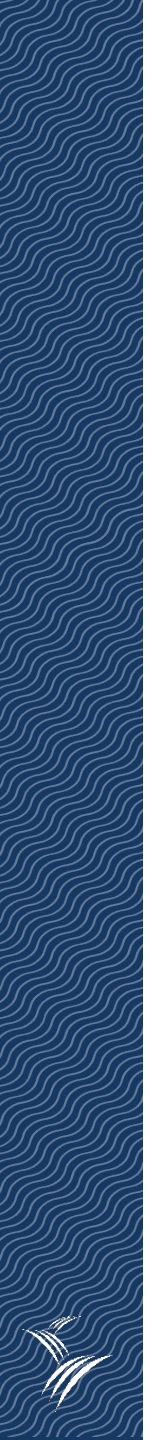
780,000
native plants
installed



648
million kilocalories of
thermal credit from
riparian enhancement

Functional Areas

- Engineering Services functional area
 - Water & Engineering Technology
- Utility Operations functional area
 - Utility Operations & Services
 - Water Resource Recovery Operations & Services
 - Natural Systems Enhancement & Stewardship
- **Business Services functional area**
 - Office of the Chief Executive Officer
 - Regional Utility Services
 - Legal & Compliance Services
 - Regulatory Affairs
 - Finance & Accounting
 - Business Operations & Strategy
 - Digital Solutions
 - Human Resources



Business Services Functional Area

| Office of the CEO | Finance & Accounting | Business Operations & Strategy | | Digital Solutions | Human Resources | Legal & Comp Services | Regulatory Affairs | Regional Utility Serv |
|--|--|--|-------------------------------------|--|--|--|--|--|
| 7 FTE (7 filled, 0 unfilled) | 19 FTE (19 filled, 0 unfilled) | 44 FTE (40 filled, 4 unfilled) | | 28 FTE (24 filled, 4 unfilled) | 10 FTE (10 filled, 0 unfilled) | 19 FTE (15 filled, 4 unfilled) | 43 FTE (37 filled, 6 unfilled) | 44 FTE (40 filled, 4 unfilled) |
| District Administration | Finance & Accounting | Administrative Services | Culture, Equity & Learning | Geographic Information Systems | Human Resources | Legal Services | Compliance Services | Comms & Community Engagement |
| Emergency Management | | Facilities Maintenance | Risk & Insurance Management | IT Business Applications | | Internal Compliance & Cybersecurity | Environmental Services | Planning & Development Services |
| Government Affairs | | Safety | Strategy Dev & Enterprise Perf Mgmt | IT Client Services | | Procurement | Laboratory Services | Administration |
| | | | | IT Infrastructure | | | | |

BUSINESS SERVICES FUNCTIONAL AREA

Office of the Chief Executive Officer

BUDGET PAGES 135-149 | ROADMAP PAGES 3-9



Office of the CEO FTE

District Administration

3 FTE

- Action plan to restore public trust
- Environmental regulatory compliance
- Set vision and direction for CWS
- Operational management, intergovernmental coordination
- Develop and administer strategic initiatives
- Board review and implement Board policy direction
- Board meeting and agenda management

Emergency Management *

1 FTE

- Ensure CWS workforce has knowledge, resources, and support to prepare for disasters
- Evaluate systems and identify areas to enhance resilience
- Coordinate with regional partners on emergency planning and response

Government Affairs

3 FTE

- Draft, vet, and implement comprehensive federal and state legislative agendas
- Establish and maintain positive government relations with state and federal partners
- Build credibility and elevate the CWS voice in policymaking
- Create enterprise approach to seeking and securing grant funding opportunities to support CWS priorities
- Administer Clean Water Services Advisory Commission

* New program in FY 2025-26

Office of the CEO Budget Drivers

- Personnel Services decreased \$3.7 million, or 66%
 - Executive staff onboarded and budgeted in cost center of departments, functions under their oversight
 - Communications & Community Engagement cost center transferred to Chief Utility Relations Officer, who has provided oversight since 2023
 - 1 FTE Executive Administrative transferred from Business Operations & Strategy to support Board meeting operations and Board agenda packets
 - Net decrease of 18 FTE transferred to department cost centers
- Materials and Services decreased \$1.29 million, or 75%
 - Proposed Travel and Training budget
 - ❖ \$64,100, or 16% of Materials and Services budget
 - ❖ Includes federal advocacy and Board travel
 - ❖ Includes emergency management training for up to 50 staff members
 - Proposed Meals and Refreshments budget
 - ❖ \$11,100, or 3% of Materials and Services budget
 - Supports Board and Clean Water Services Advisory Commission

Office of the CEO Budget

| Departmental Expenditure Summary | FY 2023 Actual | FY 2024 Actual | FY 2025 Revised Budget | FY 2026 Proposed | Change from FY 2024-25 Budget |
|----------------------------------|----------------|----------------|------------------------|------------------|-------------------------------|
| Personnel Services | \$ 4,992,603 | \$ 6,028,245 | \$ 5,667,800 | \$ 1,938,500 | -66% |
| Materials & Services | 1,214,029 | 1,777,460 | 1,726,200 | 390,700 | -77% |
| Total Department Budget | \$ 6,206,632 | \$ 7,805,705 | \$ 7,394,000 | \$ 2,329,200 | -68% |
| Full-Time Equivalent (FTE) | 34.00 | 39.00 | 25.00 | 7.00 | |

Added to OCEO

- 1 FTE Executive Assistant from Business Operations & Strategy (BOS)

Removed from OCEO

- Communications & Community Engagement program transfer to Regional Utility Services (RUSD)

Additional details about FTE changes are in the budget beginning on page 135

Aligning People and Resources

- Government Affairs
 - Expanded legislator and agency outreach and education efforts as strategic approach to advancing CWS legislative agenda and priorities
 - Ongoing federal advocacy and engagement (federal delegation, Bureau of Reclamation) on Scoggins Dam safety modifications, including local cost share
 - Centralize costs for proposed Board advocacy travel, Board engagement, and Clean Water Services Advisory Commission
 - Launch enterprise approach to seek grant funds to support CWS work and save ratepayer dollars
- Emergency Management
 - Implement new Emergency Management program
 - Focus on training employees to build personal and organizational resilience

Office of the CEO



15

% of workforce that
agrees they would
be able to return to
work within a week
of a catastrophic
disaster



50

% of key Oregon
legislators
receive facility tour
& briefing

BUSINESS SERVICES FUNCTIONAL AREA

Regional Utility Services Department

BUDGET PAGES 207-219 | ROADMAP PAGES 105-130



Regional Utility Services FTE

Communications & Community Engagement

11 FTE

- Community outreach
- Communications and marketing
- Public information officer and media relations
- Adult and student education and behavior change
- Volunteer coordination
- Capital and noncapital project community relations and facilitation
- Creative services

Planning & Development Services

30 FTE

- Utility, development, and community planning integration
- Design & Construction Standards administration and technical assistance
- Capital Improvement Project Prioritization committee
- Performance Standards and program compliance monitoring and reporting
- Co-implementer project intergovernmental agreement (IGA) administration
- Plan review, permitting, and inspection services
- Private stormwater management program
- Developer reimbursement district administration

Administration

3 FTE

- Management
- Performance excellence
- Regulatory compliance
- City/county partner coordination
- Department management and administrative support
- Operational IGA administration
- Customer-stakeholder relationship management
- Policy development and coordination
- Strategic communications and reputation management

Regional Utility Services Budget Drivers

- Personnel Services increased \$2.3 million, or 38%
 - Chief Utility Relations Officer and Communications & Community Engagement transferred from Office of the Chief Executive Officer
 - Net addition of 10 FTE
- Materials and Services increased \$1.3 million, or 137%
 - Driven by incorporating Communications & Community Engagement into department
 - Proposed Travel and Training budget
 - ❖ \$43,100, or 2% of Materials and Services budget
 - Proposed Meals and Refreshments budget
 - ❖ \$1,100, or .05% of Materials and Services budget
- Achievements
 - Updated development processes to streamline middle housing and infill development
 - 88% of stakeholders reported having strong collaborative relationship with CWS
 - ❖ Up from 76% in 2021
 - Cornelius Operating IGA complete (May 2025); Beaverton IGA nearly complete (June 2025)
 - Completed over 1,000 development-related reviews

Regional Utility Services Budget

| Departmental Expenditure Summary | FY 2023 Actual | FY 2024 Actual | FY 2025 Revised Budget | FY 2026 Proposed | Change from FY 2024-25 Budget |
|-------------------------------------|-------------------|-------------------|------------------------------|---------------------|-------------------------------------|
| Personnel Services | \$ 4,579,533 | \$ 4,719,813 | \$ 6,082,400 | \$ 8,421,900 | 38% |
| Materials & Services | 1,031,547 | 1,249,361 | 978,800 | 2,315,800 | 137% |
| Total Department Budget | \$ 5,611,080 | \$ 5,969,174 | \$ 7,061,200 | \$ 10,737,700 | 52% |
| Full-Time Equivalent (FTE) | 34.00 | 35.00 | 34.00 | 44.00 | |

