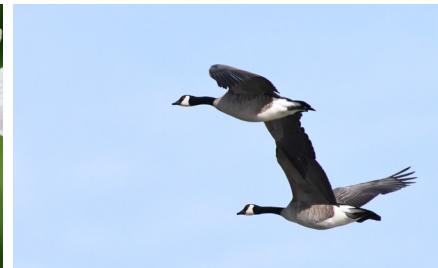




# Board of Directors Work Session

February 6, 2026

Clean Water Services Central  
15195 NW Greenbrier Pkwy  
Beaverton, Oregon 97006



January 27, 2026

Board of Directors,

We provide the following materials for your review ahead of our February 6 work session.

We will gather:

**9 a.m. Friday, February 6**  
**CWS Central**  
**Large Conference Room, 2<sup>nd</sup> Floor**  
**15195 NW Greenbrier Parkway, Beaverton, OR 97006**

Please bring the following items with you:

- CWS badge/fob
- A water bottle, snack, and your lunch
- Binder of meeting materials
- CWS-issued laptop
- CWS magnetic name tag

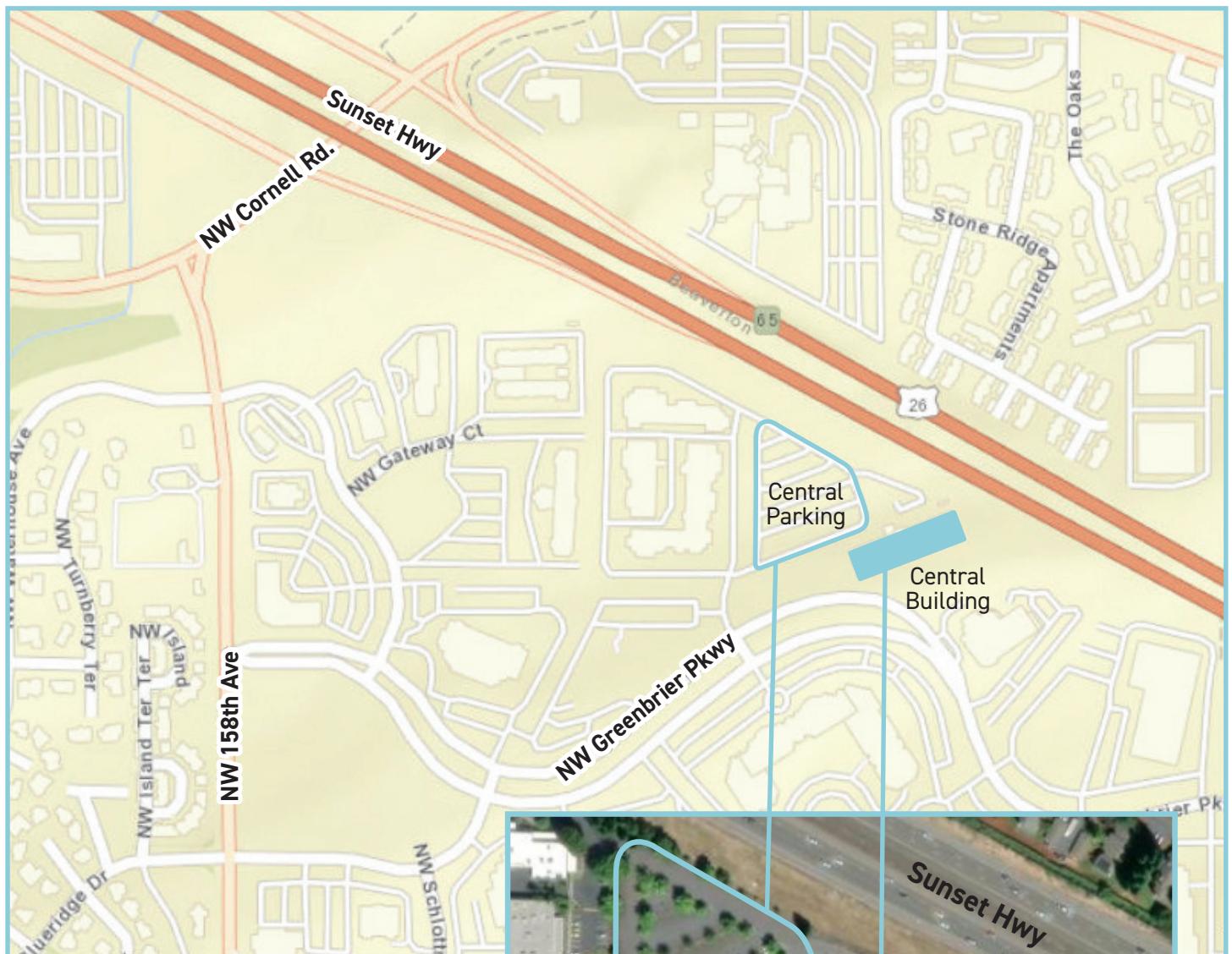
Please contact us if you have questions. Thank you.

**Rick Shanley, P.E.** | Interim Chief Executive Officer/General Manager  
o 503.547.8178 | m 971.499.3939

**Elizabeth Edwards** | Chief of Staff  
o 503.681.5141 | m 971.478.9161

**Anh Le** | Executive Management Analyst to the CEO/General Manager  
o 503.681.5184 | m 971.450.7004

# CENTRAL BUILDING AND PARKING



**Clean Water Services Central**  
15195 NW Greenbrier Pkwy  
Beaverton, OR 97006  
503.681.3600



## Clean Water Services Board of Directors Work Session

**Friday, February 6, 2026, 9 a.m.**

**CWS Central | Large Conference Room**

**15195 NW Greenbrier Parkway, Beaverton, OR 97006**

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### Hybrid meeting (in person and virtual)

Note: The start times for the work session items are approximate. The Board may change the order of items or move items to another day for time.

**To access the meeting by phone, please dial + 1.669.444.9171**

**Webinar ID: 873 3958 5387 | Passcode: 799752**

[\*\*Zoom link\*\*](#)

9:00 a.m.	<b>Welcome</b>
(5 min)	Introductions and overview of the agenda <ul style="list-style-type: none"><li>• Elizabeth Edwards, Chief of Staff</li></ul>
9:05 a.m.	<b>FY 2025-26 Quarterly Financial Report</b>
(30 min)	<ul style="list-style-type: none"><li>• Kathy Leader, Chief Financial Officer</li></ul>
9:35 a.m.	<b>CWS Annual Financial Audit Report</b>
(30 min)	The Clean Water Services Audit Committee met on January 7, 2026, to review the Fiscal Year 2024-25 audit report. The audit found no material weaknesses and provided an unmodified (clean) opinion on the financial statements. Kathy Leader and Julie Desimone, from Baker Tilly, will discuss the audit results. <ul style="list-style-type: none"><li>• Kathy Leader, Chief Financial Officer</li><li>• Julie Desimone, Audit Engagement Principal, Baker Tilly</li></ul>
10:05 a.m.	<b>Break</b>
10:20 a.m.	<b>Compliance Overview</b>
(45 min)	Staff will provide an overview of the CWS Compliance program, which is designed to safeguard the organization from legal, financial, human resources, safety, environmental, regulatory, government ethics, and reputational risk associated with noncompliance. <ul style="list-style-type: none"><li>• Caroline Lobdell, General Counsel and Chief Compliance Officer</li><li>• Bruce Cordon, Regulatory Compliance and Audit Manager</li></ul>

11:05 a.m. (45 min)	<b>CWS Employee Update</b> Staff will provide an overview of the CWS workforce demographics, hiring and recruiting, succession planning, employee development, and learning opportunities. <ul style="list-style-type: none"><li>• Holly Dober, Human Resources and Risk Management Director</li><li>• Jamie Waltz, Culture and Development Leader</li></ul>
11:50 a.m. (60 min)	<b>Lunch Break</b>
12:50 p.m. (15 min)	<b>Performance Excellence and Roadmaps 2.0</b> Staff will discuss efforts to simplify the roadmap program and how CWS is incorporating the positives from the Baldrige Performance Excellence Program into its day-to-day work while not pursuing the award. <ul style="list-style-type: none"><li>• Elizabeth Edwards, Chief of Staff</li><li>• Jamie Waltz, Culture and Development Leader</li></ul>
1:05 p.m. (45 min)	<b>Climate Action Strategic Roadmap Update</b> The Climate Action Strategic Roadmap provides long-term policy direction that will inform mitigation and adaptation strategies to address climate change. Staff will discuss how the roadmap will direct work at the department and program level to protect infrastructure, ensure service reliability, and promote environmental stewardship. <ul style="list-style-type: none"><li>• Elizabeth Edwards, Chief of Staff</li><li>• Jamie Waltz, Culture and Development Leader</li></ul>
1:50 p.m. (60 min)	<b>Board Planning and Discussion</b> Board review and discussion of rolling agendas, work session day planning, and Board travel. Direction on engagement, Board needs, and issue planning. <ul style="list-style-type: none"><li>• Kathryn Harrington, Chair</li><li>• Rick Shanley, Interim CEO/GM</li><li>• Elizabeth Edwards, Chief of Staff</li></ul>
2:50 p.m. (10 min)	<b>Wrap Up</b> <ul style="list-style-type: none"><li>• Elizabeth Edwards, Chief of Staff</li></ul>
3:00 p.m.	<b>Adjourn</b>

## DISCUSSION PAPER

### **Quarterly Financial Report**

The Chief Financial Officer will provide an overview of the results of operations for Fiscal Year (FY) 2025-26, Quarter 1 (July – September 2025). The discussion includes the percentage of revenues collected and budget spent to date for budget compared to actuals and a comparison to historical trending.

#### **BACKGROUND**

Clean Water Services (District) staff initiated the budget-to-actual reporting to the Board in FY 2020-21 to inform the Board of the financial impacts to operations due to the COVID-19 pandemic. The District had deferred planned rate increases in the FY 2020-21 Adopted Budget and committed to provide midyear financial reporting to the Board to inform decisions regarding the approval and addition of new staff positions and planned rate increases. The first report to the Board in November 2020 provided midyear results of operations for FY 2020-21.

#### **REVENUES COLLECTED BY QUARTER VS BUDGET**

For revenues collected, the quarterly financial reports focus on actual Service Fees and System Development Charges (SDCs) collected as compared to budget. Service Fees and SDCs account for the majority (89%) of revenue collected.

The report provides an analysis of increases and decreases in service charges collected for the current quarter to date compared to the same quarter in the prior year. This analysis helps assess whether sanitary sewer and surface water management service fees collected are in alignment with rate increases and growth in the customer base.

SDCs are one-time assessments charged when customers connect to the Clean Water Services system. This revenue source tends to be volatile and unpredictable. The amount collected can be influenced by a few major developments, particularly developments by large multifamily, commercial, or industrial customers.

Over the past five years, the District has collected on average 101.1% of service fees budgeted and 114.6% of SDCs budgeted.

For FY 2025-26, the District anticipates the percentage of revenue collected for service fees will be less than 100% of the budget because the budget was developed with a planned 4% rate increase for sanitary sewer and surface water

management fees, and the Board adopted a 3% increase in the Rates and Charges. The District estimates a reduction in service fee revenue of \$1.8 million in the current year. The Board directed staff to identify savings of \$1.8 million to cover this shortfall, and the District has identified recently vacated positions that are not planned to be filled to meet this reduction in revenues collected.

### **BUDGET SPENT BY QUARTER VS BUDGET**

For budget spent, the quarterly financial reports focus on actual operating costs (labor and materials and services) and capital expenditures as compared to the budget. The report also provides an analysis of increases and decreases in costs for the current quarter to date compared to the same quarter in the prior year.

Over the past five years, the District has spent 83% of labor costs budgeted (which reflect staff vacancies during the year), 90% of materials and services budgeted, and 71% of capital expenditures budgeted (which reflect delays in planned project delivery).

### **PREVIOUS DISCUSSIONS**

- November 3, 2020, Board Work Session: Quarterly Financial Report FY21, Q1 (JUL-SEP)
- April 2021, online training for Budget Committee: Quarterly Financial Report FY21, Q2 (JUL-DEC)
- April 7, 2022, Board Learning: Quarterly Financial Report FY22, Q2 (JUL-DEC)
- December 7, 2022, Board Learning: Quarterly Financial Report FY23, Q1 (JUL-SEP)
- April 6, 2023, Board Learning: Quarterly Financial Report FY23, Q2 (JUL-DEC)
- October 11, 2023, Board Learning: Quarterly Financial Report FY23, Q4 (JUL-JUN)
- November 7, 2025, Board Work Session: Quarterly Financial Report FY25, Q4 (JUL-JUN)

# FY 2025-26 Quarterly Financial Report

Kathleen Leader, Chief Financial Officer



CleanWater Services

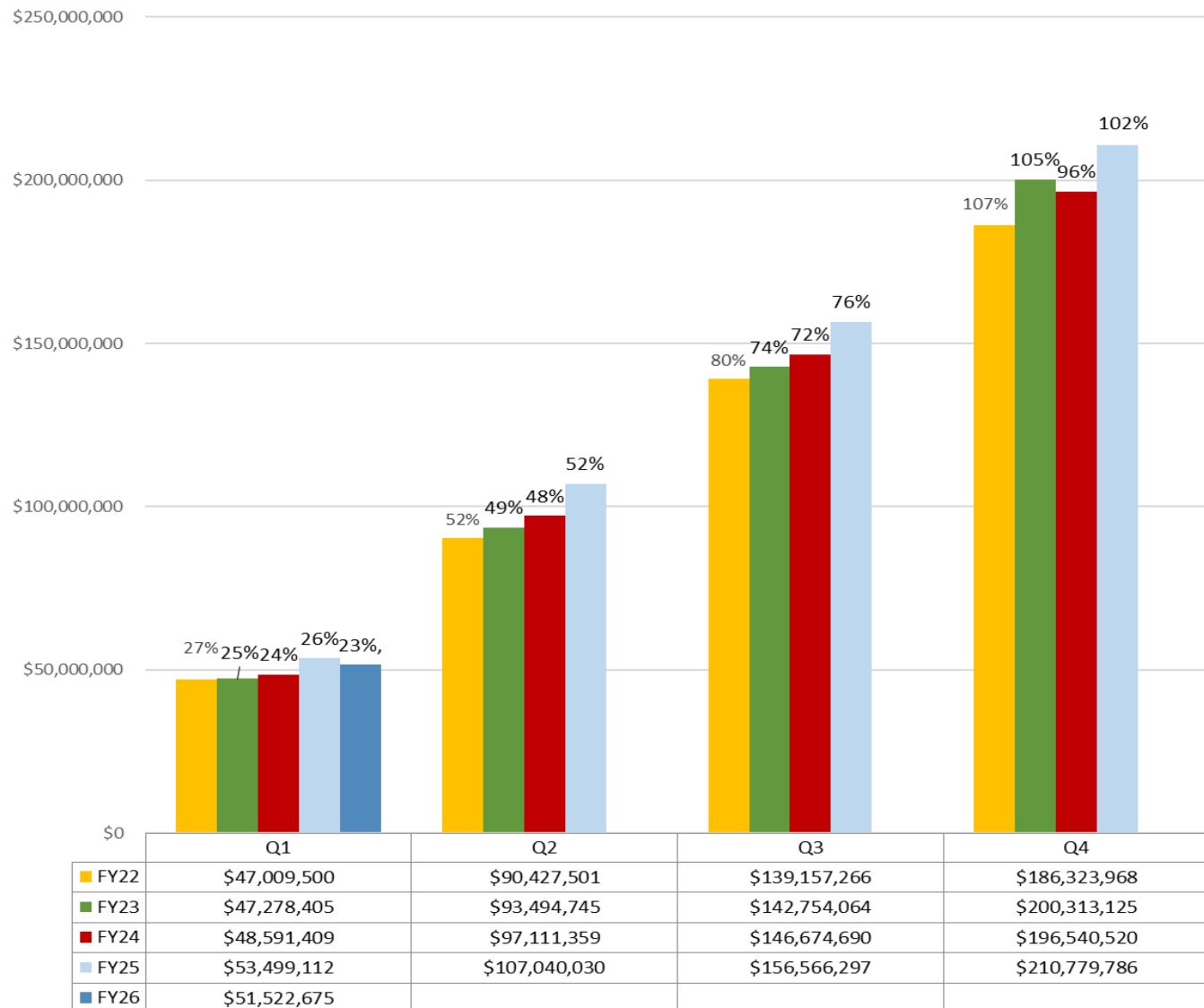
# Presentation Overview

1. Comparison of Q1 (JUL-SEP) percentage of annual budgeted revenue collected over five years, FY 2021-22 through FY 2025-26
2. Comparison of Q1 (JUL-SEP) percentage of budget spent, FY 2021-22 through FY 2025-26
3. FY 2025-26 Q1 (JUL-SEP) results of operations



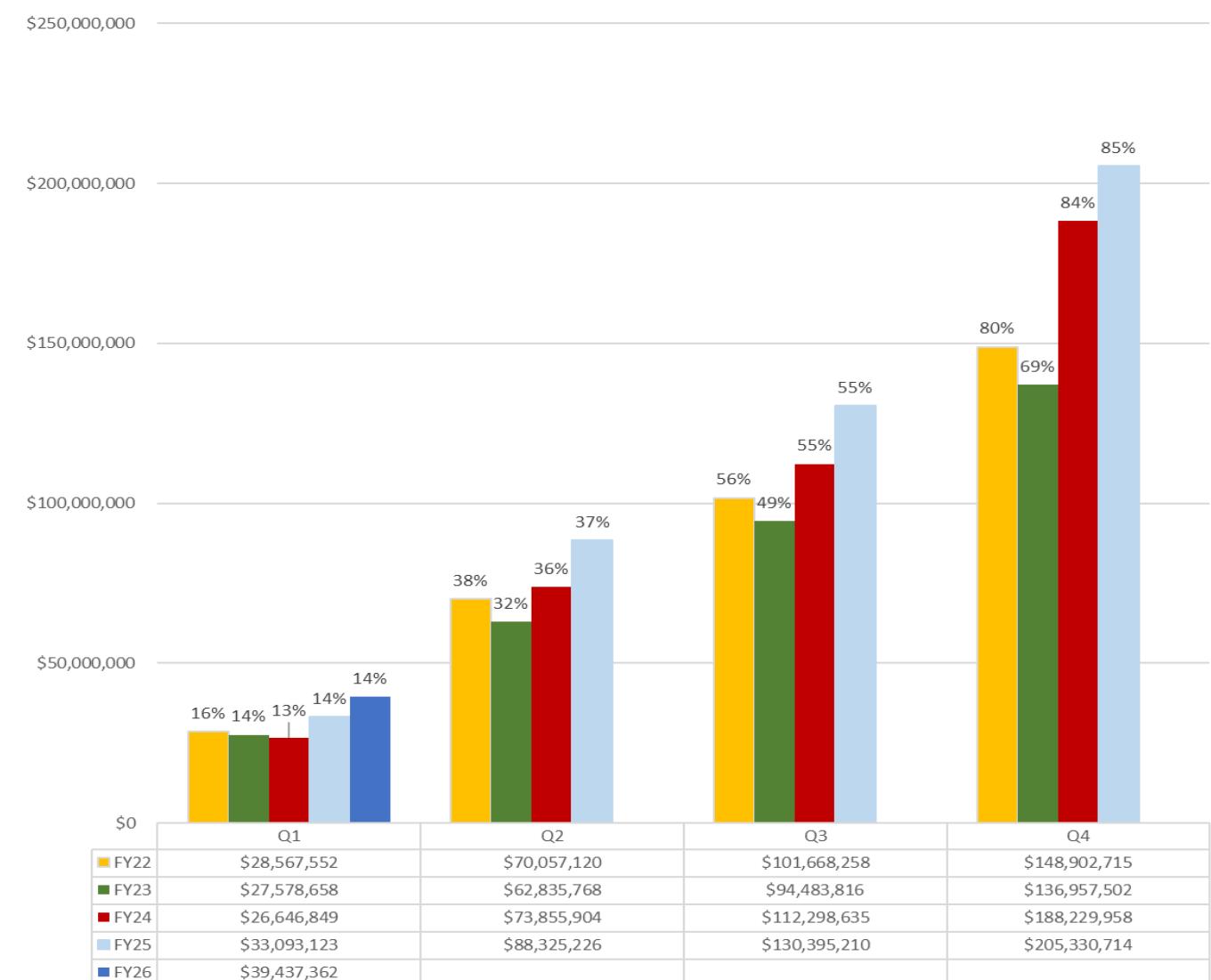
# % of Budgeted Revenue Collected by Quarter: FY22-26

1. Service fee collections, including service fees and System Development Charges, are level over fiscal year
2. FY26 Q1 23% of budget revenue collected vs 3-year average of 24%
3. FY26 is on track with 3-year average