Added to RUSD

- Budget from Communications & Community Engagement in Office of the Chief Executive Officer (OCEO)
- 13 FTE transfer from OCEO

Removed from RUSD

- 3 FTE transfer out to Digital Solutions

Additional details about FTE changes are in the budget beginning on page 208

Coordinating for Effective Service Delivery

- Facilitate cross-departmental and interjurisdictional collaboration through:
 - Managing stakeholder relationships
 - Aligning Performance Excellence categories: Voice of the Customer strategy
 - Updating city and county operating IGAs
 - Assisting with stormwater program implementation and reporting
 - Integrating utility infrastructure and stormwater subbasin plans with community planning
 - Coordinating regional projects
 - Supporting development review processes at County and cities



Listening First to Build Alignment

- Understanding community needs and values
 - Perform community engagement audit
 - Conduct focus groups to gauge ratepayer values
 - Implement Biannual Customer Awareness & Satisfaction Survey
 - Implement actions of Stakeholder Insight Survey
- Aligning with organizational and external frameworks
 - Permit, Natural Hazard Mitigation Plan, roadmaps
 - Oregon Environmental Literacy Plan, Next Generation Science Standards
 - Performance Excellence
 - American with Disabilities Act Title II guidelines (April 2027)



Building Strategy Through Community Voice

- Lead with consistency to build trust
 - Implement a relationship framework for alignment internally and externally
 - Strategic engagement and communications plan
 - ❖ Customized outreach tactics and messaging to meet needs of diverse audiences, creating understanding, support, and empowerment
 - ❖ Show (vs tell): Demonstrate how ratepayer dollars support critical infrastructure
 - ❖ Collaborate with utility partners through direct outreach and clear messaging to educate on the value of our shared services



Supporting Industrial Readiness and Housing Production

- Industrial readiness
 - Advanced manufacturing opportunities
 - Expedited infrastructure improvements
- Planning for expansion
 - Industrial, housing, and commercial
 - Sherwood, Beaverton, King City, Banks, Tigard, and Hillsboro
- Housing production
 - Provided input to housing legislation
 - Coordinate with County and partner cities on middle housing implementation



Providing Efficient Plan Review, Permitting, Inspection

- Typical site development review timelines

- Review timelines

- ❖ Initial reviews average

- 15 business days

- ❖ Resubmittal reviews average

- 11 business days

- Average reviews per project: 3

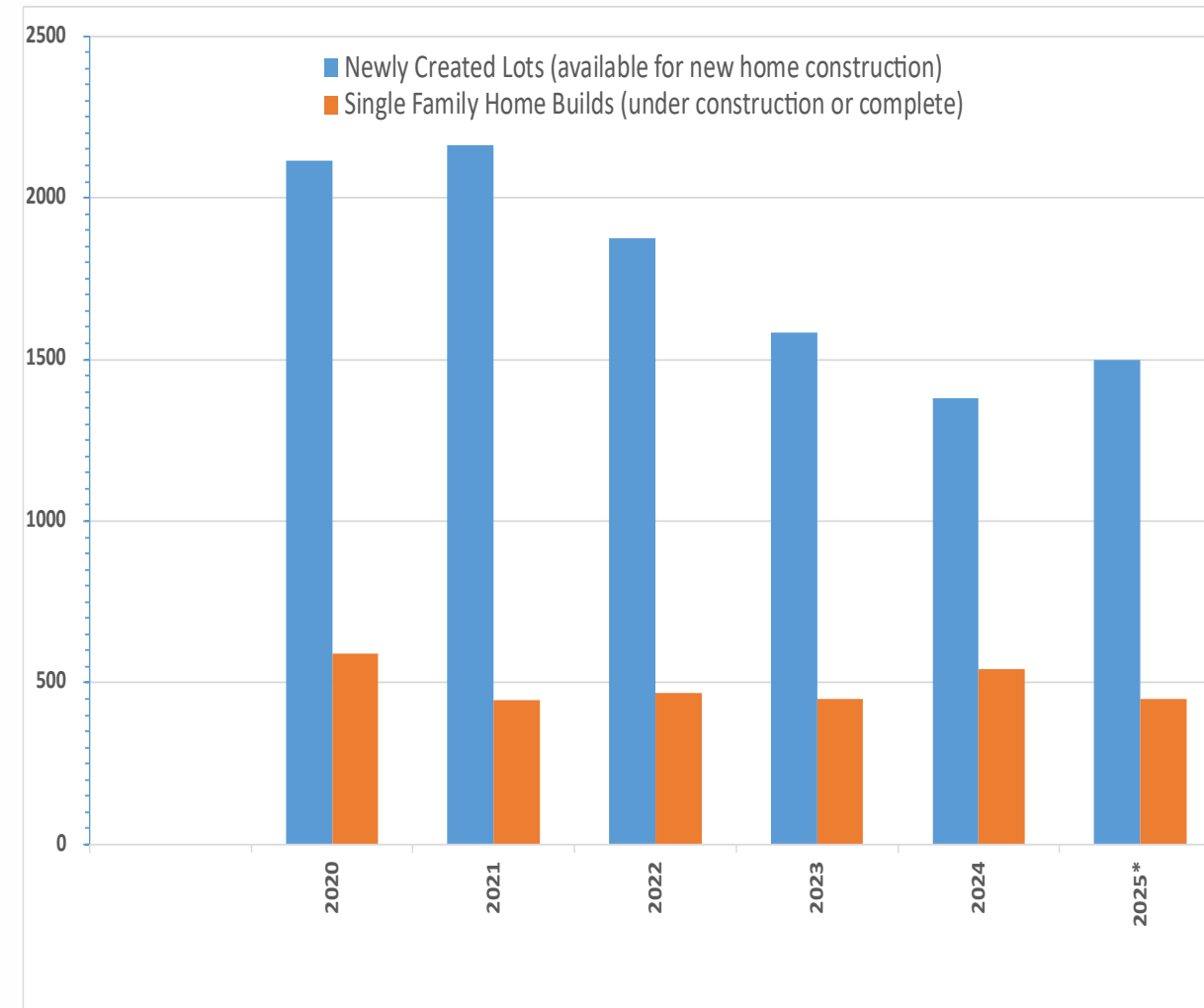
- Average overall approval timeframe is 100 business days

- Inspections

- Number of site development project inspections: 1,725

- Number of single-family lot inspections: 4,011

Connection Permit Trends (past 5 years)



Regional Utility Services



100

additional acres of
stormwater managed
through development



510

connection
permits issued



8,000

erosion control
inspections



1,000

Fernhill Visitor
Stations visitors due
to promotion and
outreach



82

% of stakeholders say
CWS is successful in its
commitment to Tualatin
River health

BUSINESS SERVICES FUNCTIONAL AREA

Legal & Compliance Services Department

BUDGET PAGES 197-205 | ROADMAP PAGES 91-103



Legal & Compliance Services FTE

Legal Services 7 FTE

- Protect legal interests of CWS by providing advice on complex legal, regulatory, and business matters and offering proactive and practical solutions
- Draft, review, and finalize legal documents
- Retain and manage outside legal counsel on novel issues and litigation as needed

Internal Compliance & Cybersecurity * 3 FTE

- Investigate, determine whether CWS is complying with applicable laws, regulations, internal policies, procedures
- Help CWS achieve and maintain compliance
- Help departments make compliance processes more efficient, effective
- Protect assets and identities, plan for future requirements, mitigate cyber risks, ensure compliance with cybersecurity regulations

Procurement * 9 FTE

- Procure goods and services
- Ensure compliance with state and CWS purchasing rules

* New program FY 2025-26

Legal & Compliance Services Budget Drivers

- Personnel Services increased \$3.15 million, or 114%
 - 1 new FY26 FTE: Procurement Assistant
 - 1 FY25 midyear add of a Senior Assistant Legal Counsel FTE into Legal Services
 - 14 FTE transferring in from various departments
 - Net addition of 15 FTE for FY26 from FY25 Revised Budget
- Materials and Services increased \$185,500, or 45%
 - Centralizing legal services: \$80,000
 - Professional services increased \$70,000 in Internal Compliance & Cybersecurity
 - Proposed Travel and Training budget
 - ❖ \$27,200, or 4.5% of Materials and Services budget
 - Proposed Meals and Refreshments budget
 - ❖ \$600, or .1% of Materials and Services budget