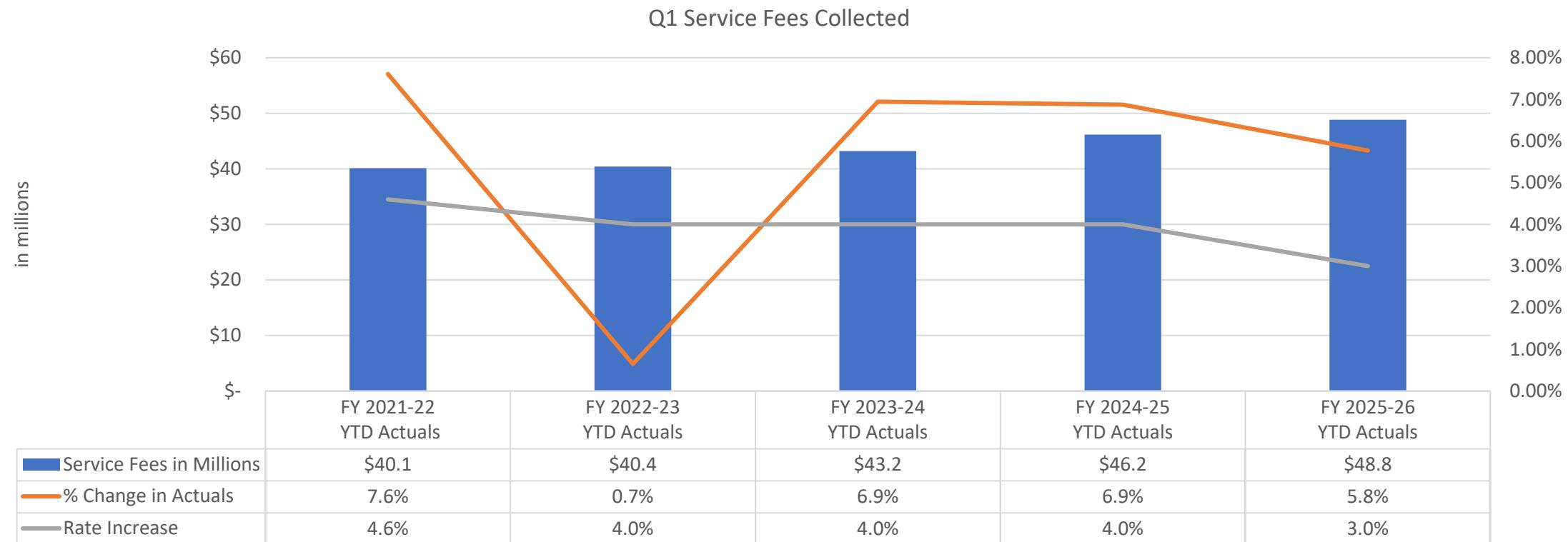
# % of Budget Spent by Quarter: FY22-FY26

1. Operating and capital costs
2. Q1 includes expenditures to close out previous year
3. Budget spent level over fiscal year
4. FY26 Q1 14% of budget spent vs 3-year average 14%
5. FY26 is on target for 3-year average



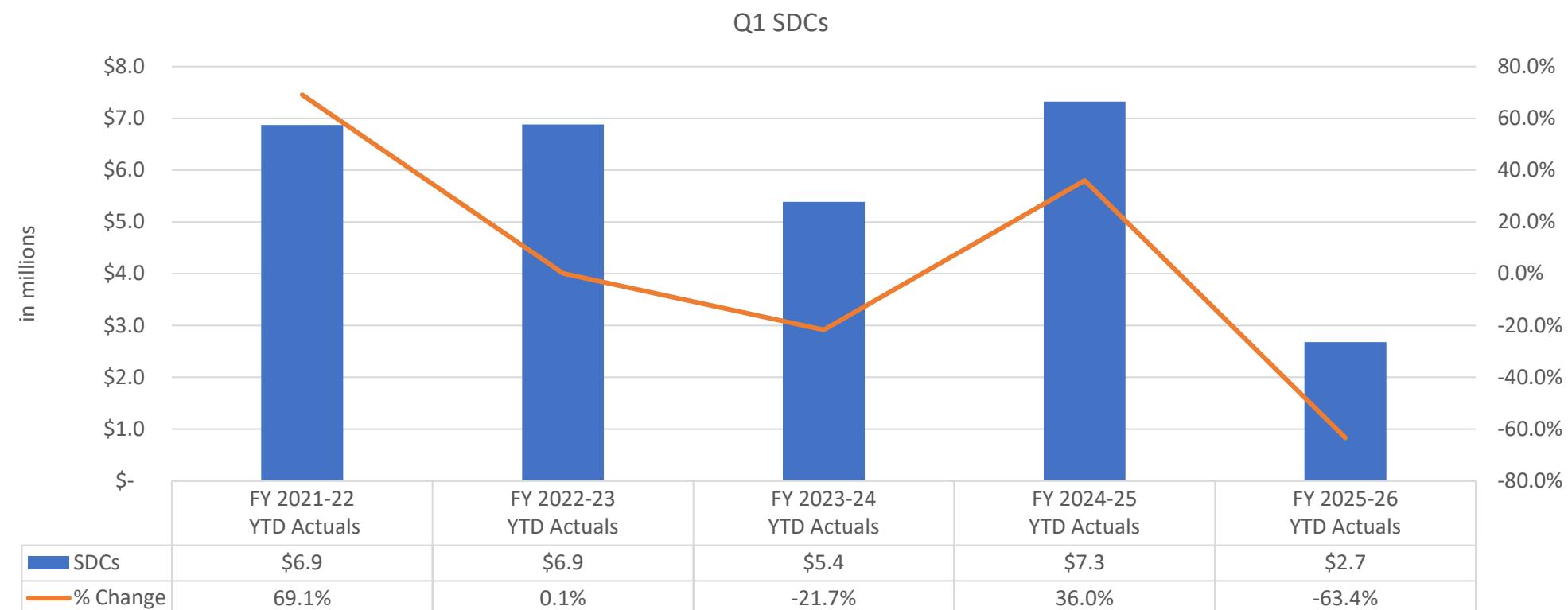
# FY26: Q1 Results of Operations – Service Fees

1. Service fee revenues collected in FY26 Q1 (JUL-SEP) **increased by \$2.6 million (5.8%)** compared to PY Q1. Trending is in line with the 3% rate increase historical growth at 1.5%



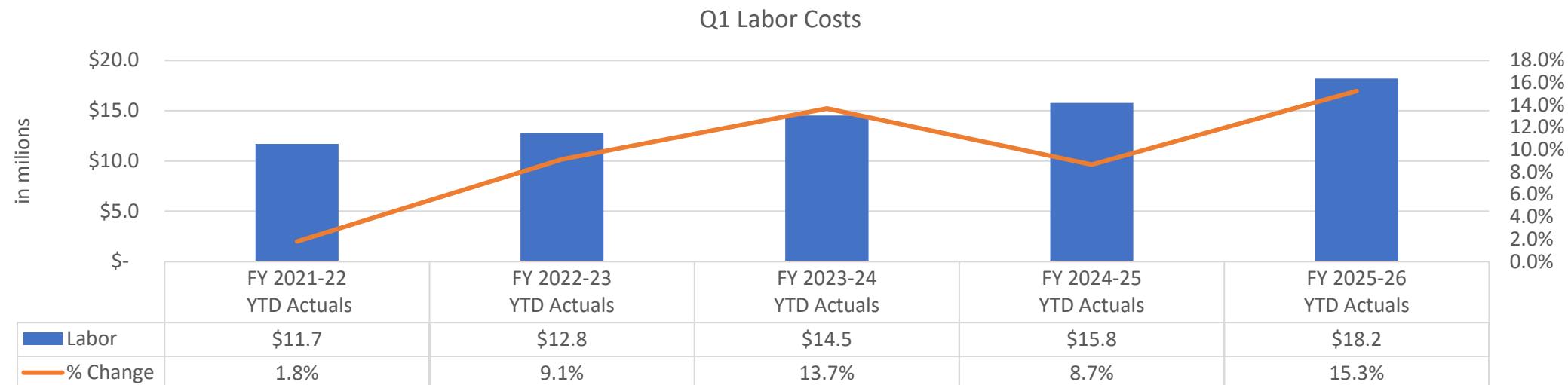
# FY26: Q1 Results of Operations - SDCs

1. System Development Charges (SDCs) collected in FY26 Q1 (JUL-SEP) **decreased \$4.6 million (63.4%)** compared to PY Q1
2. SDC budget for FY26 is \$24 million



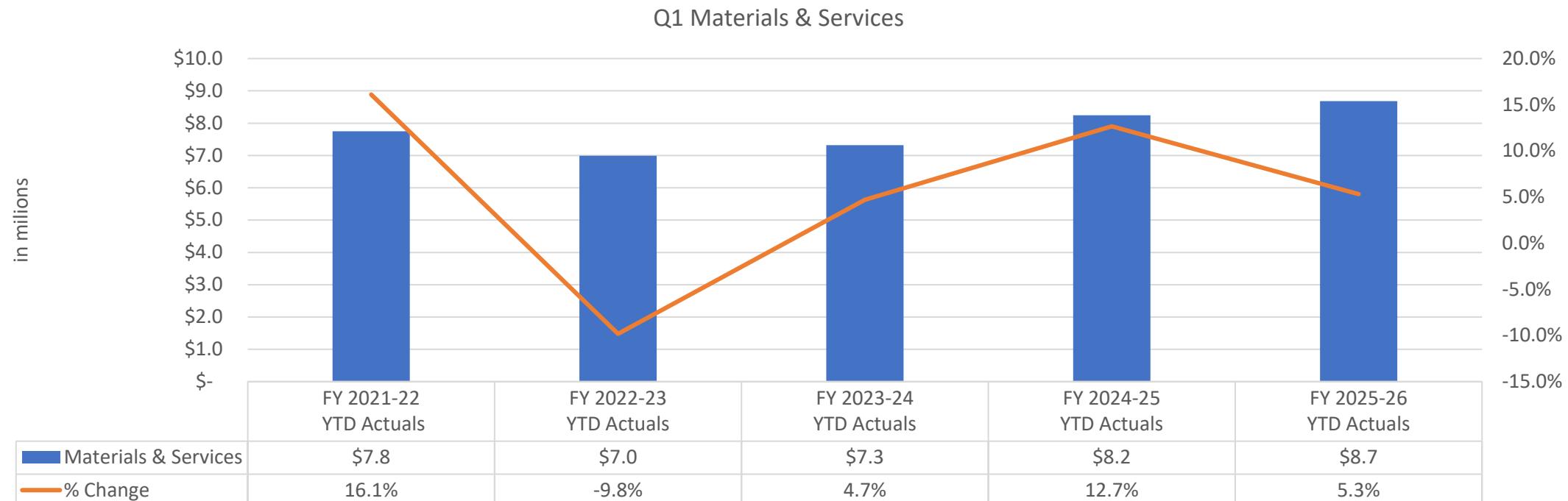
# FY26: Q1 Results of Operations - Labor

1. Labor costs in FY26 Q1 (JUL-SEP) **increased \$2.4 million (15.3%)** compared to PY Q1:
  - a. Cost of living, performance-based pay, and Goal Sharing increased \$1.2 million (9%)
  - b. Retirement benefit payment increased \$853,000 (36%)
  - c. Medical/dental/vision insurance increased \$240,000 (13%)
  - d. Employee vacancies averaged 53 of 499 positions budgeted (10.6%), which reduced wages spent by approximately \$2.4 million for FY 26 Q1 as compared to budget



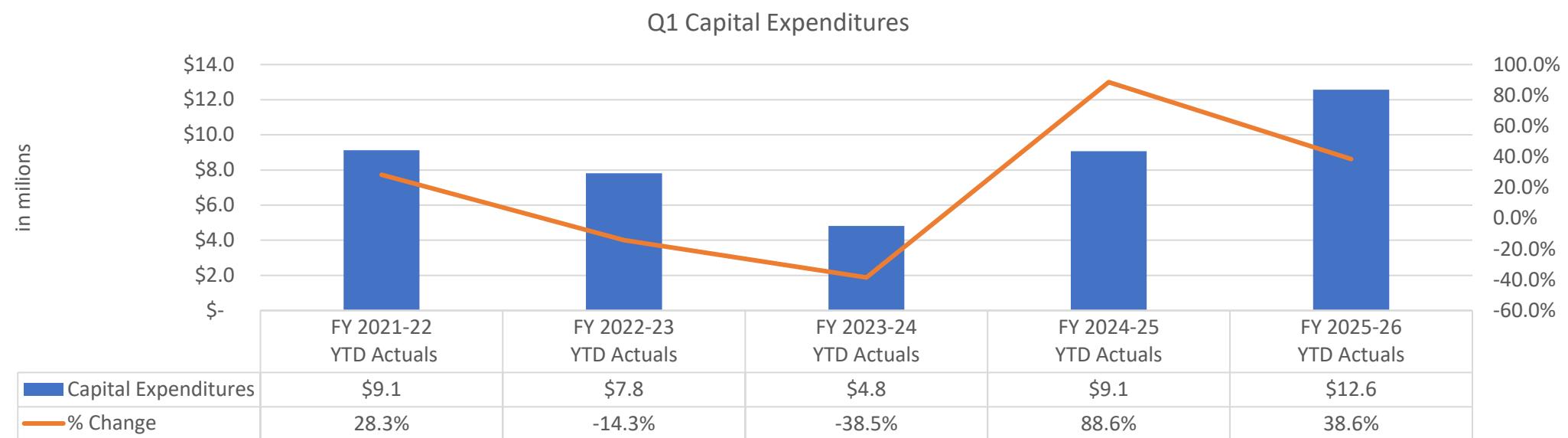
# FY26: Q1 Results of Operations – Materials & Services

1. Materials & Services expenditures in FY26 Q1 (JUL-Sep) **increased by \$436,000 (5.3%)** compared to PY Q1
  - a. Software maintenance fee increased \$199,000 (29%)
  - b. Insurance premium increased \$103,000 (7%)



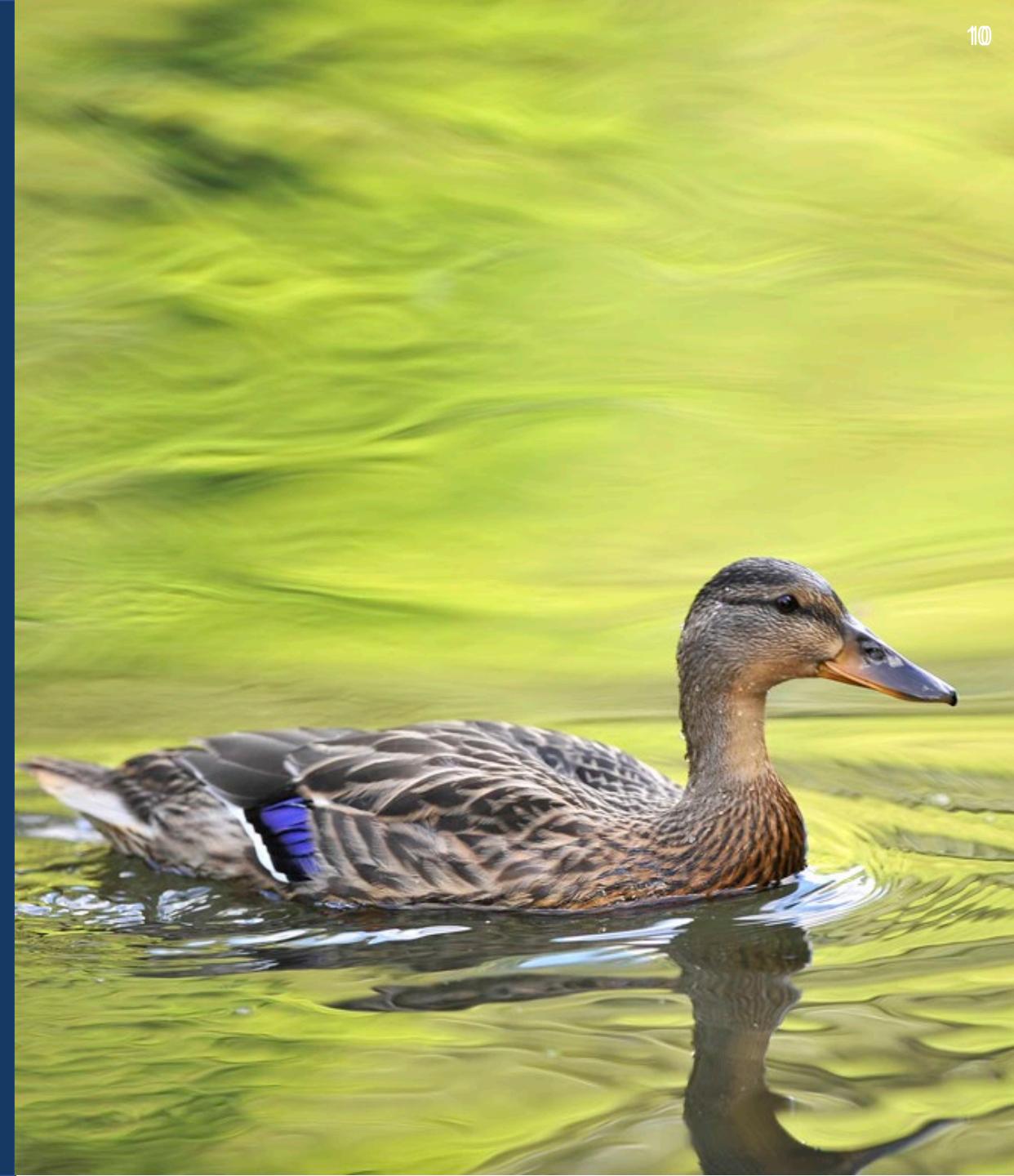
# FY26: Q1 Results of Operations - Capital

1. Capital costs in FY26 Q1 (JUL-SEP) **increased \$3.5 million (38.6%)** compared to PY Q1 and reflect increased project delivery including:
  - a. Forest Grove primary treatment: spent \$3.4 million Q1 (FY26 budget of \$29.6 million)
  - b. New laboratory: spent \$1.9 million Q1 (FY26 budget of \$31 million)
  - c. Brookman trunk: spent \$1.4 million Q1 (FY26 budget of \$7.6 million)



# Key Takeaways

1. Services fees collected are in line with rate increases and growth.
2. SDCs collected are significantly lower than Q1 in the prior year.
3. Vacant staff position levels remain consistent with historical trends and impact cost savings for labor.
4. Capital spending increased and continues to be more aligned with budget.



REVENUES	2021-22		FY22		2022-23		FY23		2023-24		FY24		2024-25		FY25		2025-26		FY26		Difference	
	1st Quarter		% of Budget		1st Quarter		% of Budget		1st Quarter		% of Budget		1st Quarter		% of Budget		1st Quarter		% of Budget		FY 26 Q1 vs FY 25 Q1	% Change
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual		
<b>REVENUES</b>																						
Service Fees	\$ 158,899,200	\$ 40,138,575	25.3%	\$ 169,953,300	\$ 40,398,692	23.8%	\$ 176,672,200	\$ 43,205,603	24.5%	\$ 185,948,800	\$ 46,174,231	24.8%	\$ 196,540,200	\$ 48,840,063	24.8%	\$ 2,665,832	5.8%					
CWS	\$ 59,995,200	\$ 15,360,618	25.6%	\$ 63,246,800	\$ 14,653,271	23.2%	\$ 65,712,200	\$ 16,948,959	25.8%	\$ 68,859,900	\$ 17,094,628	24.8%	\$ 72,302,900	\$ 18,141,755	25.1%	\$ 1,047,126	6.1%					
Cities	\$ 83,410,700	\$ 20,836,951	25.0%	\$ 90,045,400	\$ 22,176,034	24.6%	\$ 94,398,100	\$ 22,465,328	23.8%	\$ 99,616,200	\$ 24,650,247	24.7%	\$ 105,891,000	\$ 26,113,804	24.7%	\$ 1,463,557	5.9%					
Industrial	\$ 15,493,300	\$ 3,941,006	25.4%	\$ 16,661,100	\$ 3,569,387	21.4%	\$ 16,561,900	\$ 3,791,316	22.9%	\$ 17,472,700	\$ 4,429,355	25.4%	\$ 18,346,300	\$ 4,584,505	25.0%	\$ 155,150	3.5%					
SDCs	\$ 15,588,600	\$ 6,870,925	44.1%	\$ 22,268,400	\$ 6,879,713	30.9%	\$ 27,628,500	\$ 5,385,806	19.5%	\$ 21,210,300	\$ 7,324,881	34.5%	\$ 24,429,300	\$ 2,682,612	11.0%	\$ (4,642,269)	-63.4%					
CWS	\$ 4,695,400	\$ 1,163,841	24.8%	\$ 4,229,200	\$ 1,037,132	24.5%	\$ 5,400,700	\$ 886,666	16.4%	\$ 4,238,300	\$ 1,176,445	27.8%	\$ 4,766,400	\$ 736,682	15.5%	\$ (439,763)	-37.4%					
Cities	\$ 10,893,200	\$ 5,707,084	52.4%	\$ 18,039,200	\$ 5,842,581	32.4%	\$ 22,227,800	\$ 4,499,140	20.2%	\$ 16,972,000	\$ 6,148,436	36.2%	\$ 19,662,900	\$ 1,945,930	9.9%	\$ (4,202,506)	-68.4%					
<b>TOTAL REVENUES</b>	<b>\$ 174,487,800</b>	<b>\$ 47,009,500</b>	<b>26.9%</b>	<b>\$ 192,221,700</b>	<b>\$ 47,278,405</b>	<b>24.6%</b>	<b>\$ 204,300,700</b>	<b>\$ 48,591,409</b>	<b>23.8%</b>	<b>\$ 207,159,100</b>	<b>\$ 53,499,112</b>	<b>25.8%</b>	<b>\$ 220,969,500</b>	<b>\$ 51,522,675</b>	<b>23.3%</b>	<b>\$ (1,976,436)</b>	<b>-3.7%</b>					
<b>EXPENDITURES</b>																						
Operating	\$ 88,873,900	\$ 19,448,188	21.9%	\$ 96,324,000	\$ 19,759,610	20.5%	\$ 116,995,200	\$ 21,838,558	18.7%	\$ 130,323,400	\$ 24,025,761	18.4%	\$ 139,858,000	\$ 26,871,050	19.2%	\$ 2,845,289	11.8%					
Labor	\$ 56,389,500	\$ 11,700,252	20.7%	\$ 59,658,200	\$ 12,770,728	21.4%	\$ 74,798,900	\$ 14,520,856	19.4%	\$ 81,668,000	\$ 15,781,866	19.3%	\$ 89,556,600	\$ 18,190,383	20.3%	\$ 2,408,518	15.3%					
Materials & Services	\$ 32,484,400	\$ 7,747,936	23.9%	\$ 36,665,800	\$ 6,988,882	19.1%	\$ 42,196,300	\$ 7,317,702	17.3%	\$ 48,655,400	\$ 8,243,895	16.9%	\$ 50,301,400	\$ 8,680,667	17.3%	\$ 436,772	5.3%					
Capital	\$ 93,636,400	\$ 9,119,364	9.7%	\$ 97,543,700	\$ 7,819,048	8.0%	\$ 86,819,200	\$ 4,808,291	5.5%	\$ 104,406,300	\$ 9,067,362	8.7%	\$ 147,120,900	\$ 12,566,312	8.5%	\$ 3,498,950	38.6%					
Equipment	\$ 4,276,000	\$ 12,337	0.3%	\$ 1,907,400	\$ 304,343	16.0%	\$ 1,809,000	\$ 138,514	7.7%	\$ 1,142,500	\$ 140,336	12.3%	\$ 1,562,100	\$ 199,306	12.8%	\$ 58,970	42.0%					
Replacement Renewal	\$ 10,154,500	\$ 327,747	3.2%	\$ 14,907,800	\$ 902,973	6.1%	\$ 15,373,500	\$ 834,260	5.4%	\$ 15,957,500	\$ 2,014,424	12.6%	\$ 23,146,000	\$ 1,464,839	6.3%	\$ (549,585)	-27.3%					
New Construction	\$ 79,205,900	\$ 8,779,280	11.1%	\$ 80,728,500	\$ 6,611,732	8.2%	\$ 69,636,700	\$ 3,835,517	5.5%	\$ 87,306,300	\$ 6,912,602	7.9%	\$ 122,412,800	\$ 10,902,167	8.9%	\$ 3,989,565	57.7%					
<b>TOTAL EXPENDITURES</b>	<b>\$ 182,510,300</b>	<b>\$ 28,567,552</b>	<b>15.7%</b>	<b>\$ 193,867,700</b>	<b>\$ 27,578,658</b>	<b>14.2%</b>	<b>\$ 203,814,400</b>	<b>\$ 26,646,849</b>	<b>13.1%</b>	<b>\$ 234,729,700</b>	<b>\$ 33,093,123</b>	<b>14.1%</b>	<b>\$ 286,978,900</b>	<b>\$ 39,437,362</b>	<b>13.7%</b>	<b>\$ 6,344,239</b>	<b>19.2%</b>					



# Clean Water Services

**2025 Audit Results**

January 7, 2026

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# Agenda

1. Your Service Team
2. Scope of Services
3. Significant Audit Areas
4. Auditor Opinions / Reports
5. Required Communications
6. Best Practices



# Your Service Team



**Julie Desimone**  
*Audit Engagement  
Principal*

Julie.Desimone  
@bakertilly.com



**Daniel Roberts**  
*Concurring  
Reviewer*

Daniel.Roberts  
@bakertilly.com



**Cam Troike**  
*Audit Manager*

Cam.Troike  
@bakertilly.com



# Scope of Services

We have performed the following services for Clean Water Services:

## Annual Audit

- Annual financial statement audit for the year ending June 30, 2025
- Communication to Those Charged with Governance

## Other Services

- Assistance with, and technical review of the financial statements for compliance with GAAP
- Disclosures and Independent Auditors' Comments Required by the Minimum Standards for Audits of Oregon Municipal Corporations



# **Significant Audit Areas Identified**

During the planning of the audit, we have identified the following significant risks:

## **Significant Audit Area**

**Management Override of Controls**

**Testing over Industrial Revenue**



# Audit Opinion/Reports

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

Financial Statements – Unmodified (clean) opinion on financial statements

Oregon Minimum Standards Report – No compliance findings

Communication to Those Charged with Governance – No Material Weaknesses



# **Matters Required to be Communicated with Those Charged with Governance**

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

Significant accounting policies/standards implemented

- GASB 101 – Compensated Absences
- GASB 102 – Certain Risk Disclosures

Audit adjustments

- Reclassification between short term and long term compensated absences - \$549,968

Proposed audit adjustments

- To record accrual for legal settlement finalized subsequent to fiscal year end 2025 - \$352,452



# Acknowledgements

Thank you Kathleen Leader and staff for the excellent facilitation of the audit process.

- The audit progressed on time and in an orderly fashion; all requested schedules and draft financial statements were received on a timely basis.
- All personnel across all departments were courteous, responsive, and fulfilled all our requests in a timely manner.
- ‘Tone at the Top’ and attitude from management was one of helpfulness, candor, and openness in response to audit requests and discussion points.



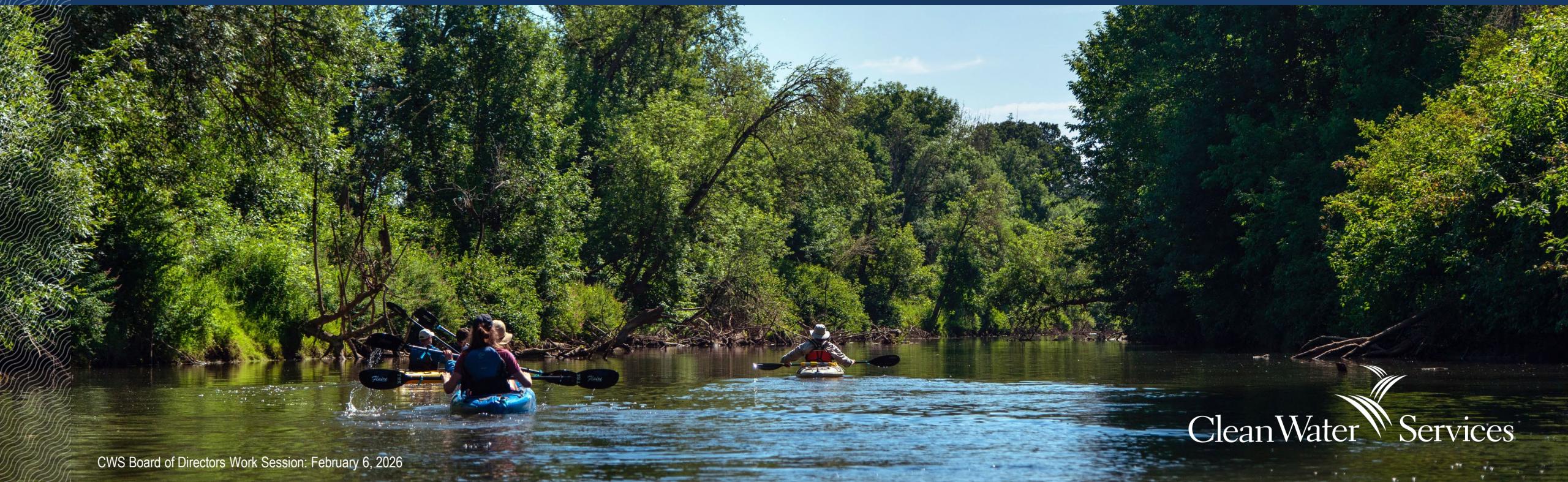


# THANK YOU

# Compliance Overview

Caroline Lobdell, General Counsel & Chief Compliance Officer

Bruce Cordon, Regulatory, Compliance & Audit Manager



# What Is the Compliance Program?

**Purpose:** To safeguard Clean Water Services (CWS) from legal, financial, human resources, safety, environmental, regulatory, government ethics, and reputational risk associated with noncompliance.

## Major elements

1. Determine need and priorities for new policies, procedures
2. Develop and approve CWS policies and procedures
3. Audit CWS programs to determine compliance with policies, procedures, and the law
4. Executive leadership of the Regulatory Affairs department

# General Counsel & Chief Compliance Officer

1. General Counsel (GC) & Chief Compliance Officer (CCO) is an executive-level position
  - a. Responsible for overseeing the legal team within the Legal & Compliance Services department and all legal and compliance activities at CWS
  - b. Ensure compliance with laws and regulations applicable to CWS
  - c. Establish and implement policies and procedures to identify, prevent, and correct noncompliance with applicable laws and regulations

# Program Staffing

## Program leadership

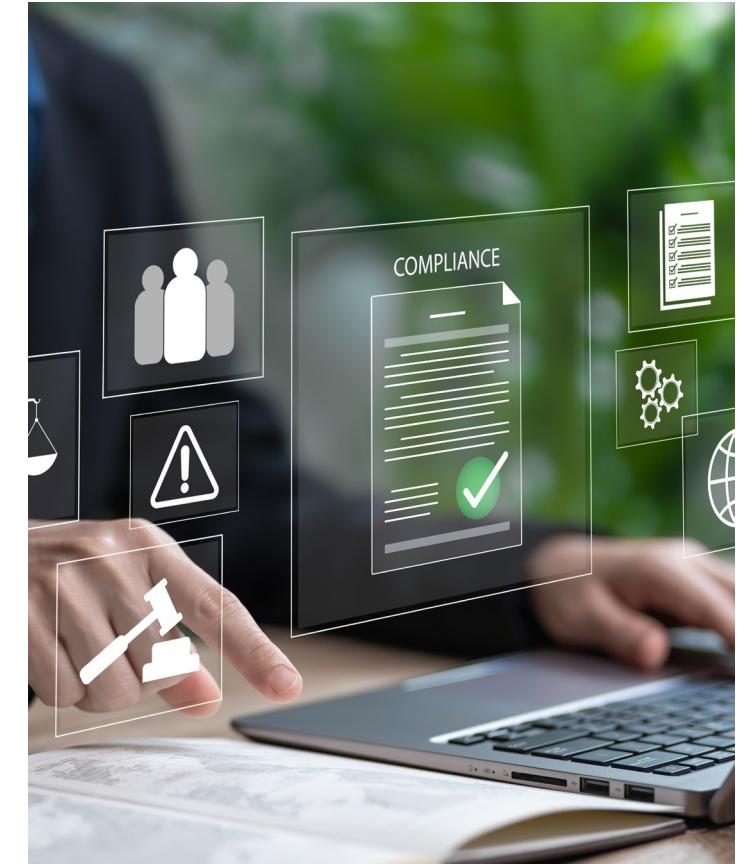
- Caroline Lobdell, General Counsel & Chief Compliance Officer
- Bruce Cordon, Regulatory, Compliance & Audit Manager

## Program support

- Peter Dolejs, Internal Compliance & Cybersecurity
- Sue Page, District Administration

## Compliance Steering Committee

- Rick Shanley, Interim CEO/GM
- Kathy Leader, Chief Financial Officer
- Caroline Lobdell
- Bruce Cordon

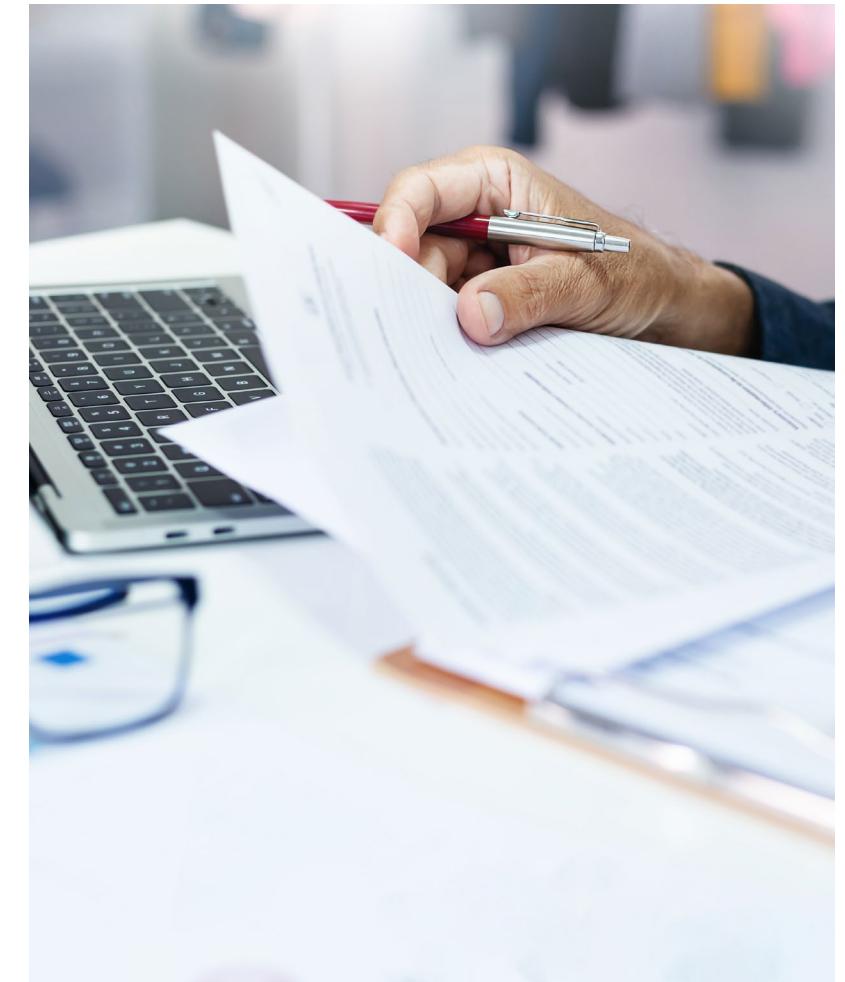


# Development and Approval Process for Internal Policies



# Completed Program Development Work

1. Compliance program mission and goals statement
2. Compliance Steering Committee charter
3. Policy on policy development
4. Policy on procedure development
5. Policy and procedure templates
6. Audit scope of work template



# Policies and Procedures Approved Since June 1, 2025

The Compliance Steering Committee has approved:

## **Communications & Community Engagement**

1. Minor Safeguard Policy

## **Cybersecurity**

2. Identity and Authentication Management Policy
3. Data Protection Policy
4. Network Security Policy
5. Cybersecurity Awareness Training Policy

## **Risk & Safety**

6. General Safety Policy
7. Confined Spaces Policy
8. Wildfire Smoke Policy
9. Heat Illness Prevention Policy

\* As of January 22, 2026

## **Finance & Accounting**

10. Travel and Training Policy
11. Personal Vehicle Mileage Reimbursement Policy
12. Meals and Refreshment Policy

## **Human Resources**

13. No Discrimination or Harassment Policy
14. Principles of Respect
15. Telecommuting Policy
16. Telecommuting Agreement
17. Work Outside the State Policy
18. Workplace Investigations

## **Legal & Compliance**

19. Public Records Request Policy

# Policies and Procedures Under Development

## **Building & Facilities Services**

1. Identification and Access ID Policy
2. Trespassing Policy

## **Communications & Community Engagement**

3. Communications Policy

## **Cybersecurity**

4. Acceptable Use Policy
5. Endpoint Protection Policy
6. Server Protection Policy

## **Legal & Compliance**

7. Records Management Policy

## **Human Resources**

8. Annual Salary Adjustments
9. Sick Leave
10. Unauthorized Absences
11. Interactive Process and Reasonable Accommodation
12. Annual Bonus

## **Information Technology (Digital Solutions)**

13. Software Purchasing Policy

## **Risk & Safety**

14. Respiratory Protection Policy
15. Respiratory Protection – Classification Procedure
16. Contractor Safety Policy
17. Safety Manual

\* As of January 22, 2026

# Audit Program

1. Purpose of audits
  - a. Determine compliance with laws and policies
  - b. Review business processes for efficiency
2. Start with audit of Procurement program



# Procurement Audit

1. Procurement program
  - a. Nine staff who assist with contracts and purchasing
  - b. Duties include developing documents, coordinating payments, issuing purchase orders
  - c. Some but not all work is reviewed by Legal
2. Audit
  - a. Occurs quarterly
  - b. Focus on documents not reviewed by Legal
  - c. Informs decisions about appropriate level of review
  - d. Helps determine need for staff training

# Next Steps

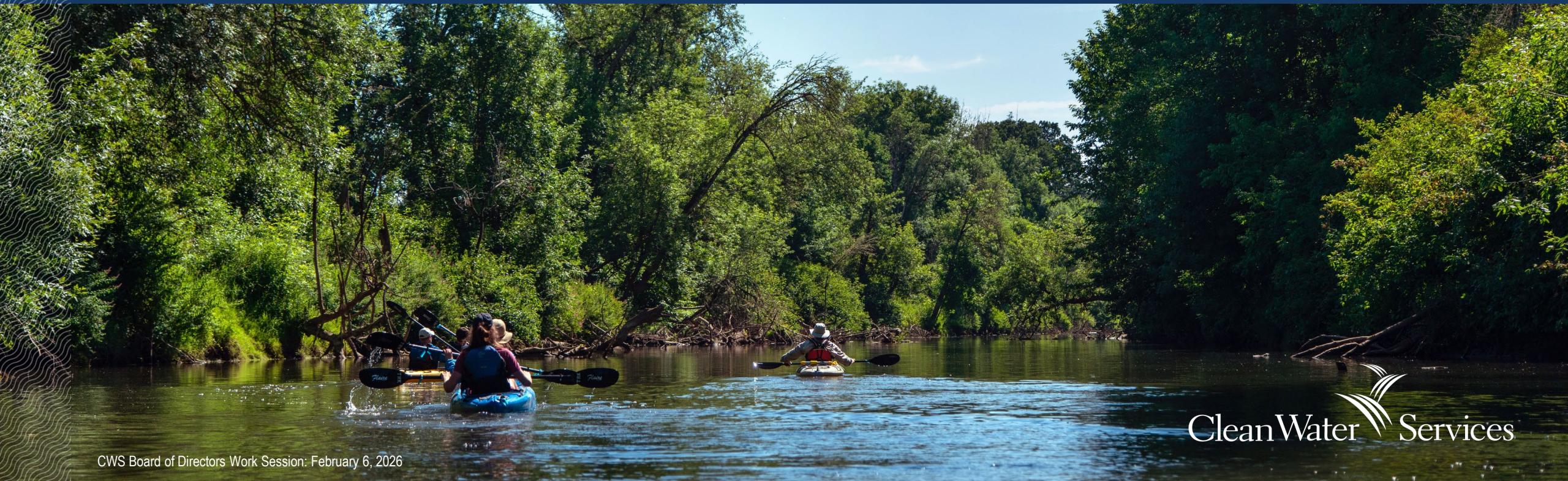
1. Conduct a systematic review of CWS programs to determine what policies and procedures are needed
2. Prioritize the needed policies and procedures
3. Prepare a schedule for developing and approving the policies and procedures