Legal & Compliance Services Budget

| Departmental Expenditure Summary | FY 2023 Actual | FY 2024 Actual | FY 2025 Revised Budget | FY 2026 Proposed | Change from FY 2024-25 Budget |
|-------------------------------------|-------------------|-------------------|------------------------------|---------------------|-------------------------------------|
| Personnel Services | \$ 698,467 | \$ 121,620 | \$ 812,600 | \$ 3,965,300 | 388% |
| Materials & Services | 71,741 | 149,014 | 412,800 | 598,300 | 45% |
| Total Department Budget | \$ 770,208 | \$ 270,633 | \$ 1,225,400 | \$4,563,600 | 272% |
| Full-Time Equivalent (FTE) | 4.00 | 3.00 | 4.00 | 19.00 | |

Added to Legal & Compliance Services

- Budgets from cybersecurity functions in Digital Solutions and procurement functions in Business Operations & Strategy (BOS)
- 1 new FTE
- 14 FTE from Office of the Chief Executive Officer, BOS, Digital Solutions, Regulatory Affairs

Additional details about FTE changes are in the budget beginning on page 197

Commitment to Compliance

- Renamed, redefined department
- Increased budget
 - Centralizing legal services for entire organization, including outside counsel expenditures that were in different department budgets
 - Two new programs
 - ❖ Internal Compliance & Cybersecurity
 - ❖ Procurement



New Programs

- Internal Compliance & Cybersecurity
 - Expand and deepen how CWS manages risk liability
 - Support information and operation technology resilience through security controls, asset visibility, categorization
 - Educate CWS employees on cybersecurity responsibilities
 - Best practice to separate cybersecurity from operations and maintenance of technology infrastructure
- Procurement
 - Transferred procurement functions from BOS
 - Centralize services for greater oversight and more efficiency



Transparency and Accountability

- Train all CWS employees on compliance with laws and CWS policies related to expending CWS resources that are applicable to the employee groups
- Manage outside auditors for travel and meal spending
- Oversee comprehensive review of executive management team's expenses
- Review travel and meal policies



Legal Services



75
percent of manual
cyber alert
mediations



380
contract tickets
reviewed



160
public record
requests requested
& completed



4
SOPS
developed or
updated



90
% rate of manual
email security
investigations



90
% of Cybersecurity
training
completion rate

BUSINESS SERVICES FUNCTIONAL AREA

Regulatory Affairs Department

BUDGET PAGES 221-229 | ROADMAP PAGES 131-153



Regulatory Affairs FTE

Compliance Services

8 FTE

- 2027 permit renewal negotiations
- Oversee ongoing permit compliance
- Ensure compliance with state and federal regulations
- Integrated and long-term compliance planning
- Track regulatory trends
- Flow management and thermal credit tracking
- Quality assurance / quality control

Environmental Services

11 FTE

- Industrial wastewater compliance
- Industrial stormwater compliance
- Source control
- Complaint and incident response and investigation
- Illicit discharge and detection
- Pollution prevention
- Pollution minimization plans

Laboratory Services

24 FTE

- Compliance determination analysis
- Field monitoring for environmental health
- Data to support efficient operations
- CWS support and special projects
 - Research & Innovation, Environmental Services, stormwater
- Emerging contaminants & method development

Regulatory Affairs Budget Drivers

- Personnel Services increased \$146,600, or 2%
 - Reduction of 1 FTE
 - ❖ Transfer to Legal & Compliance Services
 - FY25 midyear redesignation of 5 FTE
- Materials and Services decreased \$156,000, or 6%
 - Driven by reduction in professional services
 - Proposed Travel and Training budget
 - ❖ \$57,200, or 2.3% of Materials and Services budget
 - Proposed Meals and Refreshments budget
 - ❖ \$1,100, or .04% of Materials and Services budget



Regulatory Affairs Budget

| Departmental Expenditure Summary | FY 2023 Actual | FY 2024 Actual | FY 2025 Revised Budget | FY 2026 Proposed | Change from FY 2024-25 Budget |
|-------------------------------------|-------------------|-------------------|------------------------------|---------------------|-------------------------------------|
| Personnel Services | \$ 4,457,183 | \$ 5,282,032 | \$ 7,803,900 | \$ 7,950,500 | 2% |
| Materials & Services | 1,809,299 | 2,206,295 | 2,662,400 | 2,506,400 | -6% |
| Total Department Budget | \$ 6,266,482 | \$ 7,488,327 | \$ 10,466,300 | \$ 10,456,900 | 0% |
| Full-Time Equivalent (FTE) | 39.00 | 45.00 | 44.00 | 43.00 | |

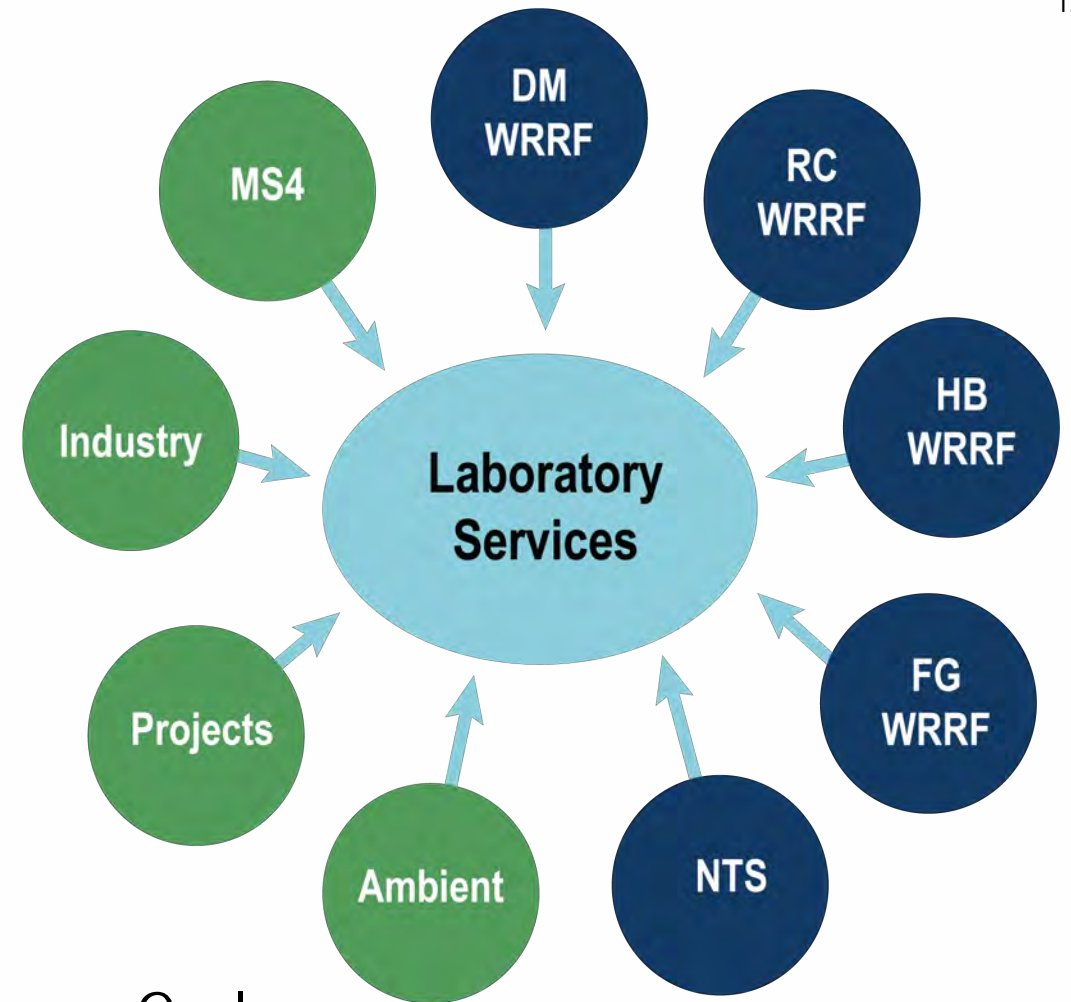
Removed from RAD

- 1 FTE transfers to Legal & Compliance Services

Additional details about FTE changes are in the budget beginning on page 221

Laboratory Services

- Lab services
 - Watershed monitoring, sample collection
 - Project coordination
 - Manual chemistry
 - Microbiology/oxygen demand
 - Inorganic/organic chemistry
 - Satellite laboratories
 - Quality systems
 - WQL FLOW (Water Quality Lab – Functional Lab Operational Workgroup)
- Accomplishment
 - Analytical support
 - ❖ PFAS and aluminum production methods
 - ❖ R&I project support
 - ❖ RAD project support



- Goals
 - Improve information management
 - Method development:
 - ❖ 6PPD-quinone
 - Co-implementers and stormwater

Environmental Services

- Program development
 - Improved permitting
 - ❖ Permit template and fact sheets
 - ❖ Commercial stormwater
 - ❖ Industrial survey
 - ❖ Streamlined and improved enforcement response
 - ❖ PFAS management plans
 - Illicit discharge response
- Goals
 - Reuse
 - Improved pretreatment compliance software
 - Support co-implementors