# CWS Employee Update

Holly Dober, Human Resources & Risk Management Director

Jamie Waltz, Culture & Development Leader

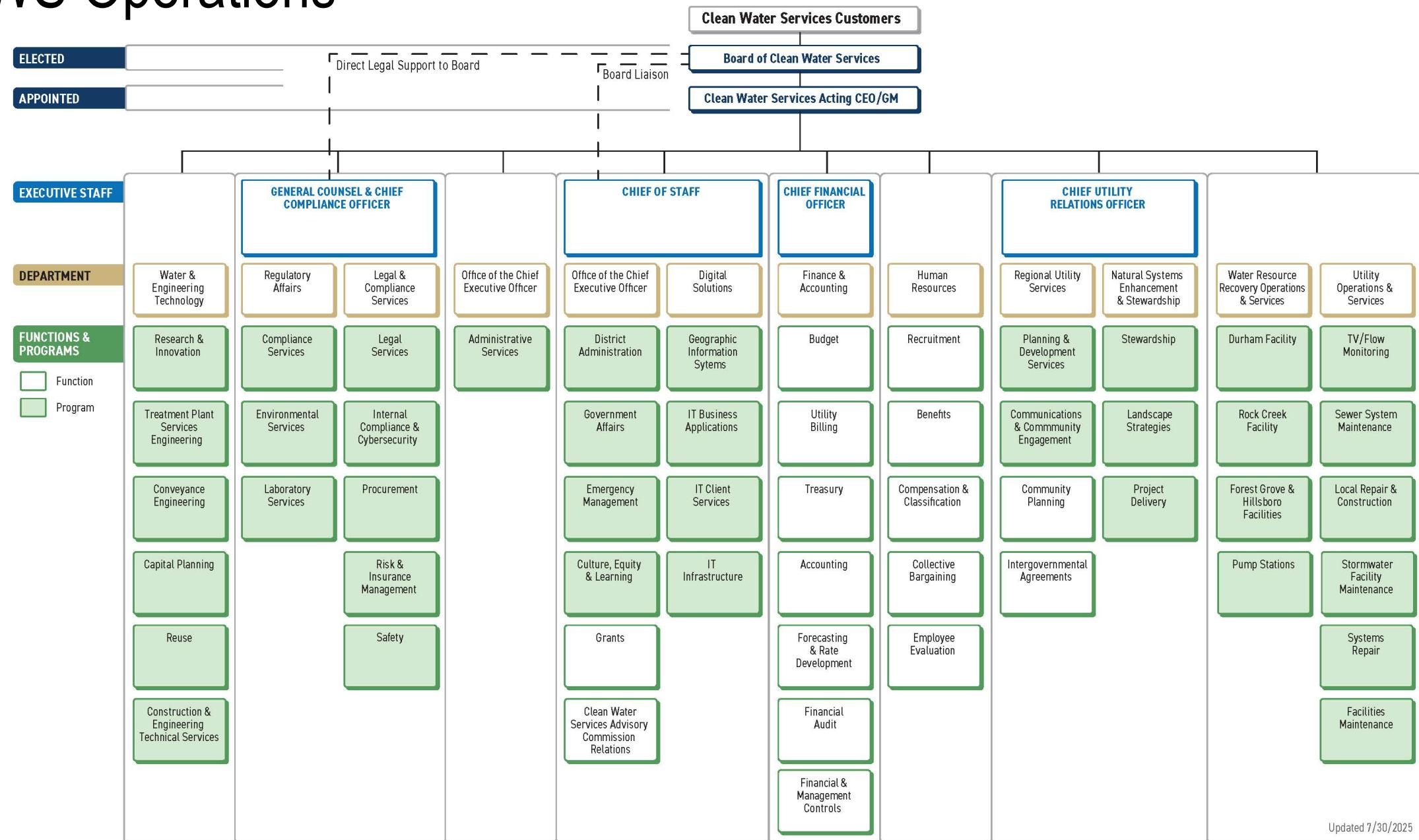


# Presentation Overview

1. CWS workforce
2. Succession planning
3. Introduction to Culture & Development
4. Learning and engagement



# CWS Operations



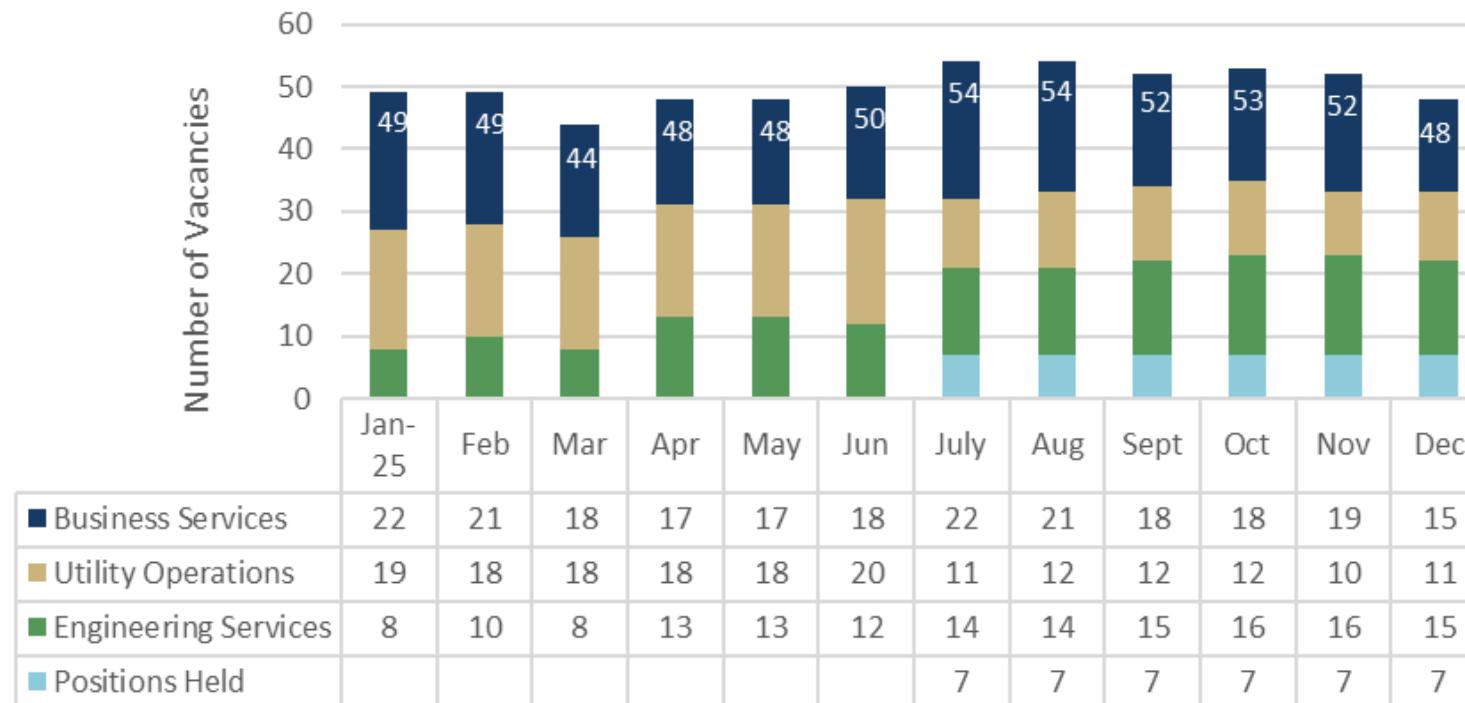
# CWS Workforce

1. Total budgeted FTEs = 500
2. Temporary employees = 17

\*Data provided December 1, 2025

	Business Services	Engineering Services	Utility Operations	Total
<b>All Regular FTE</b>	194	64	194	452
<b>Nonrepresented FTE</b>	143	56	50	249
<b>Represented FTE</b>	51	8	144	203
<b>Non-Exempt</b>	128	32	173	333
<b>Exempt</b>	66	32	21	119
<b>Tenure, 0-5 years</b>	126	30	74	230
<b>Tenure, 6-15 years</b>	43	28	72	143
<b>Tenure, 16-25 years</b>	17	5	41	63
<b>Tenure, 26+ years</b>	8	1	7	16
<b>Female</b>	118	18	22	158
<b>Male</b>	74	46	171	291
<b>Non-Binary</b>	2	0	1	3
<b>American Indian or Alaskan Native</b>	1	0	2	3
<b>Asian</b>	15	7	3	25
<b>Black or African American</b>	3	0	1	4
<b>Hispanic or Latino of any race</b>	22	3	9	34
<b>Native Hawaiian or Other Pacific</b>	1	0	1	2
<b>Two or More Races</b>	5	6	2	13
<b>White</b>	147	48	176	371
				82.1%

# Hiring and Recruitment: Vacant Positions



Staffing level goal = 90%

1. December 2025
  - a. HR vacancy fill rate = 90.4%
  - b. Total staffing level = 95.4%
  - c. Vacancy savings through Q2 = approximately \$4.5 million
  - d. Some vacant professional and operational positions have been hard to fill despite targeted recruitment efforts

Number of filled vacant positions

**FY 2024-25**

Regular FTEs = 65

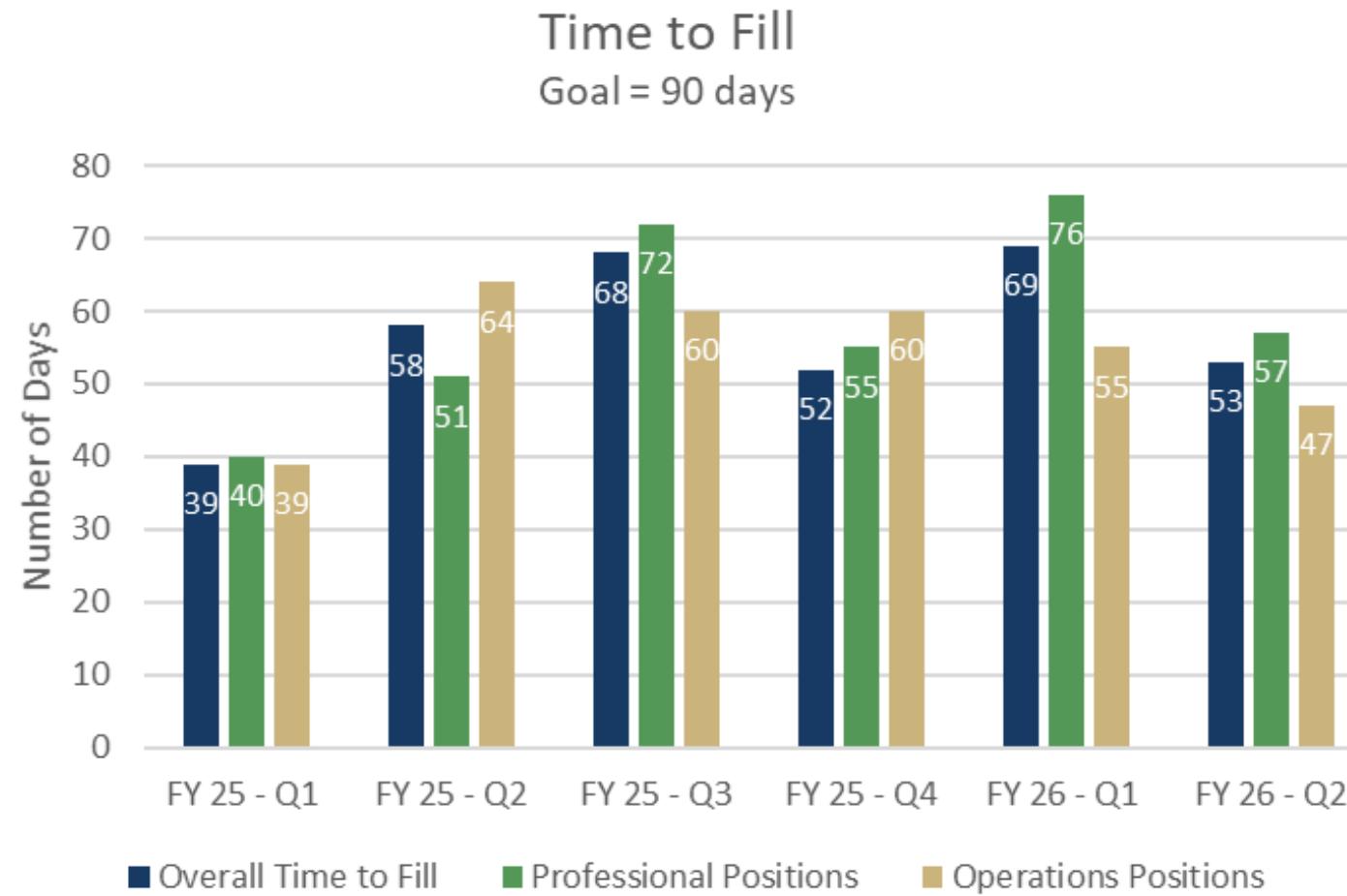
Temporary = 26

**FY 2025-present**

Regular FTEs = 24

Temporary = 6

# Hiring and Recruiting: Time to Fill



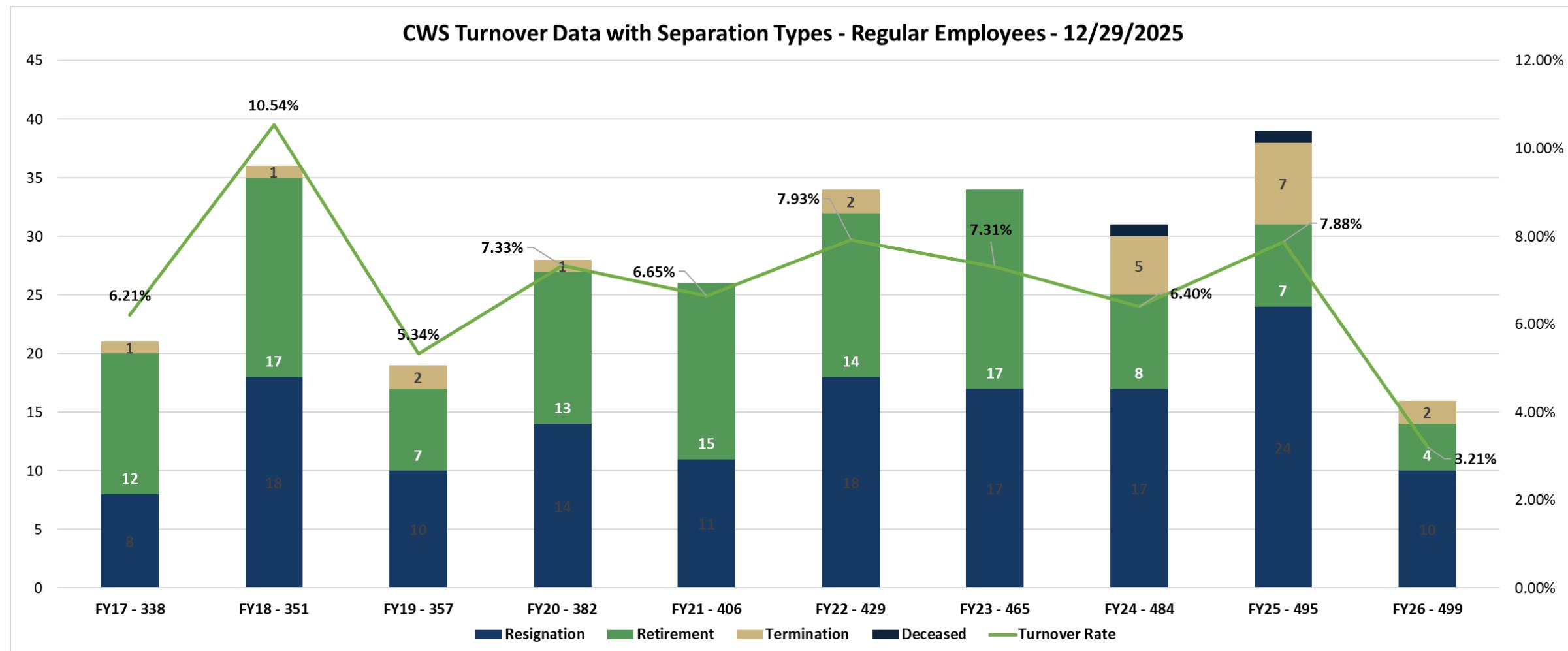
## Total applications received

- FY 2020-21 = 1,397
- FY 2021-22 = 1,031
- FY 2022-23 = 1,867
- FY 2023-24 = 2,772
- FY 2024-25 = 2,625
- July 1 - Dec. 31, 2025 = 1,782

## How we advertise job openings

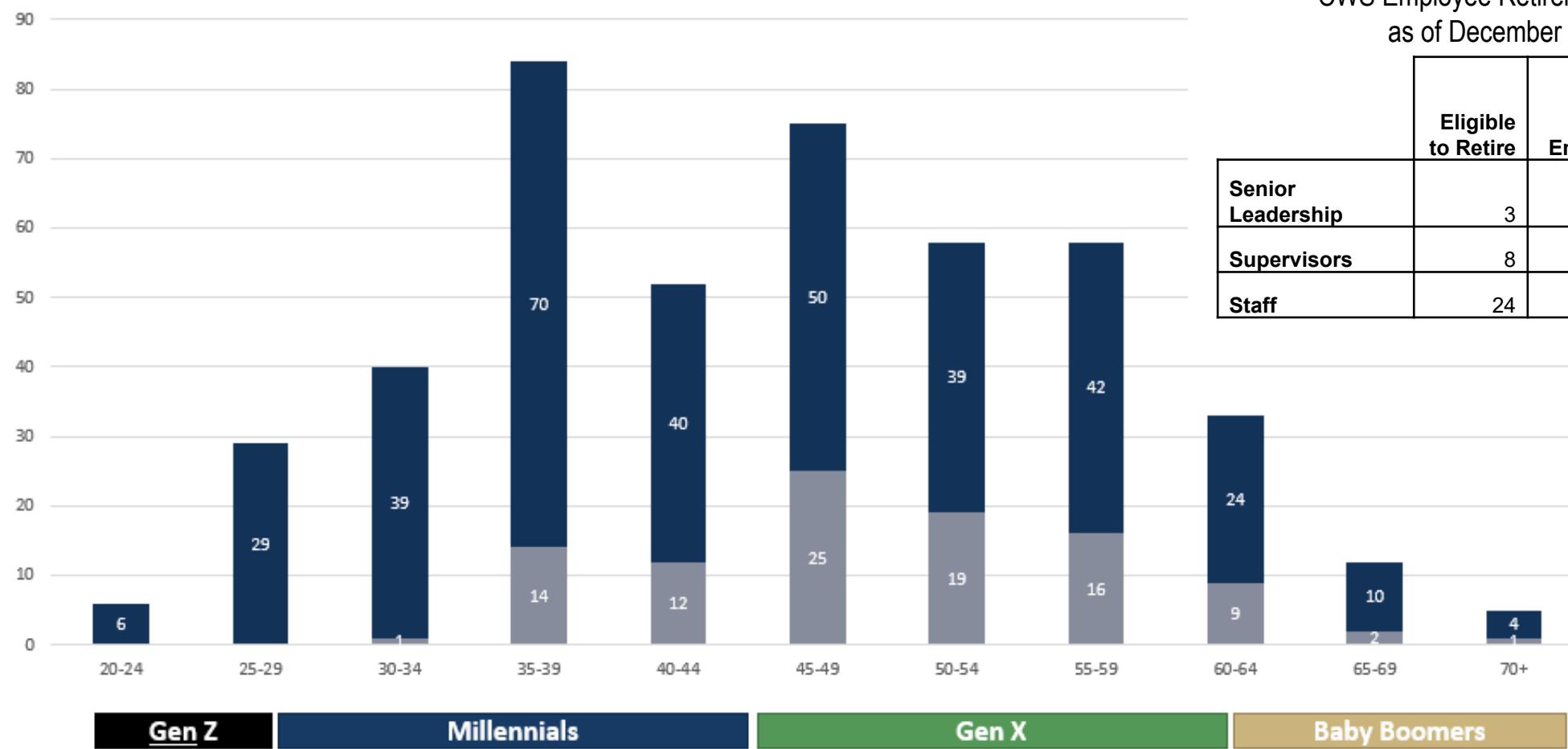
- Clean Water Services website
- College/University
- Community event, job fair
- Word of mouth
- Indeed
- LinkedIn
- Oregon Employment Department
- Professional publications, Listserv
- Partners in Diversity
- US Military Pipeline
- Other

# Hiring and Recruiting: Turnover



# Workforce Demographics

## Our Workforce



CWS Employee Retirement Eligibility  
as of December 1, 2025

	Eligible to Retire	# of Employees	Retirement %
Senior Leadership	3	13	23.08%
Supervisors	8	86	9.3%
Staff	24	353	6.8%

# Succession Planning

1. Identified retirement risk
  - a. Reviewed retirement eligibility
  - b. Segmented roles – mission critical to management
2. Identified potential interims
  - a. Review objective criteria (skills, experience, knowledge)
  - b. Consider lateral moves, development assignments, recruitment timelines
3. Knowledge transfer and documentation
4. Transition planning and transfer handoff
  - a. Temporary coverage plan
5. Monitoring and recruitment plan

Example 1:  
Water Resource Recovery  
Services Manager

Example 2:  
Development Services  
Program Manager

Example 3:  
Wastewater Plant Operator

# Expanding Access to Careers Through Internships, Apprenticeships, and Career Pathways

1. Training and career opportunities
  - a. Paid instrumentation apprenticeship program
  - b. Paid internship programs
    - 1) Engineering
    - 2) Research
    - 3) Technical trades
  - c. Long-term workforce development
    - 1) Clear leveling criteria from entry-level roles to skilled, technical, and professional positions

# Introduction to Culture & Development

The Culture & Development program develops, manages, and consults on strategies that build a culture of learning and engagement, making CWS a place where every employee can grow and thrive.