Compliance Services

- Permit implementation
 - Routine and ad hoc reporting, monitoring
 - Adaptive management of stormwater program
- Regulatory compliance planning
 - Natural Treatment System operations
 - Developed permit renewal schedule and application
 - Recycled water enhancement
 - Preparing for next permit
 - ❖ Leading permit renewal
 - ❖ Nutrient strategy, regulatory updates
 - ❖ Thermal load and flow optimization
 - Long-term regulatory compliance
 - ❖ Risk analysis
 - ❖ Technology



Regulatory Affairs



100

% of priority pretreatment
inspections &
sampling completed



10,136

acre-feet of flow release
managed for
augmentation & trading



95

% of flow
augmentation
targets met



240,171

analytical results



4,400

Number of compliance
determinations
per FTE



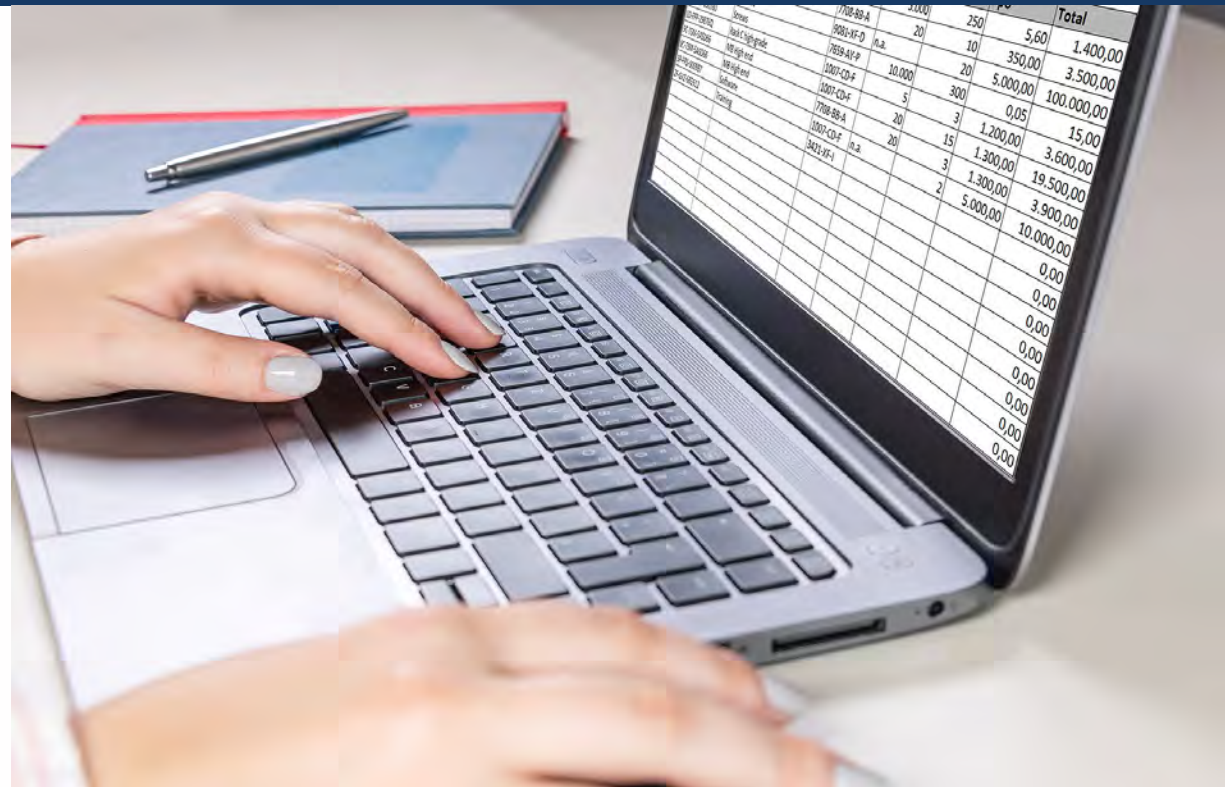
100

% meeting scheduled
permit requirements

BUSINESS SERVICES FUNCTIONAL AREA

Finance & Accounting Department

BUDGET PAGES 189-191 | ROADMAP PAGES 69-79



Finance & Accounting FTE

Finance & Accounting
19 FTE

- Strategic financial planning
- Financial accounting and reporting
- Budget planning, development, and administration
- Utility billing and collections
- Treasury
- Debt management
- Cost of service analysis, forecasting, and rate development



Finance & Accounting Budget Drivers

- Personnel Services increased by \$412,700, or 14%
 - Chief Financial Officer transferred in from Office of the Chief Executive Officer
 - 1 midyear FY25 add of a Senior Accounting Technician
 - Reclassification of 3 represented FTE to senior level
- Materials and Services increased by \$445,200, or 24%
 - Joint billing services with Tualatin Valley Water District
 - Proposed Travel and Training budget
 - ❖ \$39,000, or 1.7% of Materials and Services budget
 - Proposed Meals and Refreshments budget
 - ❖ \$2,000, or .09% of Materials and Services budget



Finance & Accounting Budget

| Departmental Expenditure Summary | FY 2023 Actual | FY 2024 Actual | FY 2025 Revised Budget | FY 2026 Proposed | Change from FY 2024-25 Budget |
|-------------------------------------|-------------------|-------------------|------------------------------|---------------------|-------------------------------------|
| Personnel Services | \$ 2,151,615 | \$ 1,994,090 | \$ 2,990,700 | \$ 3,403,400 | 14% |
| Materials & Services | 1,459,236 | 2,006,653 | 1,874,300 | 2,319,500 | 24% |
| Total Department Budget | \$ 3,610,851 | \$ 4,000,743 | \$ 4,865,000 | \$ 5,722,900 | 18% |
| Full-Time Equivalent (FTE) | 17.00 | 16.00 | 18.00 | 19.00 | |

Added to Finance & Accounting

- 1 Chief Financial Officer FTE transfer from Office of the CEO

Additional details about FTE changes are in the budget beginning on page 189

Planned Initiatives

- Enhanced reporting and auditing
- Partner with Digital Solutions on technology investments
- Update the cost-of-service study and financial forecast
- Formulate new utility billing rates
- Partner with Capital Planning to develop methodology and new System Development Charges based on West and East Basin Master Plans



Finance & Accounting

**0**

audit finding

**7.00**debt coverage
ratio**103**% of actual revenue
to budget**74**surface water
management operating
ratio**85**% of actual
capital expenditures
to budget**59**sanitary sewer
operation ratio

BUSINESS SERVICES FUNCTIONAL AREA

Business Operations & Strategy Department

BUDGET PAGES 151-175 | ROADMAP PAGES 11-47



Business Operations & Strategy FTE

Administrative Services

15 FTE

- Centralize business administrative support
- Board of Directors, Clean Water Services Advisory Commission coordination

Culture, Equity & Learning

3 FTE

- Equity, diversity, and inclusion strategy, metrics
- Employee engagement, culture
- Employee learning, leadership

Facilities Maintenance

10 FTE

- Occupied building maintenance and services management
- Facility asset renewal, replacement planning, implementing
- Unoccupied / equipment building maintenance

Risk & Insurance Management

3 FTE

- Proactively manage CWS' portfolio of risks and opportunities
- Commercial insurance and self-insurance programs through Clean Water Insurance Company
- Claim processing and loss prevention
- Emergency management

Safety Program

4 FTE

- Improve efficiency and effectiveness of safety for all employees

Strategy Development & Enterprise Performance

9 FTE

- Strategic planning, Performance Excellence
- Financial strategies
- Integrated planning
- Strategy delivery, project management

Business Operations & Strategy Budget Drivers

- Personnel services increased \$1.4 million, or 21%
 - 1 new FY26 FTE: Building & Facilities Services Supervisor
 - Net addition of 6 FTE transferring in from other departments
- Materials and Services increased \$3.8 million, or 67%
 - Proposed Travel and Training budget
 - ❖ \$86,470, or 0.9% of Materials and Services budget
 - Proposed Meals and Refreshments budget
 - ❖ \$36,300, or 1% of Materials and Services budget
 - Programs transferred from EATS department
 - ❖ Facilities Maintenance, including all occupied buildings operating costs
 - ❖ Safety program
- Achievements
 - Enhancing business operations services quality
 - Organization integration and synergy



Business Operations & Strategy Budget

| Departmental Expenditure Summary | FY 2023 Actual | FY 2024 Actual | FY 2025 Revised Budget | FY 2026 Proposed | Change from FY 2024-25 Budget |
|----------------------------------|----------------|----------------|------------------------|------------------|-------------------------------|
| Personnel Services | \$ 1,277,100 | \$ 2,905,086 | \$ 6,692,200 | \$ 8,111,700 | 21% |
| Materials & Services | 3,167,252 | 4,310,714 | 5,757,500 | 9,607,000 | 67% |
| Total Department Budget | \$ 4,444,352 | \$ 7,215,800 | \$ 12,449,700 | \$ 17,718,700 | 42% |
| Full-Time Equivalent (FTE) | 20.00 | 21.00 | 38.00 | 44.00 | |

Added to BOS

- Budgets for Facilities Maintenance and Safety transfer from Enterprise Asset & Technical Services (EATS)
- 1 new FTE
- 25 FTE transfer from OCEO, EATS, Water Resource Recovery Operations & Services (WRRD)

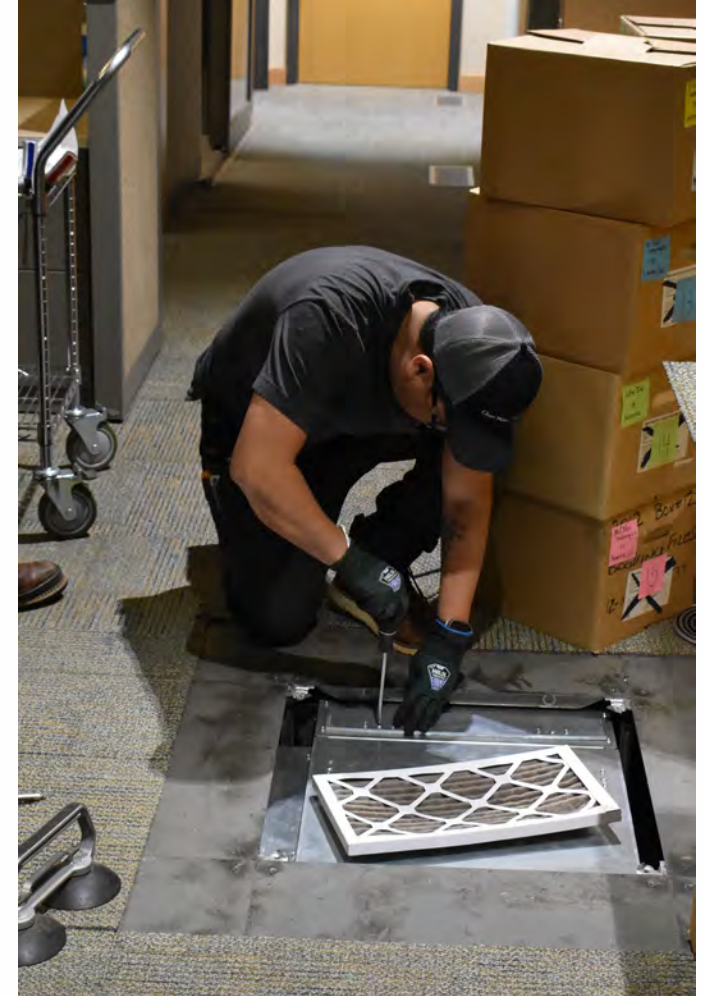
Removed from BOS

- Budget for procurement functions transfers to Legal & Compliance Services, Business Opportunities & Operations program dissolved
- 10 FTE transfer to Legal & Compliance Services

Additional details about FTE changes are in the budget beginning on page 154

Two Programs Transferred from EATS

- Facilities Maintenance
 - Added building and facilities square footage to manage
 - Additional repair and maintenance projects as facilities age
- Safety
 - Reviewed and revised multiple safety policies in compliance with Occupational Safety and Health Administration requirements
 - Safety hard hats to safety helmets
 - Local Safety Committees and Safety Policy Committees



Supporting CWS for Success

- Administrative Services
 - Filled multiple vacancies and eliminated understaffing challenges
 - Assisted Finance and informed executive advisory group on new policies
 - Continued optimization of service delivery (office supplies and ordering process)
- Culture, Equity & Learning
 - 3 years of continued improvement in Gallup results
 - Multiple new learning programs developed and implemented