1. Builds employee engagement, access, belonging, and opportunity
2. Grows CWS as a learning organization
3. Cultivates leadership and strategic skills



# Engagement

1. Organizational onboarding
2. Employee Advisory Council
3. Spring Showcase engagement
4. Gallup employee engagement survey
5. Staff communications



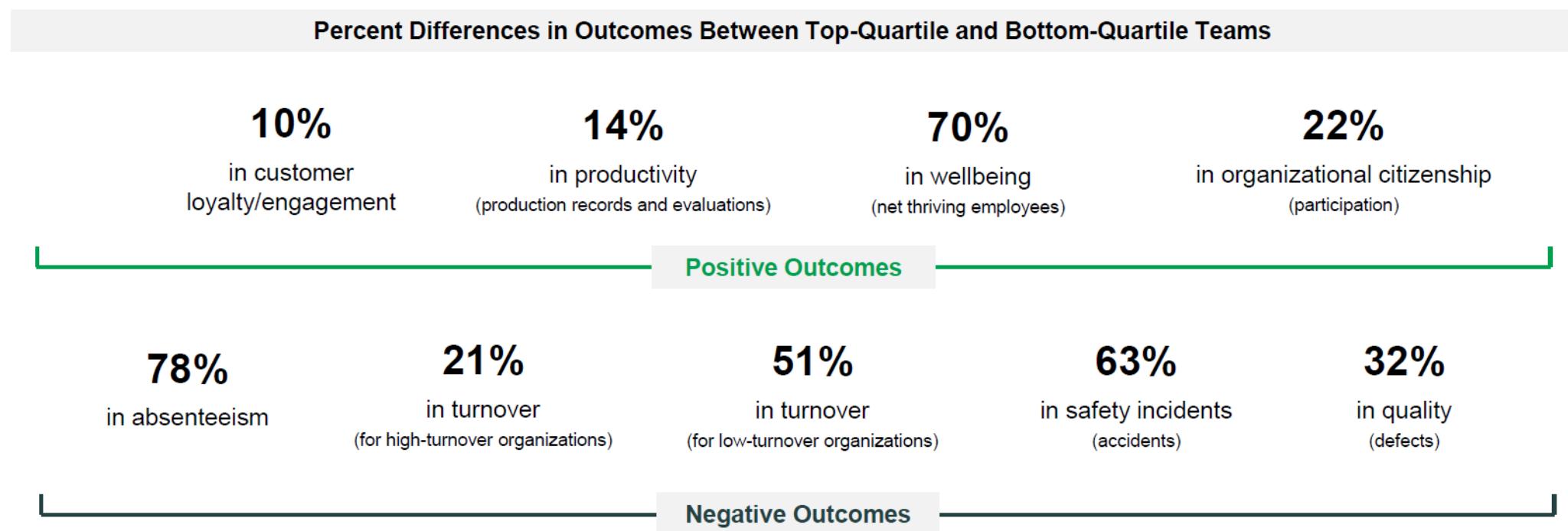
# Learning

1. Training on specific business topics
  - a. Facilitation
  - b. Managing conflict
  - c. Cultural speakers
  - d. Effective meetings
2. Cultivate leadership and strategic skills
  - a. Clean Water LEADERS
  - b. Project management learning and support
  - c. Targeted leadership coaching and mentoring



# Why Invest in Engagement?

- Gallup research of over 3.3 million employees shows that teams with higher employee engagement had more positive business outcomes



Source: *The Relationship Between Engagement at Work and Organizational Outcomes: Q12® Meta-Analysis: 11th Edition*

Note: The above figures are median percent differences across companies in Gallup's database. High-turnover organizations are those with more than 40% annualized turnover. Low-turnover organizations are those with 40% or lower annualized turnover.

# Key Takeaways

1. Human Resources and Culture & Development collaborate to help create an environment where employees can do their best work
2. We continue to plan for the future of our workforce through recruitment and retention
3. Staff members require a variety of ways to engage, grow, and connect
4. Engaged and inspired employees deliver stronger outcomes for ratepayers



**DISCUSSION PAPER**

## **Update on Performance Excellence and Roadmaps**

Performance Excellence began in 2019 as an effort to define the organization's key systems and conduct internal and external assessments to improve overall performance.

Roadmaps are not a formal part of the Baldrige Performance Excellence process, but they are tools CWS uses to capture the work of departments and programs and report on key metrics. Roadmaps were created to support the Clean Water Services Strategic Approach, completed in 2019. CWS is beginning a process to simplify the roadmaps to help with clarity, transfer of knowledge, and cross-department collaboration.

### **BALDRIGE PERFORMANCE EXCELLENCE**

Performance Excellence Northwest (PENW) trains organizations in performance excellence management and runs the only performance excellence awards program for Washington, Oregon, and Idaho. PENW follows the Baldrige Performance Excellence model, which is an internationally recognized standard for evaluating and improving organizational performance.

In 2023, CWS submitted a Performance Excellence Lite application. In the application, we responded to questions based on the Baldrige criteria and documented our key organizational processes. The application was reviewed by an evaluation team, who issued a report in September 2023 outlining our "Opportunities for Improvement."

Due to staffing and resource changes, CWS stopped pursuing the Baldrige Performance Excellence award and focused on improving the roadmap program as a functional tool for continued organizational improvement.

### **IMPROVING ROADMAPS**

The first department roadmaps were published in FY 2021-22 and expanded to include program roadmaps in FY 2022-23. A Reuse Strategic Roadmap was issued in 2021.

The goal of the roadmap program is to accelerate cross-functional communication, align programmatic work with the CWS mission, and ensure

knowledge capture and transfer. This is accomplished through a systematic approach that is repeated consistently across CWS programs.

In January 2026, we began a process to update the roadmap program. This will be a nine-month engagement process to understand how teams use the roadmaps, how they track metrics, and how they would like to simplify and improve them for the next fiscal year.

Stages of the project will include:

- Discovery and engagement
- Analysis, design, and testing
- Refinement and change management
- Implementation

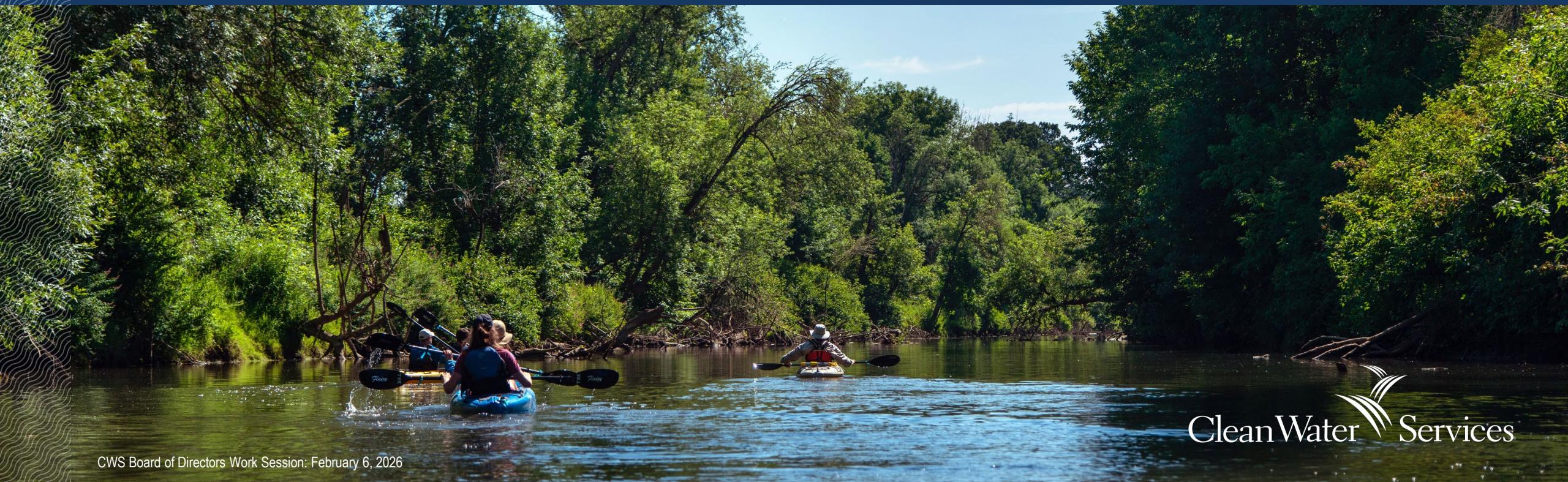
#### **PREVIOUS DISCUSSIONS**

- October 20, 2021, Board Learning: Performance Excellence Program
- April 23, 2023, Board Learning: Climate Action Roadmap
- February 8, 2024, Board Learning: Baldrige Performance Excellence Update
- October 10, 2025, Board Work Session: Permit Cycle and Long-Term Regulatory Compliance Strategy Roadmap

# Performance Excellence and Roadmaps 2.0

Elizabeth Edwards, Chief of Staff

Jamie Waltz, Culture and Development Leader



# Presentation Overview

1. Baldrige Performance Excellence
  - a. History
  - b. Status update
2. CWS roadmap update process
  - a. History
  - b. Proposed process
  - c. Project timeline



# Baldrige Performance Excellence

Baldrige Performance Excellence at CWS began in 2019 as an effort to define the organization's key systems and conduct internal and external assessments to improve overall performance.



# Baldrige Performance Excellence

1. 2023
  - a. CWS submitted Baldrige Performance Excellence Lite Application
  - b. Evaluators conducted site visit
  - c. CWS received report with “Opportunities for Improvement”
2. 2024 – 2025
  - a. Reviewed Opportunities for Improvements
3. 2026
  - a. Baldrige Performance Excellence work ended

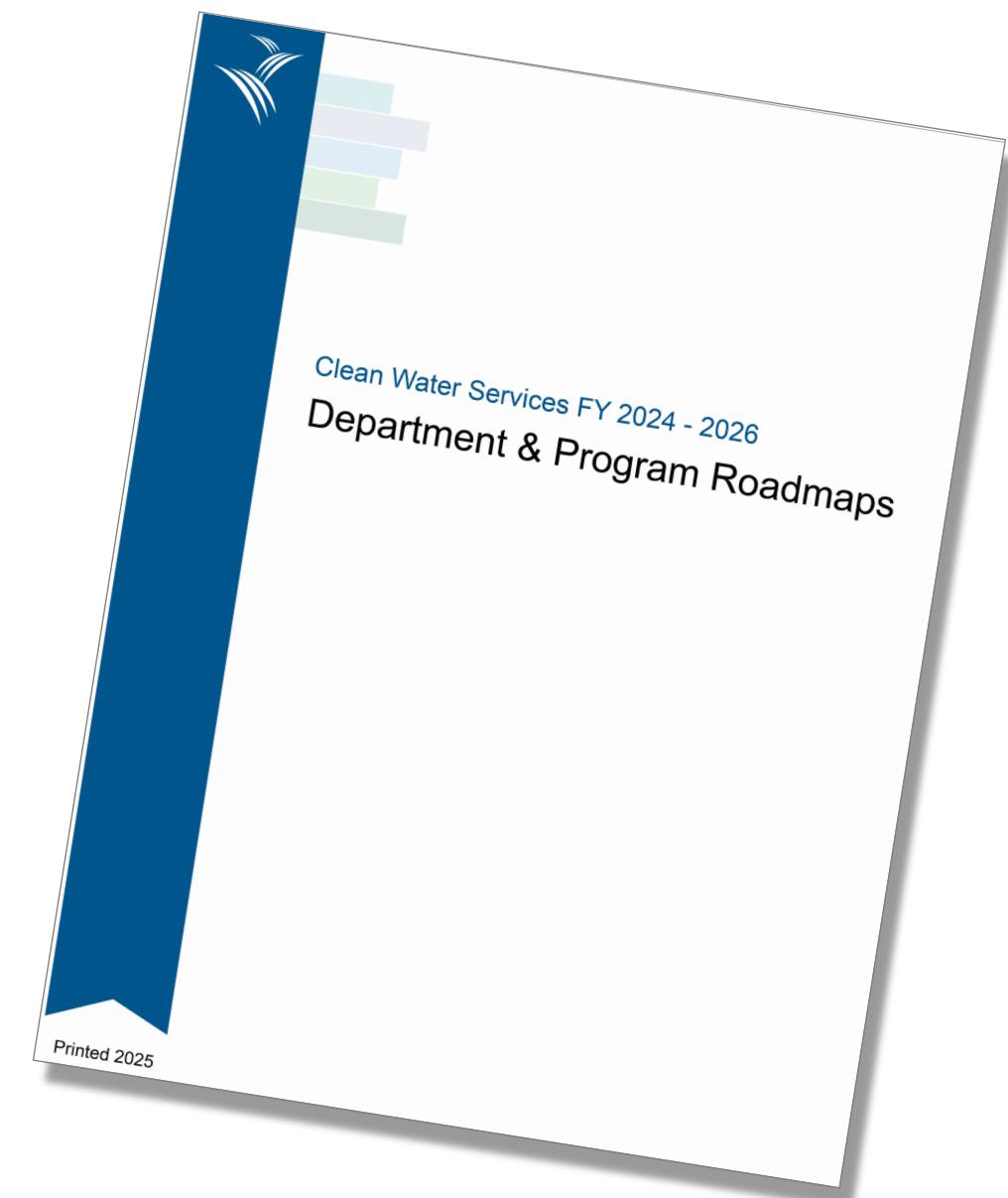


# Roadmap History

Created first roadmap workbook	Created Reuse Strategic Roadmap	2020	2021	2022	2023	2024	2025	2026
		FY20/21	FY 21/22	FY22/23	FY23/24	FY24/25	FY 25/26	
Published first department roadmaps	Added program roadmaps, Climate Strategic Roadmap			No change to roadmaps	Created Long-Term Regulatory Compliance Roadmap	Revised Climate Strategic Roadmap	Create new roadmap process	

# CWS Roadmap Program

1. Roadmap types
  - a. Strategic
    - 1) Long-Term Regulatory Compliance
    - 2) Climate Action
  - b. Departments
  - c. Programs



# Opportunities and Benefits of Roadmaps

1. Illustrates the work done across CWS
  - a. Current work
  - b. Growth and adaptation for future work
2. Capture knowledge
3. Help align work across CWS to ensure consistency and collaboration
4. Align with Strategic Roadmaps

# Next Steps: Roadmap Update Process

## Winter

- Discovery + Engagement

## Spring

- Analysis + Design + Testing

## Summer

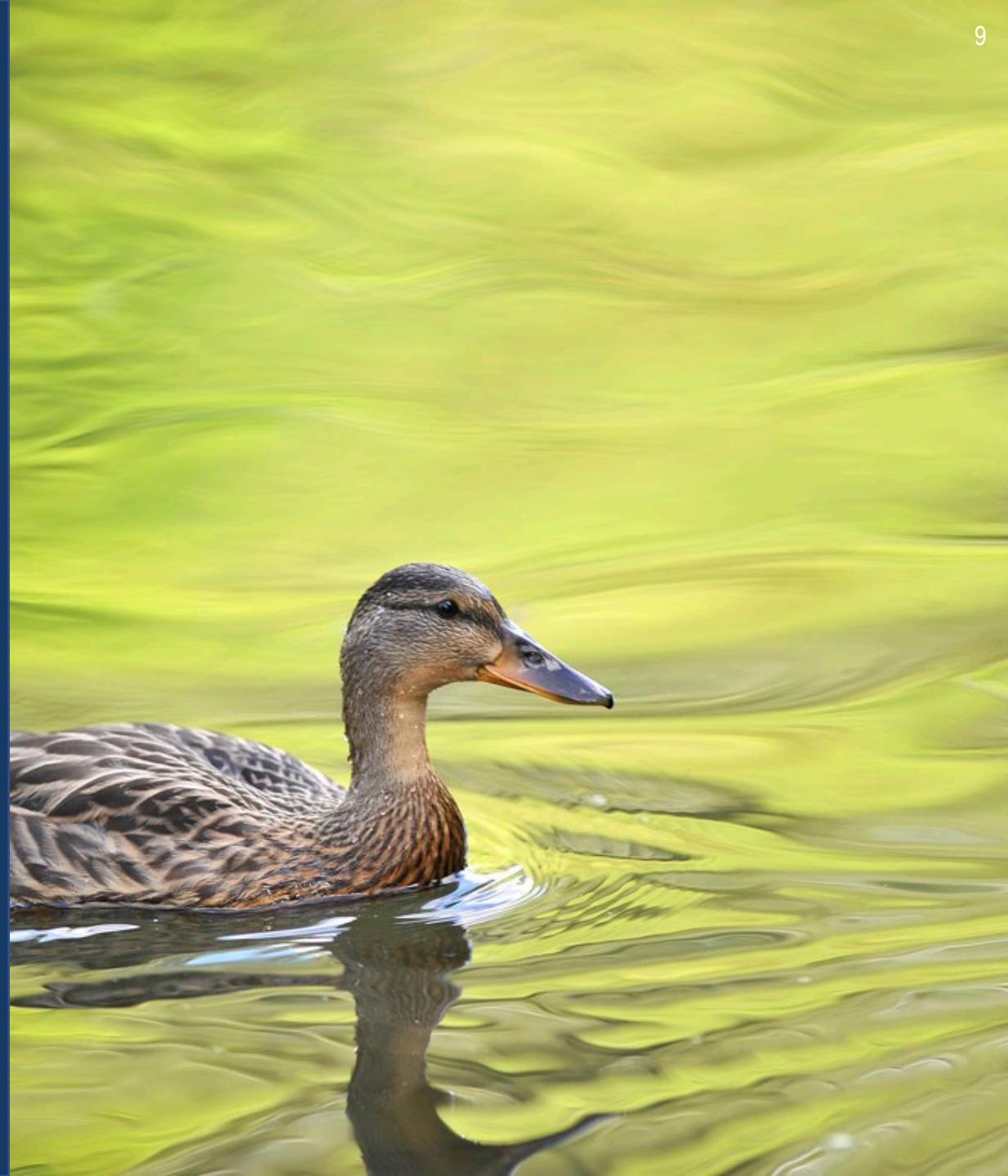
- Refinement + Change Management

## Fall

- Implementation

# Takeaways

1. Taking positives from Baldrige, but not continuing toward the Baldrige Award
2. Rightsizing the program
3. Effective roadmaps will help with clarity, transfer of knowledge, and cross-department collaboration



## DISCUSSION PAPER

### **Climate Action Strategic Roadmap**

The updated Climate Action Strategic Roadmap provides long-term policy direction that will inform and direct mitigation and adaptation strategies to address climate change. Departments and programs will use the strategies to develop objectives and metrics that protect infrastructure, ensure service reliability, and promote environmental stewardship.

#### **PURPOSE**

The Climate Action Strategic Roadmap aligns and prioritizes the varied and complementary work across CWS of addressing the ongoing and inevitable impacts of climate change and preventing the worst outcomes. It focuses on two primary goals:

1. Climate mitigation to reduce greenhouse gas emissions and increase carbon sequestration.
2. Climate adaptation to prepare for and respond to climate-related impacts on infrastructure, operations, and ecosystems.

Each goal includes targeted strategies and measurable outcomes to guide implementation across departments and programs.

#### **IMPLEMENTATION**

The implementation plan will guide and track action to achieve roadmap goals at the department and program level. The plan is organized with strategies to meet each goal. The strategies have been categorized as either (1) discrete and dependent or (2) ongoing and/or independent. These categories are defined as:

- Discrete and dependent: This is a strategy that has some interdependence with other strategies and/or requires action(s) with specific sequencing that occurs before another strategy can begin.
- Ongoing and/or independent: This is a strategy that is already underway and ongoing or is independent of another strategy to be completed.

The diagram in Exhibit A illustrates the independence and dependence of the strategies under each goal.

The Climate Action Roadmap Steering Committee leads strategy implementation across the organization. The committee members, composed of a broad cross-section of the organization, will work with departments and programs to integrate the climate action strategies into roadmaps. They'll also guide and support CWS staff by suggesting and reviewing projects that advance the goals in the Climate Action Strategic Roadmap.