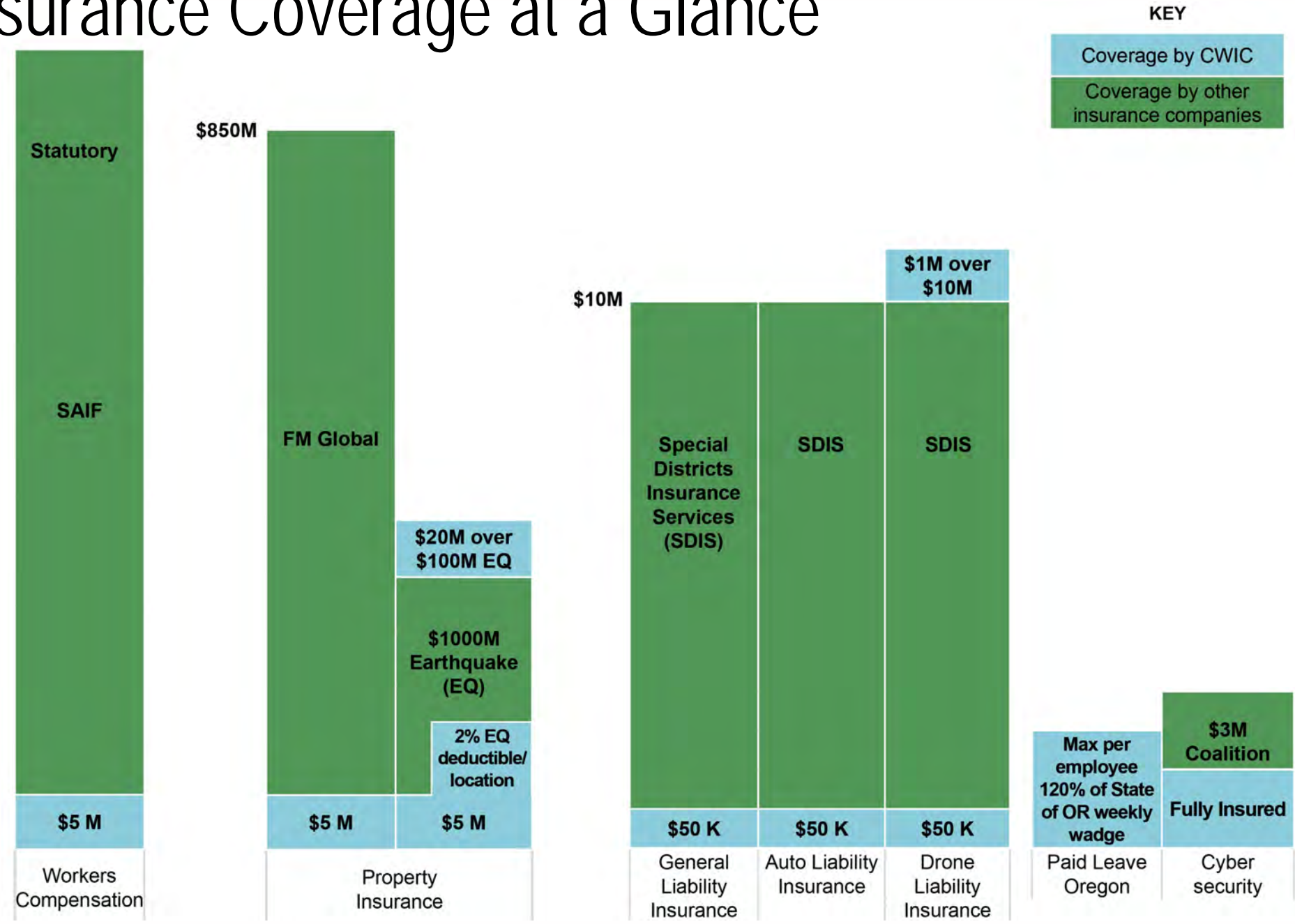


Supporting CWS for Success

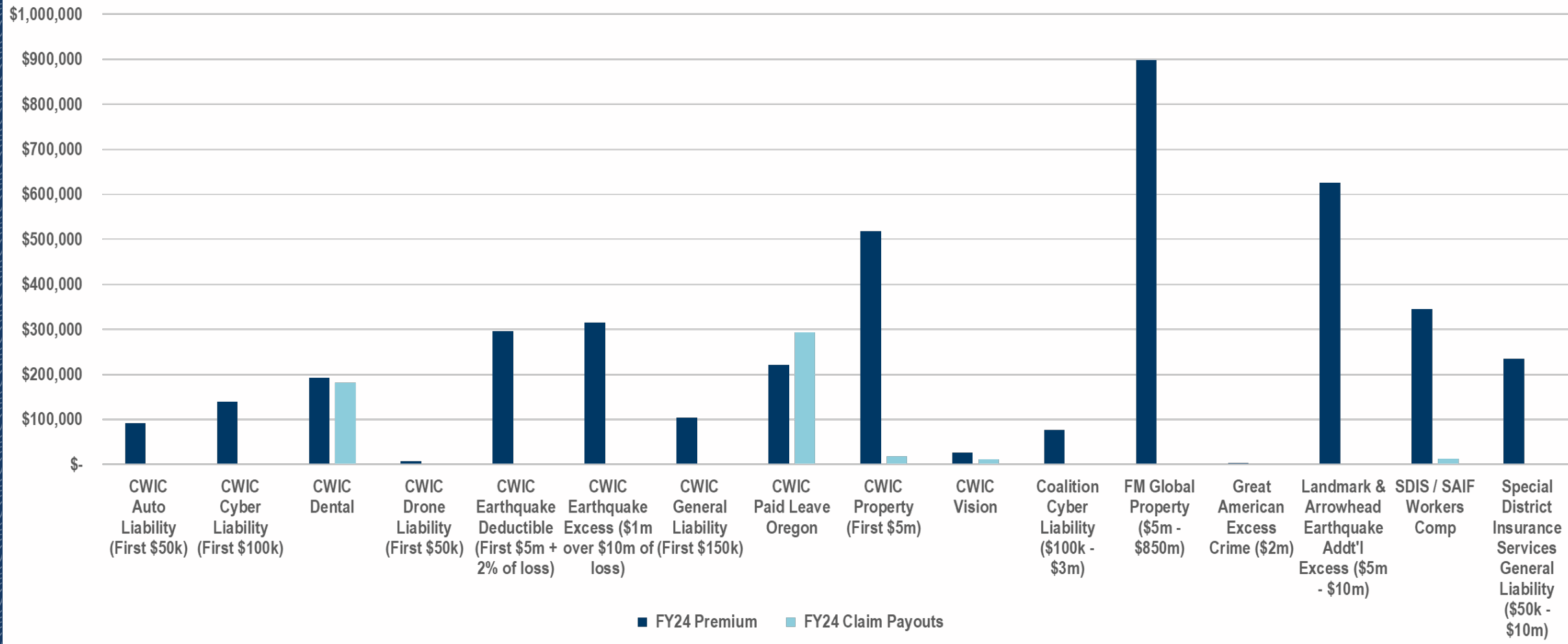
- Strategy Development & Enterprise Performance
 - Strategic projects
 - ❖ Climate action strategy
 - ❖ Long-term regulatory compliance strategy
 - ❖ Performance excellence
 - ❖ Business process improvement
 - ❖ Project management manual and training
- Risk Management
 - General Liability: Processed and closed 58 claims
 - Workers' compensation: no time loss, 8 claims (experience modification score 0.8)
 - FY 2025-26 insurance premium: estimated \$4.4 million
 - ❖ CWIC: \$1.9 million
 - ❖ Other insurers: \$2.5 million



Insurance Coverage at a Glance



Insurance Premiums and Claims Paid (FY 2023-24)



Business Operations & Strategy



60
claims
managed



22
safety audits
(52 in FY 26)



80
% compliance in
safety audits
(90% in FY 26)



4.0
Gallup Q12 Engagement
score for organization
(grandmean)



1,886
facilities preventative
maintenance
work orders

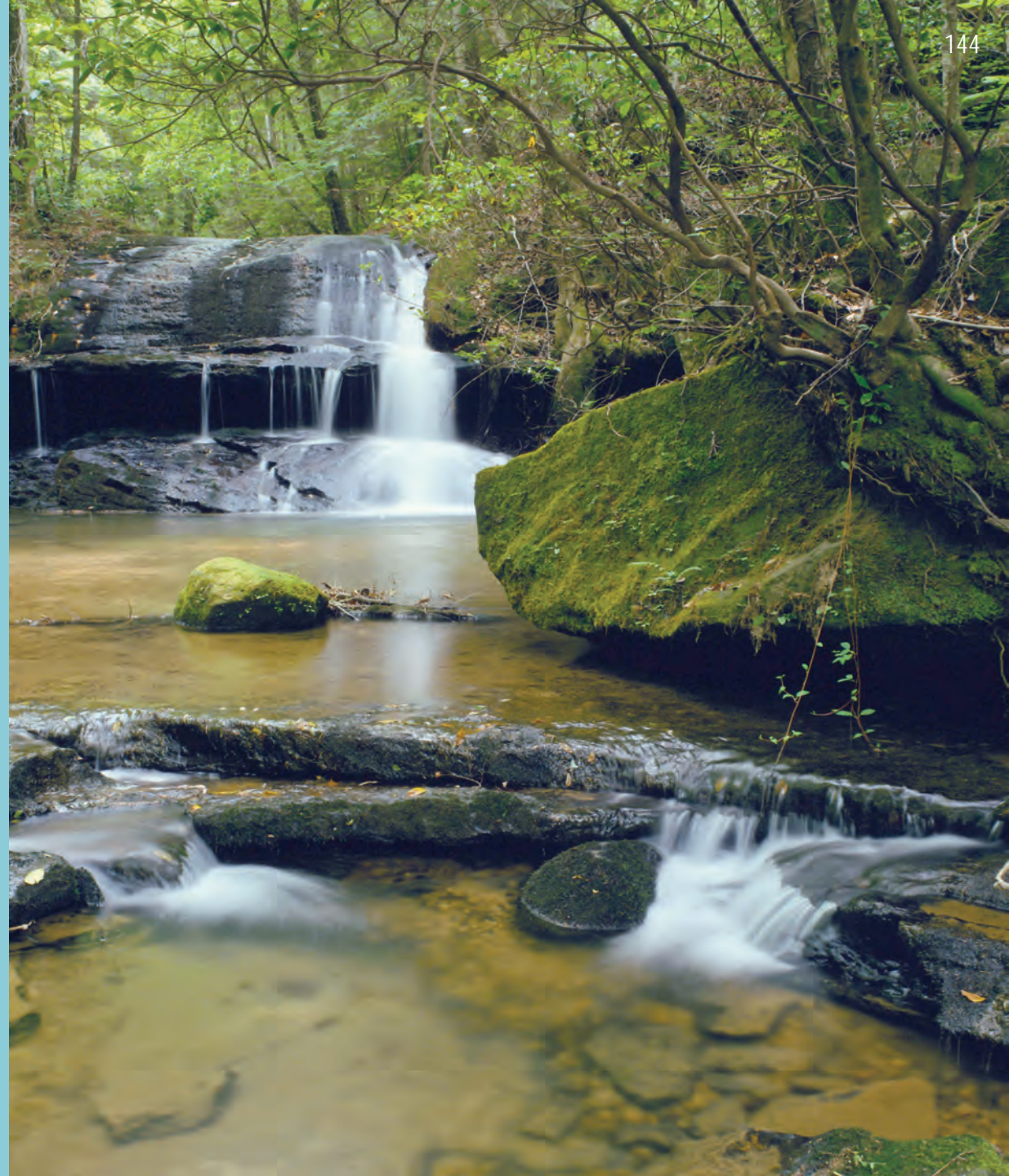


1,325
facilities corrective
maintenance
work orders

Break

FY 2025 - 2026
Budget Presentation

May 9, 2025



BUSINESS SERVICES FUNCTIONAL AREA

Digital Solutions Department

BUDGET PAGES 177-187 | ROADMAP PAGES 49-68



Digital Solutions FTE

IT Business Applications 8 FTE

- Enterprise software applications
 - Implementation
 - Integration
 - Development
 - Administration
 - Support
- Database management
- Digital data governance and integration

IT Infrastructure 7 FTE

- Business hardware and communication systems:
 - Enterprise equipment deployment and replacement
 - Systems administration
 - Support
 - Infrastructure and network management (network equipment, phones, etc.)

IT Client Services * 7 FTE

- End user support:
 - Service Desk tickets and troubleshooting
 - End user device deployment and replacement
 - End user software management
 - Technical systems analysts for business processes and software

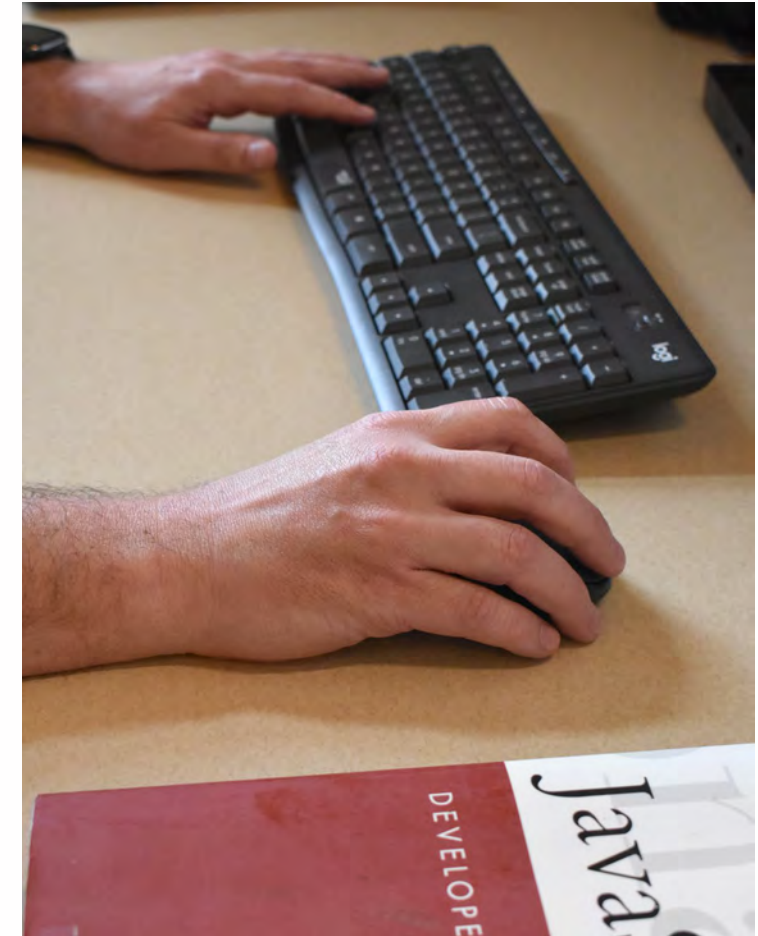
Geographical Information Systems * 6 FTE

- GIS program:
 - Strategic planning
 - Governance
 - Work requests
 - Project delivery
- GIS systems:
 - Administration
 - Technical support
 - Data maintenance

* New Programs FY 2025-26

Digital Solutions Budget Drivers

- Personnel Services increased \$1.05 million, or 22%
 - 1 new FTE for FY26: IT Client Services Manager
 - Net add of 4 FTE transferring in from other departments
- Materials and Services increased \$945,000, or 22%
 - Software licenses increase \$523,000
 - Proposed Travel and Training budget
 - ❖ \$25,000, or 0.5% of Materials and Services budget
 - Proposed Meals and Refreshments budget
 - ❖ \$800, or .02% of Materials and Services budget



Digital Solutions Budget

| Departmental Expenditure Summary | FY 2023 Actual | FY 2024 Actual | FY 2025 Revised Budget | FY 2026 Proposed | Change from FY 2024-25 Budget |
|----------------------------------|----------------|----------------|------------------------|------------------|-------------------------------|
| Personnel Services | \$ 2,589,236 | \$ 3,022,502 | \$ 4,848,200 | \$ 5,898,100 | 22% |
| Materials & Services | 2,636,716 | 3,402,505 | 4,211,800 | 5,157,100 | 22% |
| Total Department Budget | \$ 5,225,953 | \$ 6,425,007 | \$ 9,060,000 | \$ 11,055,200 | 22% |
| Full-Time Equivalent (FTE) | 17.00 | 20.00 | 23.00 | 28.00 | |

Added to Digital Solutions

- 1 new FTE
- 6 FTE transfer from Enterprise Asset & Technical Services, Natural Systems Enhancement & Stewardship, Regional Utility Services

Removed from Digital Solutions

- 2 FTE transfer to Legal & Compliance Services

Additional details about FTE changes are in the budget beginning on page 177

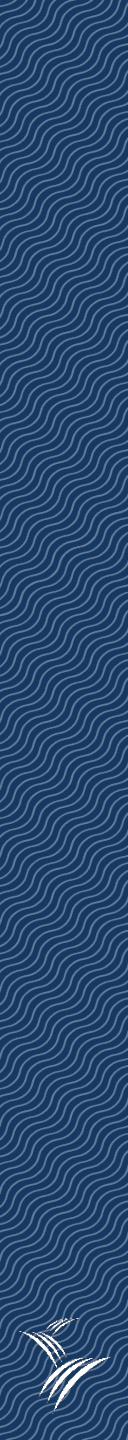
Breakdown of Materials and Services Increases

- Roughly half of additional costs from:
 - Microsoft Enterprise Agreement
 - Oracle licensing adjustments
 - Expanding backups for resiliency
 - GIS and cybersecurity systems
- Balance of growth due to:
 - Growth in number of licensed users
 - Rising costs due to uplifts, inflation
 - New software purchases for business efficiency and risk reduction
 - Professional services for key initiatives



Planned Investments and Initiatives

- Upgrades and implementations
 - Network improvements, cybersecurity enhancements
 - New legal case management, contract management systems
 - Employee intranet implementation
 - GIS utility network migration
 - Data warehouse development
- Process improvements
 - Centralized GIS program
 - New Client Services program
 - IT Steering Committee and planning process



Digital Solutions



925

Average number of tickets
received per month



2,364

GIS web services



9.64

end user satisfaction
score, out of 10



95

% of tickets
resolved per month



99.9

% of server uptime

BUSINESS SERVICES FUNCTIONAL AREA

Human Resources Department

BUDGET PAGES 193-195 | ROADMAP PAGES 81-89



Human Resources FTE

Human Resources
10 FTE

- Employee and labor relations
- Talent management: recruitment, selection, retention
- Employee performance management
- Employment laws and policies compliance
- Benefits and wellness
- Classification and compensation, pay equity
- Analytics dashboards, metrics, reports
- Supporting:
 - Employee Learning and Engagement program
 - Risk and Safety

Human Resources Budget Drivers

- Personnel costs increased \$231,400, or 11%
 - 3 FTE midyear redesignations
- Materials and Services decreased \$145,400, or 18%
 - Legal services costs transfer to Legal & Compliance Services program
 - Ended health and benefit brokerage services contract
 - Proposed Travel and Training budget
 - ❖ \$12,500, or 2% of Materials and Services budget
 - Proposed Meals and Refreshments budget
 - ❖ \$550, or .08% of Materials and Services budget



Human Resources Budget Drivers

- Achievements
 - **Employee benefits**
 - ❖ Transitioned nonrepresented employee health benefit insurance to Public Employees' Benefit Board (PEBB), including medical, dental, vision, life insurance, and voluntary benefits, beginning January 1, 2025
 - **Employee performance management**
 - ❖ All employee competencies created and integrated into a new performance management system
 - **Talent acquisition**
 - ❖ Human Resources achieved a 90% staffing level goal



Human Resources Budget

| Departmental Expenditure Summary | FY 2023 Actual | FY 2024 Actual | FY 2025 Revised Budget | FY 2026 Proposed | Change from FY 2024-25 Budget |
|-------------------------------------|-------------------|-------------------|------------------------------|---------------------|-------------------------------------|
| Personnel Services | \$ 1,366,447 | \$ 1,656,382 | \$ 1,998,300 | \$ 2,219,700 | 11% |
| Materials & Services | 422,306 | 552,255 | 807,200 | 661,800 | -18% |
| Total Department Budget | \$ 1,788,753 | \$ 2,208,637 | \$ 2,805,500 | \$ 2,881,500 | 3% |
| Full-Time Equivalent (FTE) | 10.00 | 10.00 | 10.00 | 10.00 | |

Supporting a Resilient and Engaged Employee Experience

Workforce resilience

- Talent management
 - Proactive recruitment strategies
- Succession planning
 - Knowledge transfer
 - Internal structure alignment
 - Job description review
 - Career development pathways
 - Position opportunities for retirees
- Policy review and updates
 - Changes in workplace practices and procedures
 - Training
- Recruitment analytics
 - Staffing level, vacancy percentages, time to fill, and applicant volume
- Benefits
 - Nonrepresented coverage through PEBB, increased access
 - Focus on employee well-being
 - Benefits education
- Learning and growing
 - Career pathing with department, program structures
 - Supervisor training series
 - Internal promotional and transfer opportunities

Engaged workforce

- Performance management
 - Individual position competencies
 - Self-evaluation
 - Midyear check-in
 - Supervisor onboarding guide
 - Clarity of roles and responsibilities
 - Process clarity and training
- Human Resources communication and customer service
 - Labor relations through agreements and collaborations
 - Constant support to employees
 - Timely responses

Human Resources



8

policies reviewed
and updated



55

Days FY25 Q1-Q3
average time to fill



488

employees supported
(490 in FY26)



400

performance reviews
completed



20

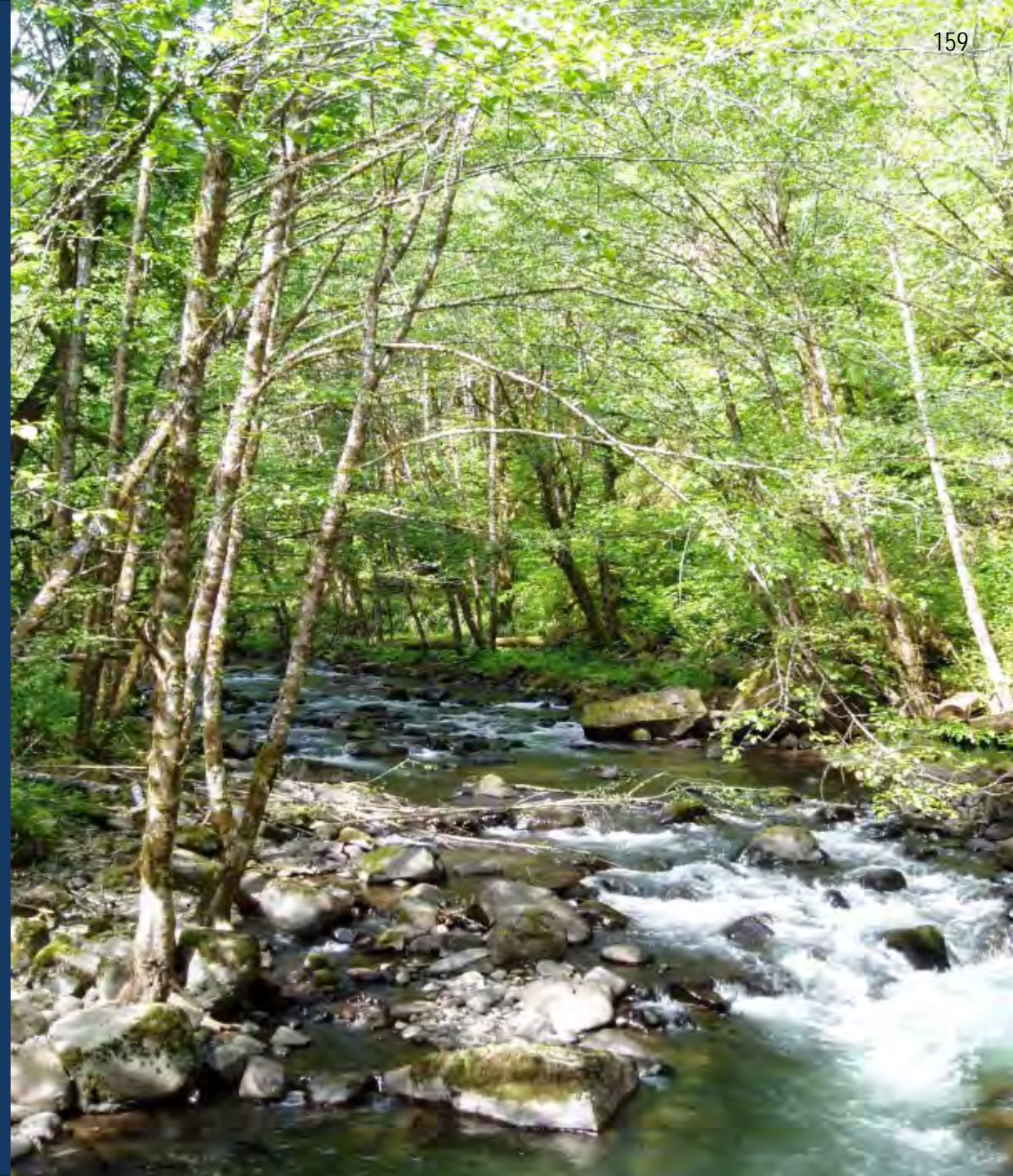
% of BIPOC
employees



34

% of female
and nonbinary
employees

FY 2025-26 Budget Public Comments



Financial Summary

TOTAL OF ALL FUNDS FISCAL YEAR 2025-2026

Proposed Budget

160

FINANCIAL SUMMARY - RESOURCES

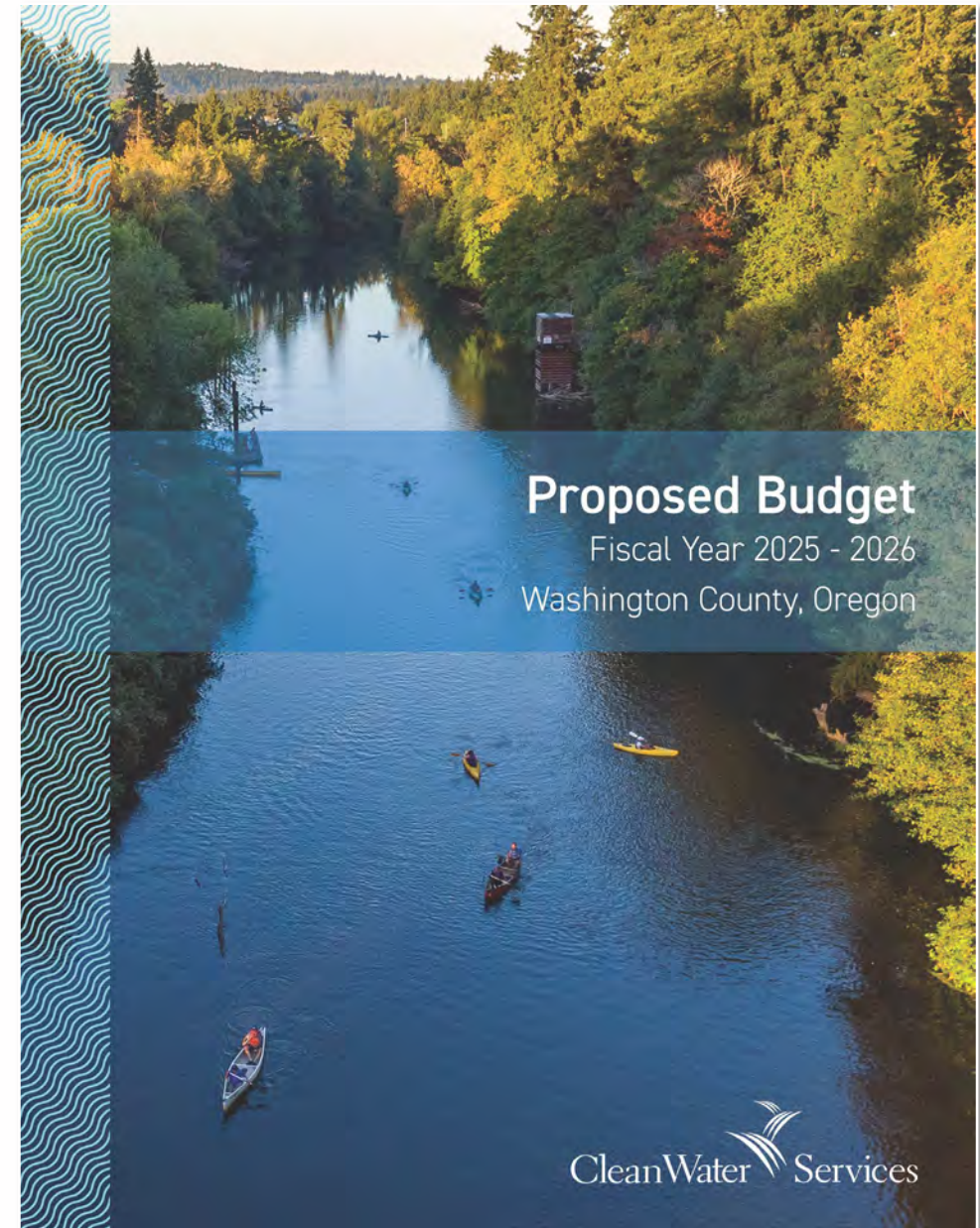
| | |
|---|--------------------|
| Beginning Fund Balance/Net Working Capital | 429,250,000 |
| Fees, Licenses, Permits, Fines, Assessments & Other Service Charges | 225,374,600 |
| Federal, State and All Other Grants, Gifts, Allocations & Donations | 310,000 |
| Interfund Transfers / Internal Service Reimbursements | 176,964,600 |
| All Other Resources Except Current Year Property Taxes | 97,235,100 |
| Total Resources | 929,134,300 |

FINANCIAL SUMMARY - REQUIREMENTS

| | |
|---|--------------------|
| Office of the Chief Executive Officer | 2,329,200 |
| Business Operations & Strategy | 17,718,700 |
| Digital Solutions | 11,055,200 |
| Finance & Accounting | 5,722,900 |
| Human Resources | 2,881,500 |
| Legal Services | 4,563,600 |
| Natural Systems Enhancement & Stewardship | 10,501,900 |
| Regional Utility Services | 10,737,700 |
| Regulatory Affairs | 10,456,900 |
| Utility Operations & Services | 15,269,200 |
| Water & Engineering Technology | 15,161,000 |
| Water Resource Recovery Operations & Services | 33,460,200 |
| Capital Outlay | 147,120,900 |
| Debt Service | 19,602,800 |
| Other Fund Outlays | 11,315,800 |
| Interfund Transfers | 176,964,600 |
| Contingencies | 60,980,000 |
| Unappropriated Ending Balance and Reserved for Future Expenditure | 373,292,200 |
| Total Requirements | 929,134,300 |
| Approval Request | 929,134,300 |
| Including Unappropriated EFB of | 373,292,200 |
| Requirements of | 555,842,100 |

Motion to Continue Budget Committee Review of FY 2025-26 Budget

- Motion to continue Budget Committee review to May 23, 2025, from 1 p.m. to 4 p.m. at the Public Services Building Auditorium located at 155 N 1st Avenue, Hillsboro, 97124



Thank You

FY 2025-26
Budget Presentation

May 9, 2025



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