Several strategies are already being implemented. Examples of projects in progress include:

- The top priorities under each strategy are developing baseline data by conducting a greenhouse gas (GHG) inventory and a climate vulnerability risk assessment. The Climate Action Steering Committee will coordinate with CWS staff and outside technical experts to carry out these initial scopes of work.
- Exploring opportunities for the sale of biogas as renewable natural gas to reduce emissions, capital costs, and operations and maintenance costs.
- Participating in the Water Research Foundation study to calculate nitrous oxide (N<sub>2</sub>O) and GHG emissions from aeration basins.
- Piloting CREW Carbon as a replacement for hydrated lime at Rock Creek; sequestering carbon dioxide typically generated during biological treatment.
- Developing downscaled precipitation and temperature projections informed by climate change.

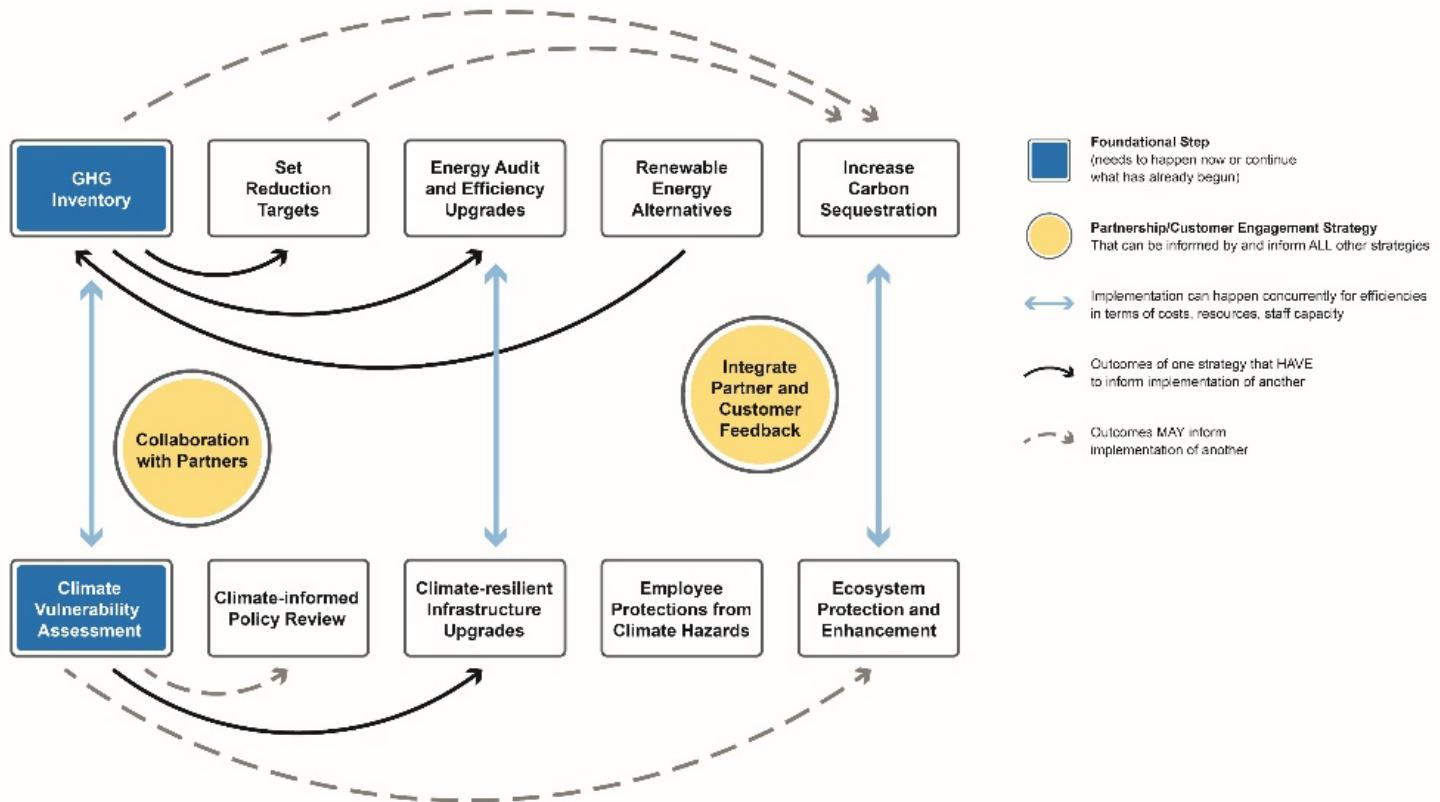
#### **PREVIOUS DISCUSSIONS**

- April 6, 2023: Board Learning
- May 16, 2023: Charge to Clean Water Services Advisory Commission

## EXHIBIT A

### Climate Mitigation

**GOAL:** Reduce greenhouse gas emissions to the extent practicable from CWS operations and services and increase carbon sequestration



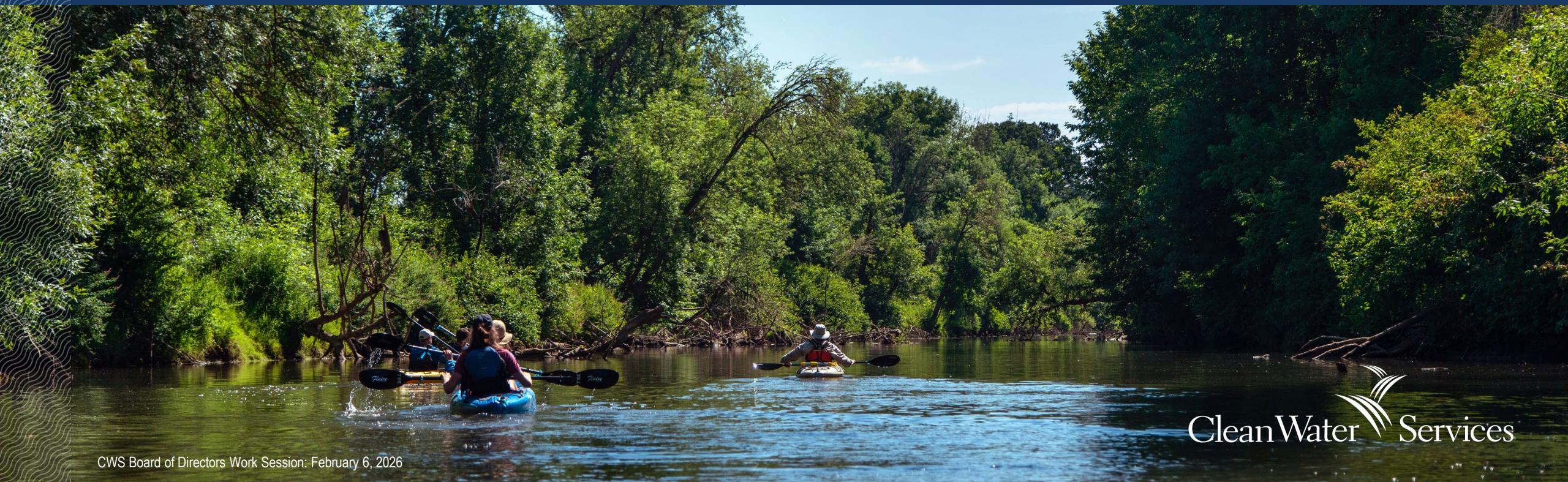
### Climate Adaptation

**GOAL:** Promote CWS' ability to prepare for, respond to, and recover from the impacts of climate change

# CWS Climate Action Strategic Roadmap Update

Elizabeth Edwards, Chief of Staff

Jamie Waltz, Culture & Development Leader



# Presentation Overview

1. Background and development process
2. Updated Strategic Roadmap
3. Introduce implementation plan
4. Next steps



# Climate Roadmap Version 1.0

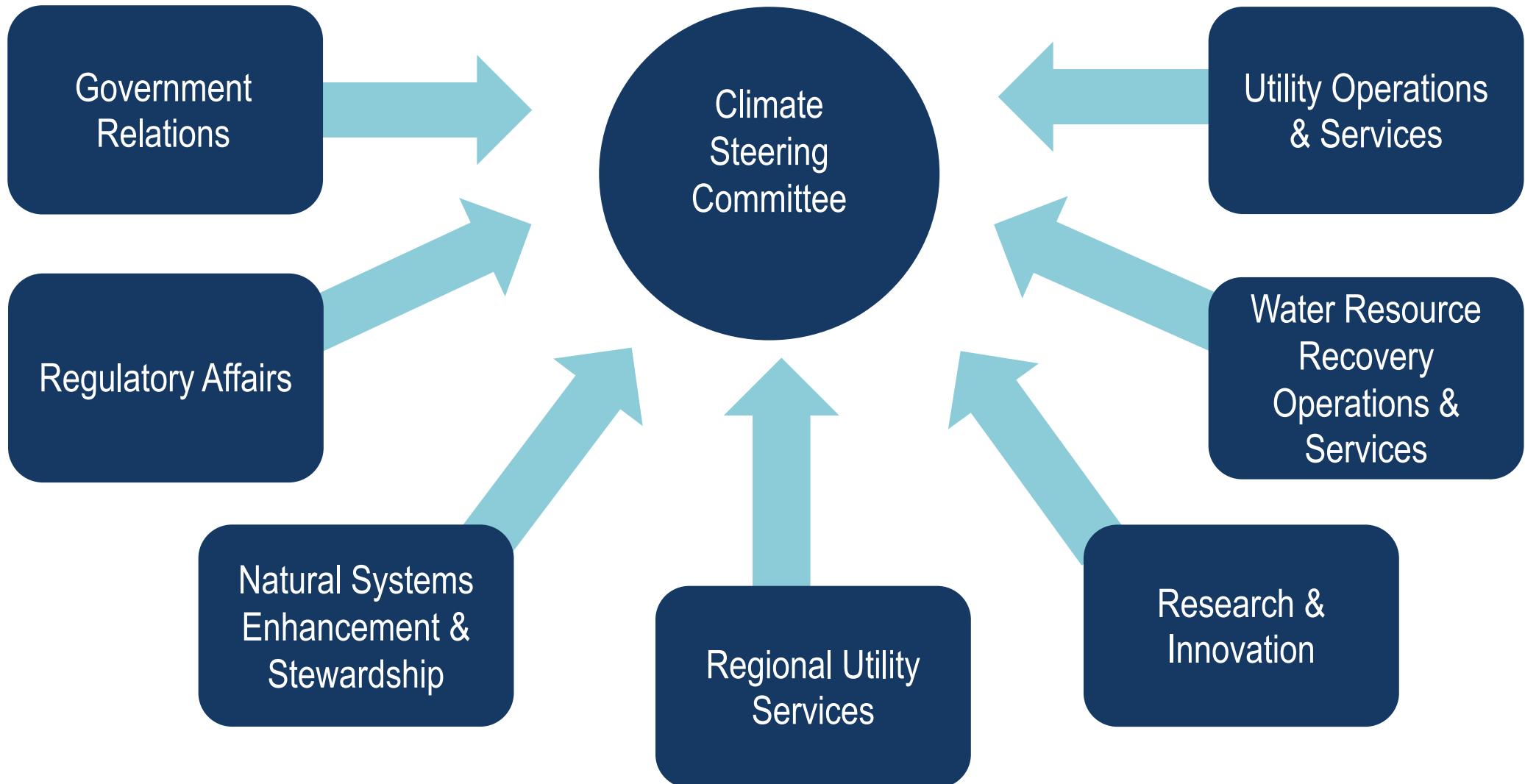
1. First Climate Strategic Roadmap finalized in spring 2023
2. Gallery walk to capture projects related to climate 2023
3. Learned a lot in that process
4. Began revision for version 2.0 in fall 2024



# Refinements and Updates

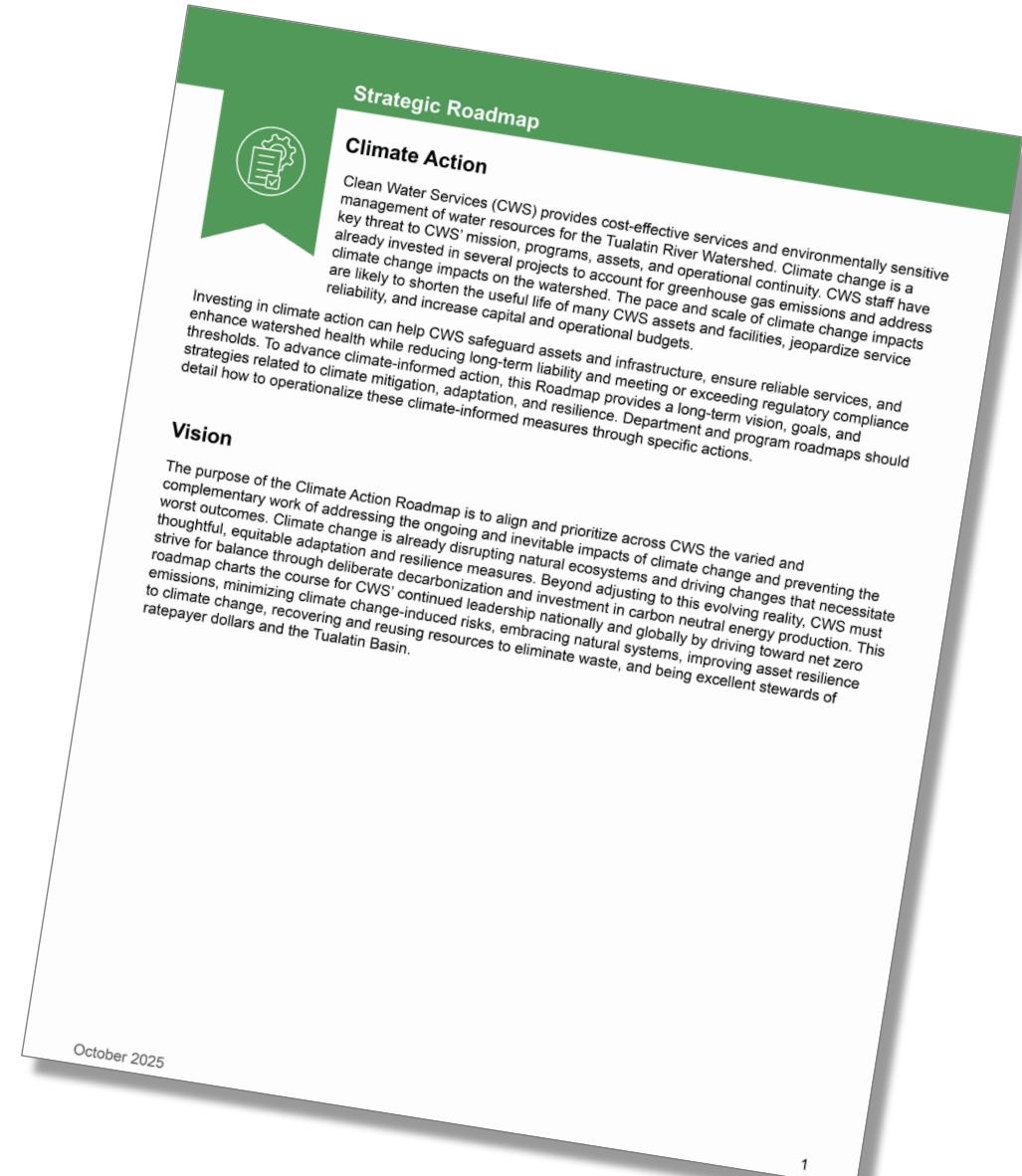
1. Climate Action Strategic Roadmap Steering Committee
  - a. 13 members from across CWS
    - 1) Representatives from Reuse, Regulatory Affairs, Communications & Community Engagement, Natural Systems Enhancement & Stewardship, Research & Innovation, Emergency Management, Strategy
    - 2) Elizabeth Edwards is Executive Leadership Team representative
  - b. Goal: Clarity of goals and implementation plan
    - 1) Utilized feedback from stakeholder survey to inform
    - 2) Continuous team building, peer learning, leadership guidance
    - 3) Building on previous work and research

# Structure for Collaboration



# Climate Action Strategic Roadmap 2.0

- Aligns and prioritizes diverse work across CWS to address ongoing and inevitable impacts of climate change and prevent the worst outcomes
- Focuses on two primary goals:
  - **Climate mitigation** to reduce greenhouse gas emissions and increase carbon sequestration
  - **Climate adaptation** to prepare for and respond to climate-related impacts on infrastructure, operations, and ecosystems



# Goal 1: Mitigation

Reduce greenhouse gas emissions and increase carbon sequestration

## Strategies

1. Baseline emission inventory
2. Set targets for emission reductions
3. Audit and upgrade energy systems
4. Implement renewable energy alternatives
5. Invest in systems to sequester carbon



# Launching Initial Mitigation Strategies

Goal 1: Mitigation – reduce emissions

1. Strategy: Greenhouse gas inventory
  - a. Establish a baseline for direct and indirect emissions to chart necessary reductions
  - b. Build on work already done in Research & Innovation



# Mitigation Actions in Place

1. Examples of projects advancing the Mitigation Goal
  - a. Renewable natural gas: offsetting carbon since 2023; next steps are to increase production, share results, connect to roadmap
  - b. Completed inventory of aeration basin nitrous oxide and other greenhouse gas emissions in partnership with Water Research Foundation
  - c. CREW Carbon pilot for sequestering carbon

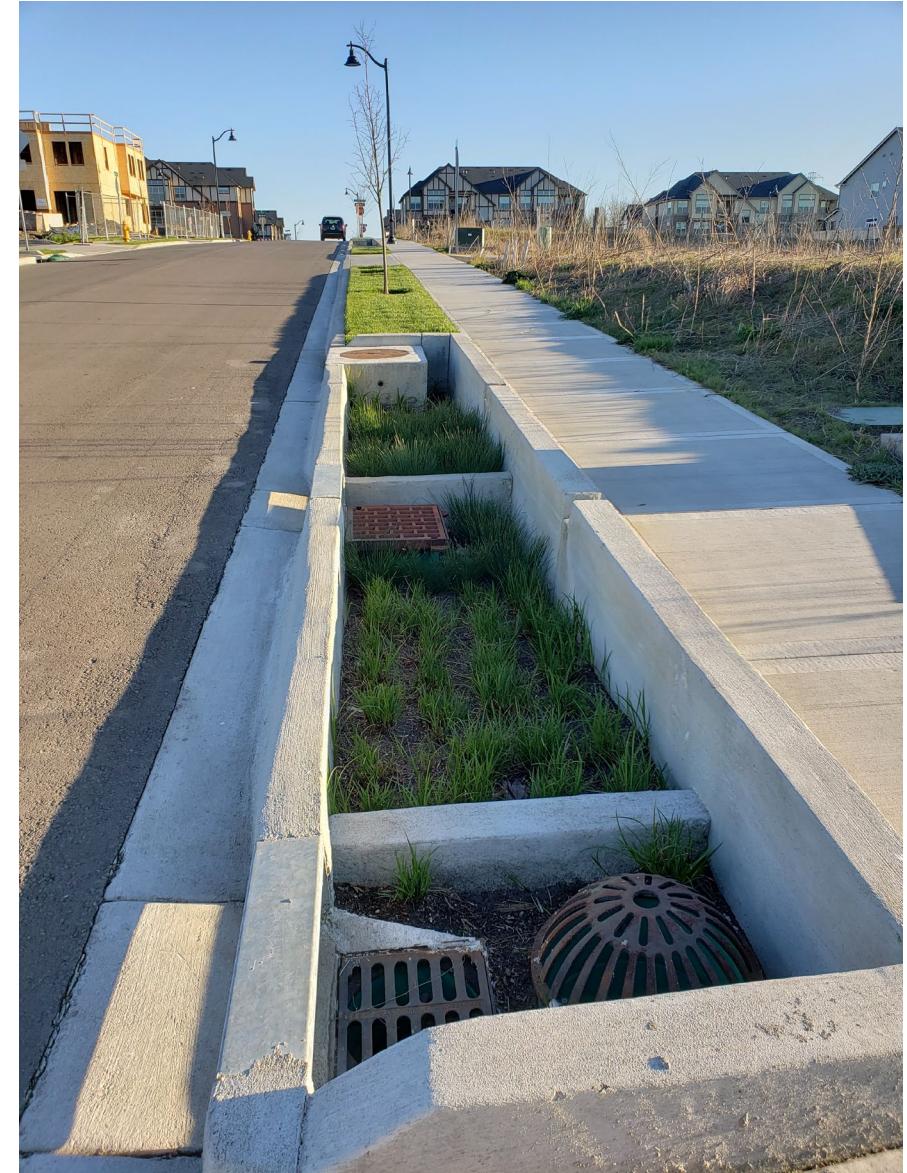


# Goal 2: Adaptation

Prepare, respond, and recover from impacts

## Strategies

1. Assess risks to facilities and operations
2. Revise regulatory requirements, policies, and procedures
3. Prioritize infrastructure upgrades to withstand climate hazards
4. Protect staff for extreme weather
5. Build resilient ecosystems
6. Collaborate with regional partners
7. Collect data to inform climate work



# Launching Initial Adaptation Strategies

## Goal 2: Adaptation – Respond to risk

1. Strategy: Risk and vulnerability assessment
  - a. Downscaled data gives us models of what climate events are likely to happen
  - b. Risk and vulnerability assessment helps us assess how those events impact our systems
    - 1) Document impacts to gray infrastructure: buildings, pump stations, sewer lines
    - 2) Document impacts to green infrastructure: river conditions, erosion, plants, shade credit



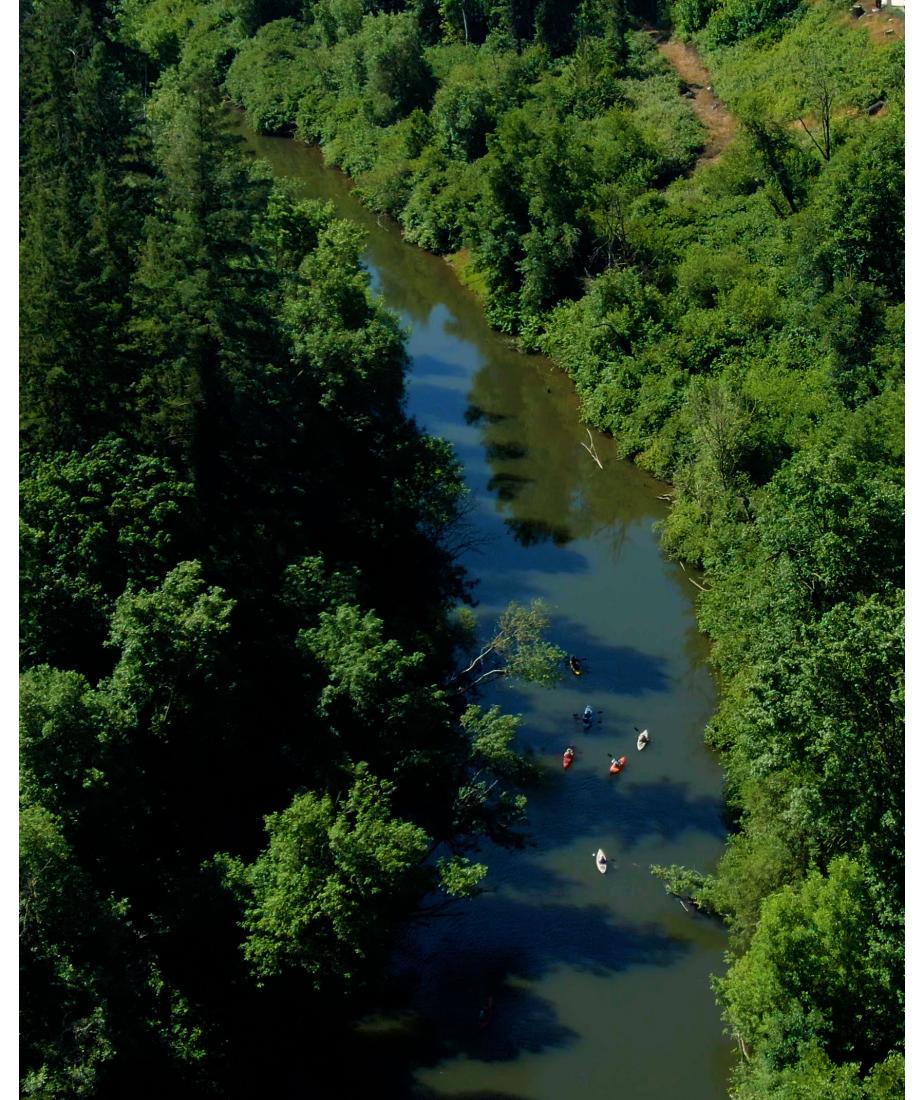
# Adaptation Actions in Place

1. Examples of projects advancing the Adaptation Goal
  - a. Developing downscaled climate change-informed precipitation and temperature projections
  - b. Climate adaptive plant material study – since 2020

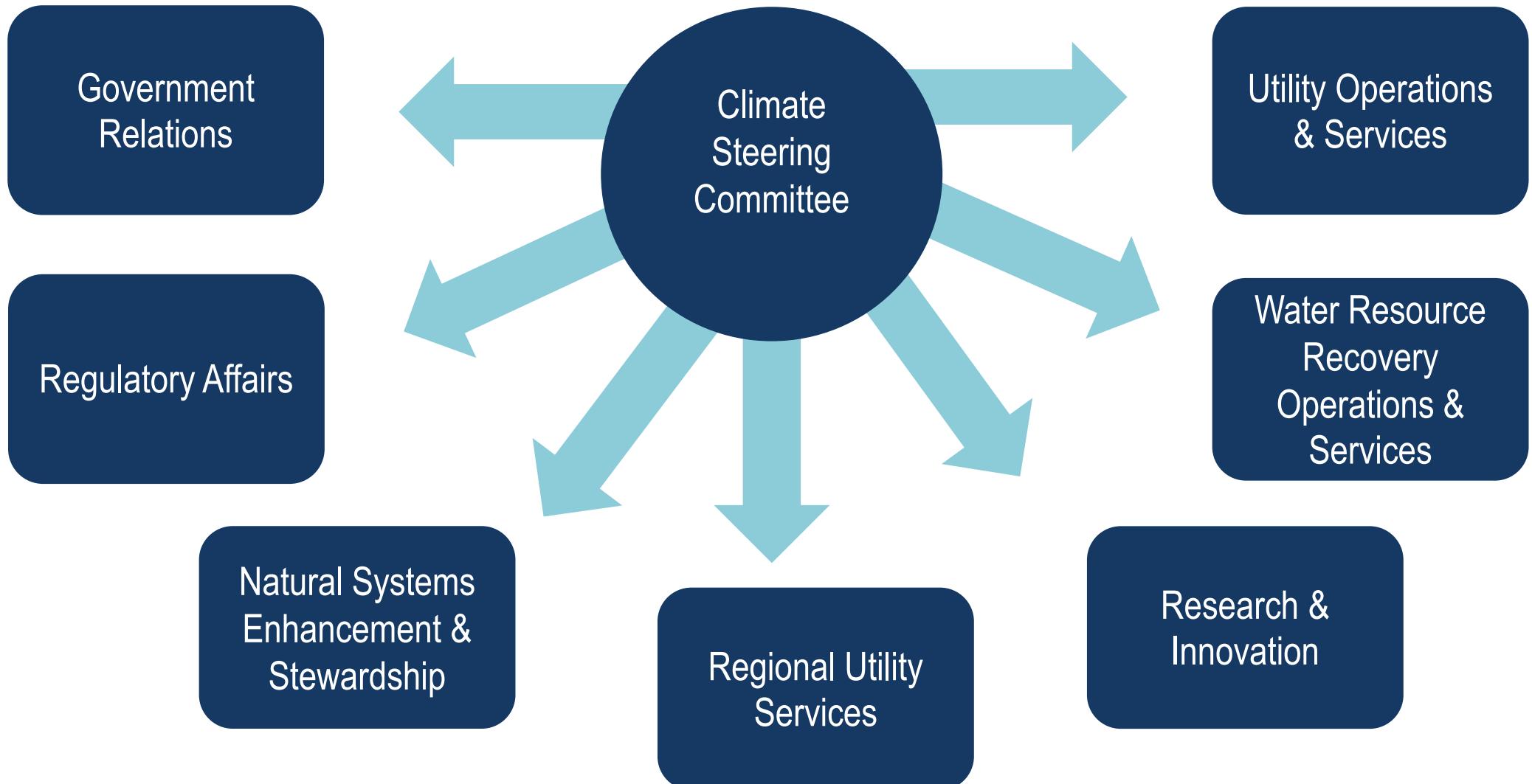


# Transition from Plan to Action

1. Recharter Steering Committee to provide framework for achieving CWS-wide goals
2. Establish methods to inform and support departments implementing strategies
3. Identify interdependencies of strategies
4. Adopt screening matrix for consistent project prioritization
5. Monitor and ensure progress

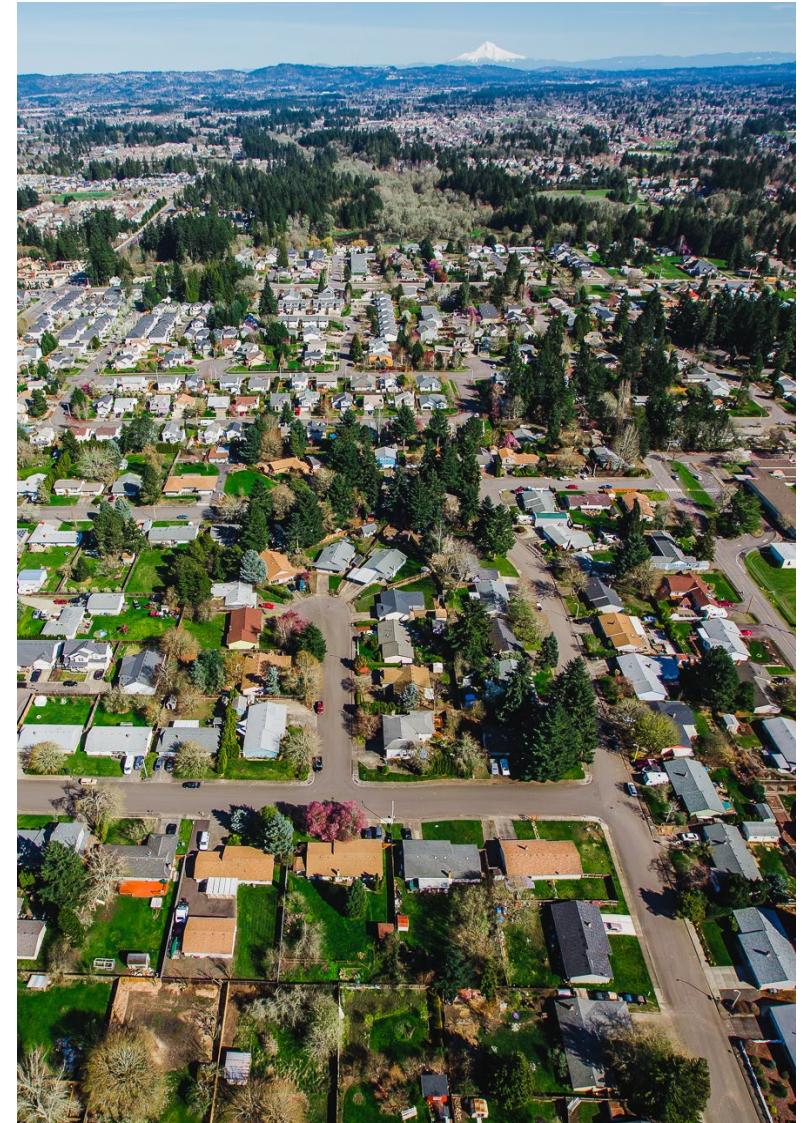


# Structure for Collaboration and Implementation



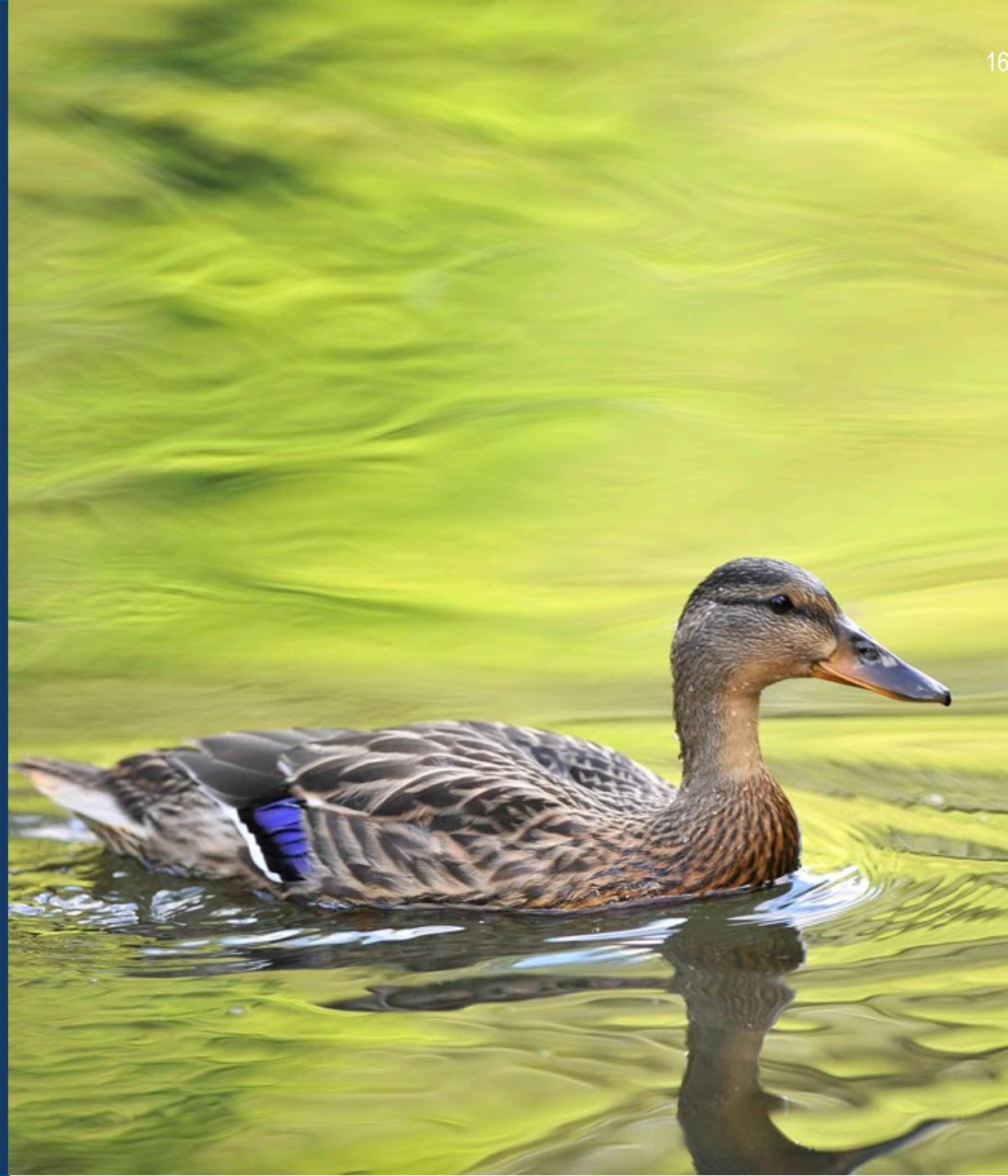
# Partnership with Washington County

1. Washington County Public Health
  - a. Participating in County Climate Collaborative meetings
2. Partners for a Sustainable Washington County Community



# Next Steps

1. CWAC presentation
2. Recharter Steering Committee with shift toward implementation
3. CWS-wide education on strategic roadmap
4. Initiate:
  - a. Greenhouse gas inventory
  - b. Vulnerability risk assessment (using downscaled data)





## Climate Action

Clean Water Services (CWS) provides cost-effective services and environmentally sensitive management of water resources for the Tualatin River Watershed. Climate change is a key threat to CWS' mission, programs, assets, and operational continuity. The pace and scale of climate change impacts are likely to shorten the useful life of many CWS assets and facilities, jeopardize service reliability, and increase capital and operational budgets. CWS staff have already invested in many projects over the years to account for greenhouse gas emissions and address climate change impacts on the watershed.

Investing in climate action can help CWS safeguard assets and infrastructure, ensure reliable services, and enhance watershed health while reducing long-term liability and meeting or exceeding regulatory compliance thresholds. To advance climate-informed action, this Roadmap provides a long-term vision, goals, and strategies related to climate mitigation, adaptation, and resilience. Department and program roadmaps will detail how to operationalize these climate-informed measures through specific actions.

## Vision

The purpose of the Climate Action Roadmap is to align and prioritize across CWS the varied and complementary work of addressing the ongoing and inevitable impacts of climate change and preventing the worst outcomes. Climate change is already disrupting natural ecosystems and driving changes that necessitate thoughtful, equitable adaptation and resilience measures. Beyond adjusting to this evolving reality, CWS must strive for balance through deliberate decarbonization and investment in carbon neutral energy production. This roadmap charts the course for CWS' continued leadership by reducing carbon footprint, minimizing climate change-induced risks, embracing natural systems, improving asset resilience to climate change, recovering and reusing resources to eliminate waste, and being excellent stewards of ratepayer dollars and the Tualatin Basin.

**GOAL 1. CLIMATE MITIGATION**

Reduce greenhouse gas emissions to the extent practicable from CWS operations and services and increase carbon sequestration

Desired Outcomes:	<ul style="list-style-type: none"><li>• CWS has an established baseline of greenhouse gas emissions to guide the creation and implementation of science-based reduction targets.</li><li>• CWS reduces energy inefficiencies in its operations and transitions to renewable energy sources where possible.</li><li>• Natural ecosystems and engineered methods are used to provide a comprehensive approach to carbon sequestration and storage on CWS properties and projects.</li></ul>
<b>Strategy 1.</b> Conduct a GHG inventory to better understand and establish a baseline for direct and indirect emissions generated by CWS.	A phased, targeted inventory will provide CWS with a clear understanding of its carbon footprint. This baseline data will enable the identification of high emissions areas, provide transparency for partners and customers, and allow for the measurable progress toward science-based emissions reduction targets.
Metrics:	<ul style="list-style-type: none"><li>• Main sources of GHG emissions across operations and facilities are identified and quantified.</li><li>• Methodologies, data sources, assumptions, and uncertainties are clearly documented.</li></ul>
<b>Strategy 2.</b> Set science-based targets for reductions of GHG emissions.	Once a baseline GHG inventory has been completed, science-based targets can be set to reflect the inventory findings and allow CWS' climate mitigation efforts to be aligned with local, regional, and global efforts to reduce GHG emissions and limit global warming. Setting these targets guides strategic decision-making, provides accountability, helps prioritize action, and demonstrates a commitment to being a climate leader in the Tualatin Watershed.
Metrics:	<ul style="list-style-type: none"><li>• Target setting aligns with the Science-Based Targets initiative (SBTi) framework and Intergovernmental Panel on Climate Change thresholds of global warming.</li><li>• Targets are clearly linked to Scope 1, Scope 2, and/or Scope 3 emissions.</li></ul>
<b>Strategy 3.</b> Continue energy audits to prioritize equipment and facilities for necessary upgrades to improve efficiency of CWS systems and identify new approaches or technologies to assist in the effort.	Energy audits can identify inefficiencies in energy use, enabling targeted upgrades to infrastructure and systems. By upgrading to energy-efficient equipment, CWS can reduce operational costs, lower emissions, and improve overall system performance. These upgrades can lead to significant energy and cost savings, and alignment with permitting thresholds and emissions reduction targets.
Metrics:	<ul style="list-style-type: none"><li>• Major energy-consuming uses are identified and prioritized for upgrades.</li><li>• Potential energy savings from proposed upgrades and/or operational changes are quantified.</li></ul>

<b>Strategy 4.</b> Explore and continue to promote renewable energy alternatives (e.g., biogas, renewable natural gas, solar).	Transitioning to renewable energy alternatives reduces GHG emissions and enhances long-term operational resilience. Biogas and renewable natural gas can be generated on-site from wastewater treatment processes, creating a circular economy where energy is produced from waste. This strategy ensures that CWS meets renewable energy goals while reducing operational costs and environmental impacts.
Metrics:	<ul style="list-style-type: none"> <li>Percent of total energy use derived from renewable sources.</li> <li>Annual GHG emissions avoided through renewable energy transition.</li> </ul>
<b>Strategy 5.</b> Identify and quantify benefits of natural systems and engineered methods to increase carbon sequestration and storage on CWS properties and projects and partner lands as part of meeting existing regulatory requirements.	Investing in natural assets such as wetlands, riparian zones, and forests helps sequester carbon, improve water quality, reduce flooding, and enhance biodiversity. This includes protecting, restoring, and creating natural systems on CWS-owned and partner lands to create functioning ecosystems that provide multiple benefits, including carbon sequestration and storage. Natural assets provide multiple co-benefits such as improved water and air quality, wildlife habitat, and flood mitigation that can offset operational and maintenance costs. Biological and chemical processes can also be used in wastewater treatment to capture carbon dioxide. Identify and support mechanisms for tracking, verifying, and receiving carbon offset credits related to natural and engineered methods.

## GOAL 2. CLIMATE ADAPTATION

### Promote CWS' ability to prepare for, respond to, and recover from the impacts of climate change

Desired Outcomes:	<ul style="list-style-type: none"> <li>CWS has a clear and quantified understanding of how its facilities, infrastructure, and operations are vulnerable to climate change, allowing for proactive risk management and targeted adaptation actions.</li> <li>CWS' operations, infrastructure, facilities, and staff are better equipped to handle climate change-related disruptions, ensuring uninterrupted service and safety.</li> <li>Natural assets on CWS properties and projects are restored and maintained to buffer the impacts of climate change, maintain regulatory compliance, improve water quality, flood management, and overall watershed health.</li> <li>CWS builds and strengthens partnerships in the Tualatin Basin to leverage knowledge, resources, and funding to amplify the impact of climate adaptation.</li> </ul>
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<p><b>Strategy 1.</b> Conduct a baseline vulnerability and risk assessment to better understand how susceptible CWS' infrastructure, natural assets, operations, and facilities are to climate change.</p>	<p>To set the foundation for climate adaptation, a baseline vulnerability and risk assessment is essential to identify how susceptible CWS' infrastructure, natural assets, operations, and facilities are to climate change-related impacts. By integrating climate science, data analytics, and modeling, CWS will be able to quantify future climate projections, enabling informed decision-making to minimize risk, enhance resilience, optimize resource use, and better plan for long-term infrastructure needs.</p>
<p>Metrics:</p>	<ul style="list-style-type: none"> <li>Historical trends and future climate projections identified across multiple timeframes and using multiple emissions pathways (e.g., moderate emissions scenario, high emissions scenario).</li> <li>Vulnerability assessment completed with clear methodology, data sources, uncertainties, and limitations documented.</li> </ul>
<p><b>Strategy 2.</b> Review existing regulatory requirements, policies, procedures, and operations materials (e.g., Design and Construction Standards, compliance targets, Performance Standards related to NPDES permit) to evaluate gaps and opportunities for climate-informed revisions where needed.</p>	<p>Identifying gaps and opportunities for climate-informed revisions will help CWS adapt more effectively to emerging challenges, ensuring policies and procedures support long-term resilience and are reflective of projected future conditions.</p>
<p>Metrics:</p>	<ul style="list-style-type: none"> <li>Materials reviewed where climate strategies are applicable.</li> <li>Existing policies revised or updated to incorporate climate adaptation.</li> </ul>
<p><b>Strategy 3.</b> Identify and prioritize necessary improvements to CWS facilities and infrastructure to withstand climate hazards where feasible.</p>	<p>Retrofits and/or upgrades can help minimize climate change-related disruptions and ensure facilities and infrastructure remain functional and safe in light of climate change. These improvements can help maintain continuity of service and reduce long-term repair and recovery costs.</p>
<p>Metric:</p>	<ul style="list-style-type: none"> <li>Highly vulnerable facilities and infrastructure are prioritized for upgrades.</li> </ul>

<p><b>Strategy 4.</b> Develop and implement guidance and procedures to protect the health and well-being of CWS employees from climate change-related hazards.</p>	<p>Protecting the health of CWS employees is critical in an era of increasingly frequent and intense extreme heat, wildfire smoke, winter storm, and flooding events. Establishing clear guidance and procedures will safeguard the well-being of CWS staff, reduce health risks, and ensure continuity of operations during extreme conditions. As climate change continues to manifest in the Tualatin Basin, guidelines may need to be modified to address emerging concerns (e.g., pests, disease vectors). This strategy aligns with strategies identified in the Natural Hazard Mitigation Plan.</p>
<p>Metrics:</p>	<ul style="list-style-type: none"> <li>• Health and safety guidelines reviewed, revised, created, and finalized for climate change hazards.</li> <li>• Percentage of employees trained on health and safety procedures related to climate hazards.</li> <li>• Reductions in at-work health incidents during extreme events.</li> </ul>
<p><b>Strategy 5.</b> Protect and enhance watershed ecosystems—riparian areas, streams, wetlands, upland forests—to provide multiple benefits (e.g., climate resilience, forest management, habitat restoration, stream flow management).</p>	<p>Healthy watershed ecosystems are foundational for water supply, water quality, biodiversity, and climate resilience. By making investments in natural systems, CWS can improve watershed health, reduce flood risks (including effluent discharge into receiving waters), and provide multiple co-benefits for community well-being and wildlife (e.g., passive cooling via tree canopy and riparian buffers to provide shade and reduce thermal pollution).</p>
<p>Metrics:</p>	<ul style="list-style-type: none"> <li>• Total area of watershed ecosystems protected and restored.</li> <li>• Watershed health indicators are regularly monitored and reported on.</li> </ul>
<p><b>Strategy 6.</b> Collaborate with partners to share resources, plan for shared risks, and leverage funding on climate change projects.</p>	<p>Collaborating with partners on climate change will enable CWS to pool resources, share expertise, and secure funding for climate action projects (e.g., climate adaptation, renewable energy, etc.). This strategy also includes CWS partnering to implement strategies identified in the Natural Hazard Mitigation Plan and other local and regional plans.</p>
<p>Metric:</p>	<ul style="list-style-type: none"> <li>• Activities with existing and new partners interested and engaged in climate action in the Tualatin Basin are tracked.</li> </ul>
<p><b>Strategy 7.</b> Collect data from partners and customers to help inform CWS' climate-informed activities.</p>	<p>By gathering relevant data from partners and customers, CWS can tailor its climate strategies to specific needs, improve forecasting, and track the effectiveness of climate actions, ensuring that future initiatives are well-informed and responsive to changing conditions.</p>
<p>Metric:</p>	<ul style="list-style-type: none"> <li>• Surveys developed and collected to gauge input on CWS' climate change initiatives.</li> </ul>

## Definitions

**Adaptation:** Adjusting to actual or expected future climate; being ready and prepared for uncertainty. Reducing risks and vulnerabilities from the harmful effects of climate change such as weather extremes and natural disasters and making the most of beneficial opportunities. For example, in other parts of the country there can be a longer growing season.

**Carbon Neutral:** Carbon neutral describes the state achieved when an entity that produces carbon emissions removes the same volume of carbon emissions from the Earth's atmosphere. Reaching carbon neutrality can involve a variety of measures, including energy efficiency initiatives, renewable energy transitions, carbon removal and carbon offset projects. Carbon "removals," in any form, cannot substitute for cutting planetheating emissions as fast as possible.

**Climate Change:** A change in global or regional climate patterns, particularly one apparent from the mid to late 20th century onwards and attributed largely to the increased levels of atmospheric CO<sub>2</sub> produced by fossil fuels.

**Climate Resilience:** The ability to anticipate, prepare for, and respond to hazard events, trends, or disturbances related to climate change. This includes the adaptive capacity for a system to absorb stresses imposed by climate change and to adapt and possibly evolve the system to be better prepared for future impacts. Climate resilience is an outcome of climate actions.

**Greenhouse Gas (GHG):** Any gas that absorbs and re-radiates heat in the lower atmosphere, trapping heat on Earth that would otherwise be radiated to outer space. The main greenhouse gases are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), chlorofluorocarbons (CFCs), nitrous oxide (N<sub>2</sub>O), sulfur hexafluoride (SF<sub>6</sub>), hydrofluorocarbons (HFC), and perfluorinated carbons (PFC).

**Greenhouse Gas Inventory:** Documentation of GHG emission sources and the associated emissions quantified using standardized methods.

**Mitigation:** A human intervention to reduce the detrimental human impact on climate change; it includes strategies to reduce GHG sources and emissions and enhance GHG sinks. The goal is to avoid significant human interference with the climate system.

**Resilience:** A capability to anticipate, prepare for, respond to, and recover from significant multi-hazard threats with minimum damage to social well-being, the economy, and the environment.

**Sequestration:** Capturing GHGs from the atmosphere and storing them in natural systems or industrial systems to prevent them from entering the atmosphere.

## CWS Board Work Session Days Planning Document: Discussion Draft

Topic	2025				2026			
	July 18	October 10	November 7	February 6	May 8 - Budget	July 31	October 23	
BUDGET/ FINANCE	CWS Billing: Current State  Overview of the history of billing, how collection works for residential and industrial customers, challenges, and opportunities.	CWS Billing: Potential Future States  • Present options for potential changes and a process to evaluate next steps with partners. Receive Board direction. • Review existing customer assistance programs of partner cities and agencies. • Discuss initial technical feasibility and costs. • Provide recommendations and seek direction.	Cost of Service Study (COSS) 2.0  • Provide background and purpose of COSS. • Discuss cost allocation experience based on actual year-end history for sewer/storm and regional/local. • Make recommendations.	Rate Development Discussion and Five-Year Forecast <i>(Discussion scheduled for March 10 work session)</i>	Budget Presentation			
			FY25 Year-End Financial Report	Quarterly Financial Report		Quarterly Financial Report	Year-End Financial Report	
				CWS Annual Financial Audit Report  Share first report and findings from CWS Audit Committee.				

	2025			2026			
Topic	July 18	October 10	November 7	February 6	May 8 - Budget	July 31	October 23
PERMIT & COMPLIANCE		<b>Permit Cycle Update</b> <ul style="list-style-type: none"> <li>Provide status of where we are in the permit cycle and the steps necessary for renewal.</li> <li>Co-implementer intergovernmental agreement negotiations, and the timeline for completion.</li> <li>Regulatory Compliance Roadmap.</li> </ul>		<b>Compliance overview</b> Overview of the CWS Compliance program		<b>IGA Update</b> Update status of co-implementer IGA negotiations, and the timeline for completion.	
						<b>Design and Construction Standards</b> Present recommended revisions to D&C Standards and receive Board direction.	

	2025				2026			
Topic	July 18	October 10	November 7	February 6	May 8 - Budget	July 31	October 23	
TRUST & CREDIBILITY	<b>Plan to Rebuild Trust, R&amp;O 25-5</b> Continue discussion of Plan to Rebuild Trust: <ul style="list-style-type: none"> <li>• Leadership update.</li> <li>• Feedback from employees and city partners.</li> <li>• Communications</li> <li>• Status of R&amp;O 25-5 implementation, including forensic investigation and CWIC domicile review.</li> <li>• Customer assistance timeline.</li> </ul>	<b>Plan to Rebuild Trust, R&amp;O 25-5</b> <ul style="list-style-type: none"> <li>• Update on Clean Water Insurance Company (CWIC) domicile.</li> <li>• Customer assistance program (see <i>Budget/Finance</i>)</li> </ul>						
		<b>Community Research</b> Earning trust and building credibility through listening <ul style="list-style-type: none"> <li>• Stakeholder Insight Survey</li> </ul>	<b>Ratepayer Values Focus Groups</b> Understand benchmarked ratepayer values for CWS services as part of the biennial Customer Awareness & Satisfaction Survey. <b>Values last updated in 2014.</b>					
			<b>Customer Awareness and Satisfaction Survey</b> Biennial survey (since 1988) to understand ratepayer satisfaction and CWS' performance against ratepayer values.					
WORKFORCE/HR				<b>CWS Employee Update</b> Update on workforce demographics, hiring and recruiting, succession planning, employee development, and learning opportunities.				

	2025				2026			
Topic	July 18	October 10	November 7	February 6	May 8 - Budget	July 31	October 23	
<b>CONSTRUCTION</b>	<b>CWS Buildings Update</b> Update on status and schedule for Central, ripl, ABC, and Springer.							
<b>MASTER PLANNING</b>	<b>West Basin Master Plan (WBMP)</b> Receive WBMP summary. <ul style="list-style-type: none"><li>• CWAC unanimously recommended adoption at June 2025 meeting.</li></ul>					<i>Tentative – Recycled Water Master Plan</i>		
<b>ROADMAPS</b>		<b>Update on Long-Term Regulatory Compliance Roadmap (See Permit)</b>		<b>Update on Roadmaps, Performance Excellence</b>				
				<b>Update on Climate Action Strategic Roadmap</b>				
<b>CWIC</b>	(see Trust & Credibility)	(see Trust & Credibility)			<b>Annual Risk Report</b>			
<b>LEADERSHIP</b>			<b>CEO/GM Characteristics Discussion</b>					
<b>BOARD PLANNING</b>	<b>Review and Discuss Plan</b>	<b>Review and Discuss Plan</b> <ul style="list-style-type: none"><li>• Rolling agenda</li><li>• Work session days</li><li>• Budget timeline</li><li>• Recruitment timeline</li></ul>	<b>Review and Discuss Plan</b>	<b>Review and Discuss Plan</b> <ul style="list-style-type: none"><li>• Potential Board Travel</li></ul>	<b>Review and Discuss Plan</b>		<b>Review and Discuss Plan</b>	
<b>TOURS</b>	<b>RC Clarifiers</b>						<b>RIPL</b>	

## OTHER KEY DATES

### Budget

- April 17, 2026: FY 2026-27 Proposed Budget, Capital Improvement Program, and Roadmap documents delivered to Budget Committee members and posted on website
- May 8, 2026: Budget Committee meeting
- June 9, 2026: Board consideration/public hearing and adoption of FY27 Rates & Charges, Budget, CIP, pay plan

### Possible travel

- April 14-16, 2026 (tentative): DC Water Week Policy Fly-in
- Sept. 26-30, 2026 (tentative): WEFTEC in New Orleans
- October 4-8, 2026 (tentative): International Water Association World Water Congress & Exhibition in Glasgow

### Recruitment dates

- February 10, 2026: Board meeting to discuss and define interview and selection process
- February 25, 2026: Deliver confidential General Manager candidate materials to the Board
- March 3, 2026: Executive session to review and discuss General Manager candidates
- March 11-12: Semifinal interviews
- March 30-31: Final interviews

Time sensitive items are in bold.

Tentative dates are in italics

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**FEBRUARY 2026 Clean Water Services**  
**CWS BOARD WORK SESSION / MEETING AGENDA ITEMS**

Print Date: 2/3/2026 1:17 PM

	<b>FEBRUARY 3</b> No CWS Meeting	<b>FEBRUARY 6</b> CWS All-Day Work Session	<b>FEBRUARY 10 (9-11 am)</b> CWS MEETING AND WORK SESSION		<b>FEBRUARY 17 (a.m.)</b> No CWS Meeting Presidents Day (Feb. 16th)	<b>FEBRUARY 24 (5:30 p.m.)</b> CWS MEETING
<b>CWS WORK SESSION</b>	<b>No CWS Work Session</b>	<b>9am – 4pm</b> <ul style="list-style-type: none"><li>• Quarterly Financial Report</li><li>• CWS Annual Financial Audit Report</li><li>• Compliance Overview</li><li>• Employee Update</li><li>• Performance Excellence and Roadmaps 2.0</li><li>• Climate Action Roadmap Update</li><li>• Board Planning and Discussion</li></ul>	<ul style="list-style-type: none"><li>• CWS: Discuss and Define GM Interview and Selection Process <b>(45)</b></li></ul> <p><b>Total 0 hr 45 min</b></p>	<b>No CWS Work Session</b>		<b>No CWS Work Session</b>
<b>CWS REGULAR MEETING</b>	<b>No CWS Meeting</b>		<ul style="list-style-type: none"><li>• Consent: Approve Developer Agreement for Butternut Pump Station Project 7328</li><li>• Consent: Accept CWS FY 2024-25 Annual Comprehensive Financial Report and Other Related Financial Reports</li></ul>	<b>No CWS Meeting</b>	<ul style="list-style-type: none"><li>• Action: Approve IGA with City of Hillsboro for Water Reuse Project at Rood Bridge Park</li><li>• Action: Adopt RO to Acknowledge Completion of All Actions in RO 25-5</li><li>• Consent: Approve a Task Order to Master Contract with Consor Engineers North America for the Butternut Pump Station Phase 2B PS and FM Project No. 7328</li></ul>	
<b>OTHER MEETINGS &amp; UPDATES</b>	<ul style="list-style-type: none"><li>• State Legislative Session Begins February 2</li></ul>	<ul style="list-style-type: none"><li>• BCC Roundtable – February 8 – 9-4pm</li></ul>		<ul style="list-style-type: none"><li>•</li></ul>	<ul style="list-style-type: none"><li>•</li></ul>	
<b>BOD Out of Office</b>	<ul style="list-style-type: none"><li>• Dir. Willey OOO 1/30-2/8 medical</li></ul>	<ul style="list-style-type: none"><li>• Dir. Willey OOO 1/30-2/8 medical</li></ul>	<ul style="list-style-type: none"><li>• Dir. Willey <b>present but virtual only</b> 2/9-3/15 medical</li></ul>	<ul style="list-style-type: none"><li>• Dir. Willey <b>present but virtual only</b> 2/9-3/15 medical</li><li>• Chair Harrington OOO 2/15-22</li></ul>	<ul style="list-style-type: none"><li>• Dir. Willey <b>present but virtual only</b> 2/9-3/15 medical</li></ul>	
<b>Pending Scheduling</b>						

**Additional Work Session/Board meeting topics requested by Board members:**

Time sensitive items are in bold.

Tentative dates are in italics

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**MARCH 2026 Clean Water Services**  
**CWS BOARD WORK SESSION / MEETING AGENDA ITEMS**

Print Date: 2/4/2026 11:26 AM

	MARCH 3	 MARCH 10 (9-11am) CWS MEETING AND WORK SESSION	MARCH 17 (5:30 pm) CWS MEETING	MARCH 24 (pm) Spring Break No Meetings
CWS WORK SESSION	<ul style="list-style-type: none"><li>CWS: Executive Session ORS 192.660(2)(a) – Employment of Public Official <b>(90)</b> (Approved as part of CWS Recruitment Timeline presented on January 6)</li></ul>	<ul style="list-style-type: none"><li>Design and Construction Standards <b>(45)</b></li><li>Rate Development <b>(60)</b></li></ul> <p><b>Total 1 hr 45 min</b></p>	<b>No CWS Work Session</b>	
CWS REGULAR MEETING	<b>No CWS Regular Meeting</b>	<ul style="list-style-type: none"><li>Public Hearing: Hold Public Hearing and Adopt RO Modifying RO 25-17 and Establishing Final Reimbursement Charge for NW 111th Court at NW McDaniel Road Sewer Extension Reimbursement District Project No. 7298</li><li>Public Hearing: Hold a Public Hearing and Adopt Resolution and Order Approving CWS Administrative Policies</li></ul>	<ul style="list-style-type: none"><li>xx</li></ul>	
OTHER MEETINGS & OTHER UPDATES	<ul style="list-style-type: none"><li>State Legislative Session March 9 or sooner</li></ul>	<ul style="list-style-type: none"><li>GM recruitment - March 11-12</li><li>BCC Roundtable – March 12 – 1-5pm</li></ul>	<ul style="list-style-type: none"><li>•</li></ul>	<ul style="list-style-type: none"><li>GM recruitment - March 30-31</li></ul>
BCC Out of Office	<ul style="list-style-type: none"><li>Dir. Willey <b>present but virtual only</b> 2/8-3/15 medical</li></ul>	<ul style="list-style-type: none"><li>Dir. Willey <b>present but virtual only</b> 2/8-3/15 medical</li></ul>	<ul style="list-style-type: none"><li>Dir. Willey OOO 3/16-3/22</li></ul>	<ul style="list-style-type: none"><li>Chair Harrington OOO 3/23 - 27</li></ul>
Pending Scheduling				

Additional Work Session/Board meeting topics requested by Board members:

**APRIL 2026 | Clean Water Services**  
**CWS BOARD WORK SESSION | MEETING AGENDA ITEMS**

Time sensitive items are in bold. Tentative dates are in italics

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Print Date: 2/6/2026 10:47 AM

		<b>APRIL 7</b> <b>National Public Health Week</b> <small>AN INITIATIVE OF THE AMERICAN PUBLIC HEALTH ASSOCIATION</small>	<b>APRIL 14 (9-11 am)</b> <b>CWS MEETING AND WORK SESSION</b>	<b>APRIL 21 (a.m.)</b> 	<b>APRIL 28 (5:30 p.m.)</b> <b>CWS MEETING</b>
<b>CWS WORK SESSION</b>		No CWS Work Session	<ul style="list-style-type: none"> <li>• RNG Project update (30)</li> <li>• x</li> </ul> <p style="text-align: center;"><b>Total 0 hr 30 min</b></p>	No CWS Work Session	No CWS Work Session
<b>CWS REGULAR MEETING</b>		No CWS Meeting	<ul style="list-style-type: none"> <li>• Consent: Approve IGA with Washington County for the Construction of Utility Improvements for Walker Road/Murray Blvd Intersection</li> <li>• Consent: Approve IGA with Washington County for the Construction of Utility Improvements for Walker Road Phase 3</li> </ul>	No CWS Meeting	<ul style="list-style-type: none"> <li>• Consent: Award Contract to Construct Forest Grove Phase 3 Rehab Project 7153</li> <li>• Consent: Award Contract to Construct Foothill Drive Sanitary Upgrade</li> <li>• </li> </ul>
<b>OTHER MEETINGS</b>	• BCC Roundtable – April 2	•	•	•	
<b>BCC Out of Office</b>	•	•	• •	•	
<b>Pending Scheduling</b>	•	•	• CWS Budget Published – April 17	• Wash Co FY24-25 Proposed Budget Published – April	

Additional Work Session/Board meeting topics requested by Board members: