

DATE: March 4, 2026
TO: Clean Water Services Advisory Commission Members and Interested Parties
FROM: Elizabeth Edwards, Chief of Staff
SUBJECT: **INFORMATION FOR MARCH 11, 2026, CWAC MEETING**

A Clean Water Services Advisory Commission (CWAC) meeting is scheduled for **Wednesday, March 11, 2026**. The meeting will be in a hybrid format at the **CWS Central Building in Beaverton** and on Zoom. The meeting will begin at 6:30 p.m.

Meeting location:

- **In person in the** Central Large Conference Room at the CWS Central Building, 15195 NW Greenbrier Parkway in Beaverton.
- **Online via Zoom.** Zoom offers the option to connect to video, slides, and audio via a device with internet access, or an audio-only connection through any telephone line. Please plan to establish your connection to the meeting 10-15 minutes before the 6:30 p.m. start time to allow the meeting to begin promptly.

Dinner will be served at 5:30 p.m. for CWAC members attending in person. CWAC members should notify Katie Cheney (CheneyK@CleanWaterServices.org or **503.681.5116**) by Monday, March 9, **if you are unable to attend or if you plan to attend via Zoom** so food is not ordered for you.

The CWAC meeting packet will be emailed to CWAC members and posted to the [CWAC section](#) of the Clean Water Services' website.

Enclosures in this packet include:

- March 11, 2026, agenda and other materials (please note, additional materials will be provided before the meeting)
- January 14, 2026, meeting summary

Clean Water Services Advisory Commission

March 11, 2026

AGENDA

6:30 p.m. Welcome and Introductions

6:35 p.m. D&C Standards Revision Subcommittee

Staff will share the five CWAC members who have volunteered to serve on the D&C Standards Revision Subcommittee and expectations for the two subcommittee meetings.

- Elizabeth Edwards, Chief of Staff
- Damon Reische, Planning & Development Services Division Manager

Requested action: *Informational/discussion item*

6:50 p.m. Cost of Services Study and Rate Development

Clean Water Services initiated an update to the Cost of Service Study in 2021 to evaluate its cost allocation methodology for regional and local services across the sanitary sewer and surface water management utilities. The study establishes the cost basis for long-term planning and rate setting. In 2025, CWS retained Bartle Wells Associates to complete a comprehensive update of the Cost of Service model and develop a financial plan, which includes rate projections. This work was finalized in February and serves as the foundation for the rates being presented.

- Kathy Leader, Chief Financial Officer
- Erin Lowery, Finance Manager

Requested action: *Informational/discussion item*

7:50 p.m. Budget Process

Staff will share the process and timeline to develop the CWS budget and move it from proposed, to approved, to adopted.

- Kathy Leader, Chief Financial Officer

Requested action: *Informational/discussion item*

8:05 p.m. Invitation for Public Comment

8:10 p.m. Announcements and Adjournment

Next meeting: April 8, 2026

Cost of Services Study and Rate Development

Kathy Leader, Chief Financial Officer

Erin Lowery, Finance Manager

Clean Water Services Advisory Commission | March 11, 2026



Presentation Overview

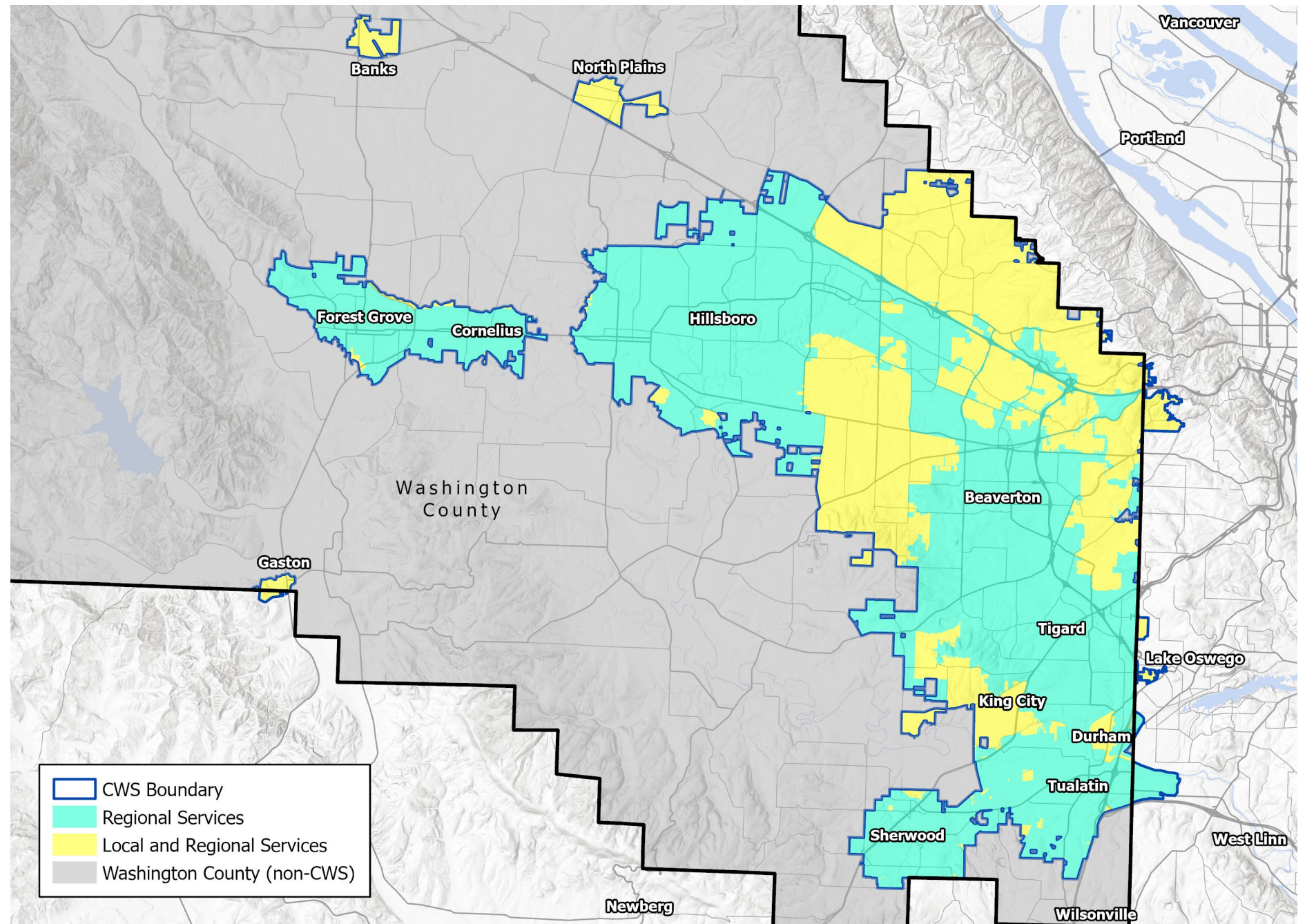
- Introduction to Cost of Services Study
- Background on cost allocation process
- 5-year rate proposal



Introduction to Cost of Service Study

1. Clean Water Services initiated internal study in 2021
2. Completed comprehensive review of cost allocation methodology
 - a. Analyzed sanitary sewer and surface water management programs
 - b. Analyzed regional costs and local costs
 - c. Previous complete update was in 2008
3. Finance team updated framework using FY 2023-24 actual costs
4. Study provides the cost basis for long-term financial planning and rate updates
5. District engaged Bartle Wells Associates for a comprehensive update to Cost of Service model, as well as the development of a rate plan

Regional and Local Services



Regional Services

CWS provides **Regional services** to all customers in its service area

1. Constructing, operating, maintaining treatment plants, sewage pump stations, pressure lines
2. Designing, building, maintaining sewer lines 24 inches and larger
3. Compliance reporting, oversight for National Pollutant Discharge Elimination System (NPDES) permit, including municipal separate storm sewer system (MS4)
4. Maintaining minimum stream flows
5. Service area restoration and enhancing stream corridors



Local Services

CWS provides **Local services** to customers it bills directly in urban unincorporated Washington County and the cities of Banks, Durham, Gaston, King City, and North Plains.

Local services support operating and maintaining local collection system and 24-hour response

1. Designing, building, maintaining, repairing sewer lines 21 inches and smaller
 - a. Cleaning, inspecting sewer pipes
2. Designing, building, maintaining, repairing local stormwater facilities
 - a. Sweeping streets
 - b. Maintaining water quality facilities
 - c. Cleaning catch basins, water quality manholes

Background on Cost Allocation Process

- What work does the department/program do?
 - Conducted interviews
- How is time tracked on that work?
 - Established projects to track hours
 - Used work order system to extract data
- How much of the cost should be shared by the two different enterprises (sanitary sewer and surface water management), and what data is available to support that?
 - Lab testing data, CIP project plans, stream miles
- How do we use this data to develop a reasonable cost allocation basis?



Clean Water Services FY 2026/27 Rate Plan

Prepared for March 10, 2026, Board Meeting

Prepared by:
BARTLE WELLS ASSOCIATES



Overview of the Study



- **Review and Update Cost Allocation**
 - FY 2025/26 is base year for establishing Sanitary Sewer vs. Surface Water Management costs
- **Prepare 10-Year Financial Plans**
 - Fund long-term operating, maintenance, debt service and capital needs
 - Corrects Local service area funding deficits
 - Ensures sufficient reserve funding
 - Evaluated funding level alternatives
- **Calculate Updated Rates**
 - Evaluate customer bill impacts

Financial Plan Overview

Develop 10-year financial projections to:

- Fund operating, maintenance and capital needs
- Fund debt service payments
- Maintain adequate fund reserves
- Meet debt service coverage requirements
- Correct funding deficit for Local services within 10 years

The financial plan serves as a roadmap for funding operating and capital programs and maintaining long-term financial health.

Setting Reserve Fund Targets

Reserve funds allow the District to:

- Function smoothly throughout the year
- Meet unexpected revenue shortfalls/expenses
- Minimize debt financing
- Improve its credit-worthiness

Reserve targets are unique to the District and based on:

- Costs
- Capital needs
- Outstanding debt
- Billing method, frequency and other factors

Sanitary Sewer Rate Plan

Sanitary Sewer

Financial Drivers

Aging Infrastructure & Capital Improvement Needs

- Over \$754 million in the current year, plus next five years

Existing Debt service

- 2004 Pension Obligation Bond annual payment of \$2M
- 2010B Revenue Bond annual payment of \$7.4M
- 2016 Revenue Bond annual payment of \$4.8 M
- 2021 Revenue Bond annual payment of \$2.9 M

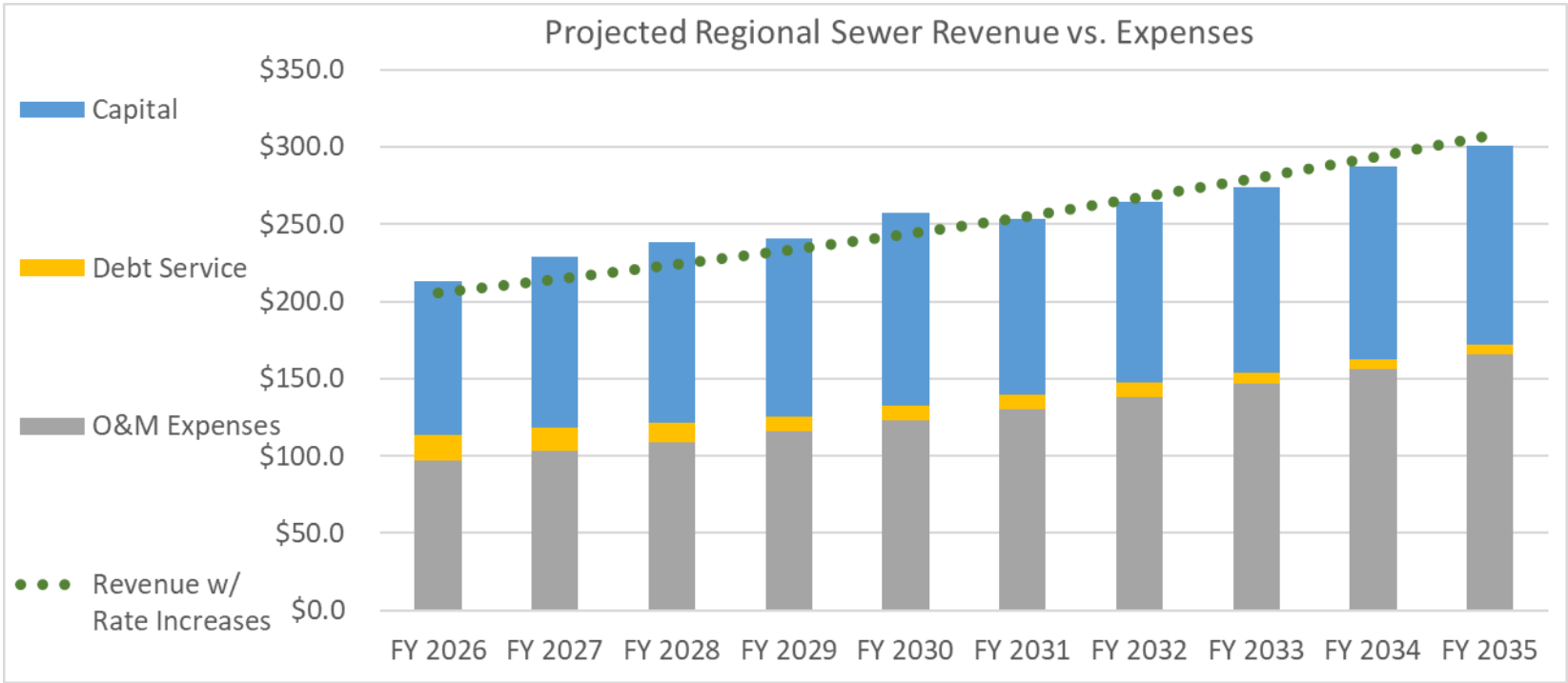
Operating cost inflation

- Annual rate adjustments needed to keep rates in line with escalating costs: Labor - 7%, Materials & Services - 5%

Maintaining Reserve Funds

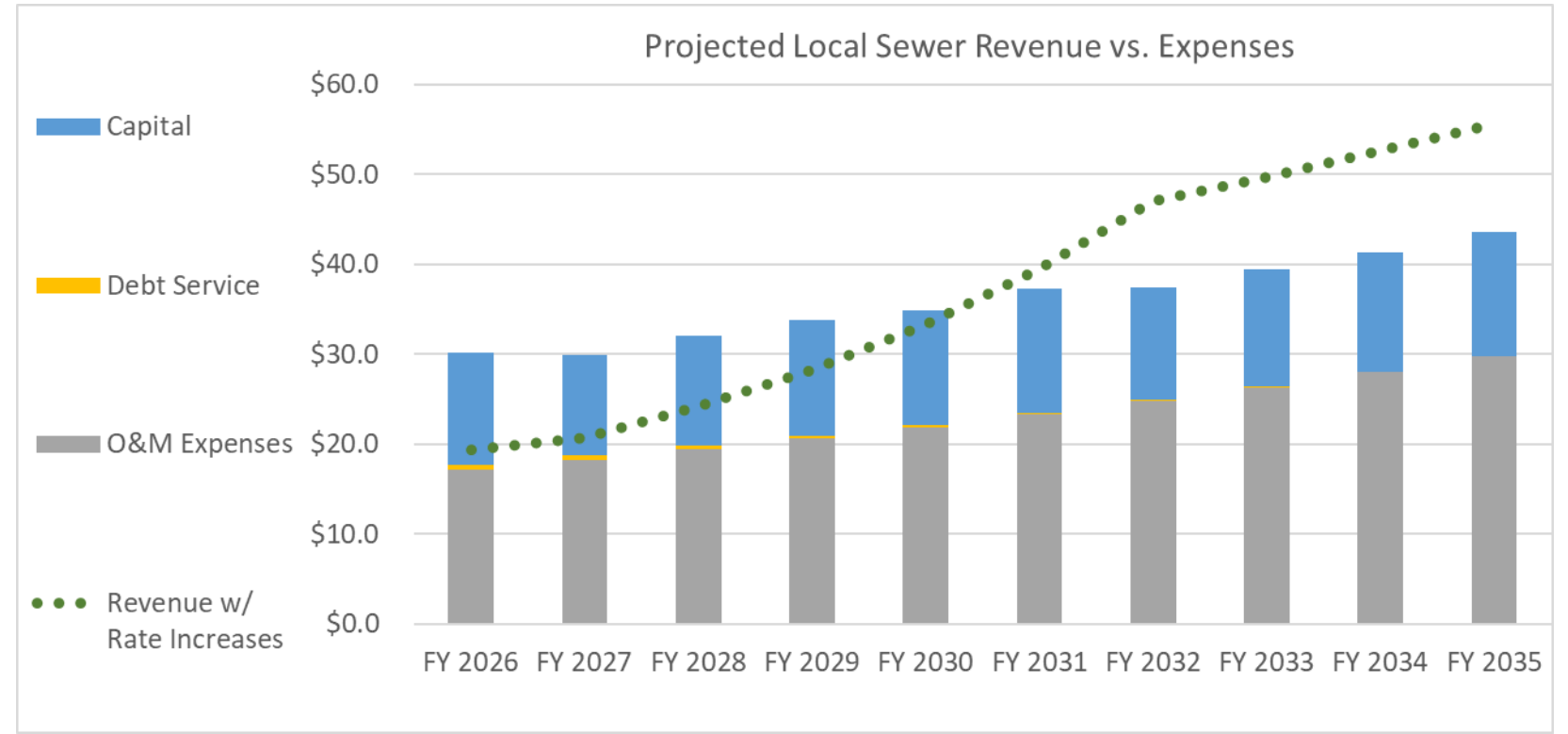
Sanitary Sewer Rate Plan

Proposed Rate Increases	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Regional Sewer	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

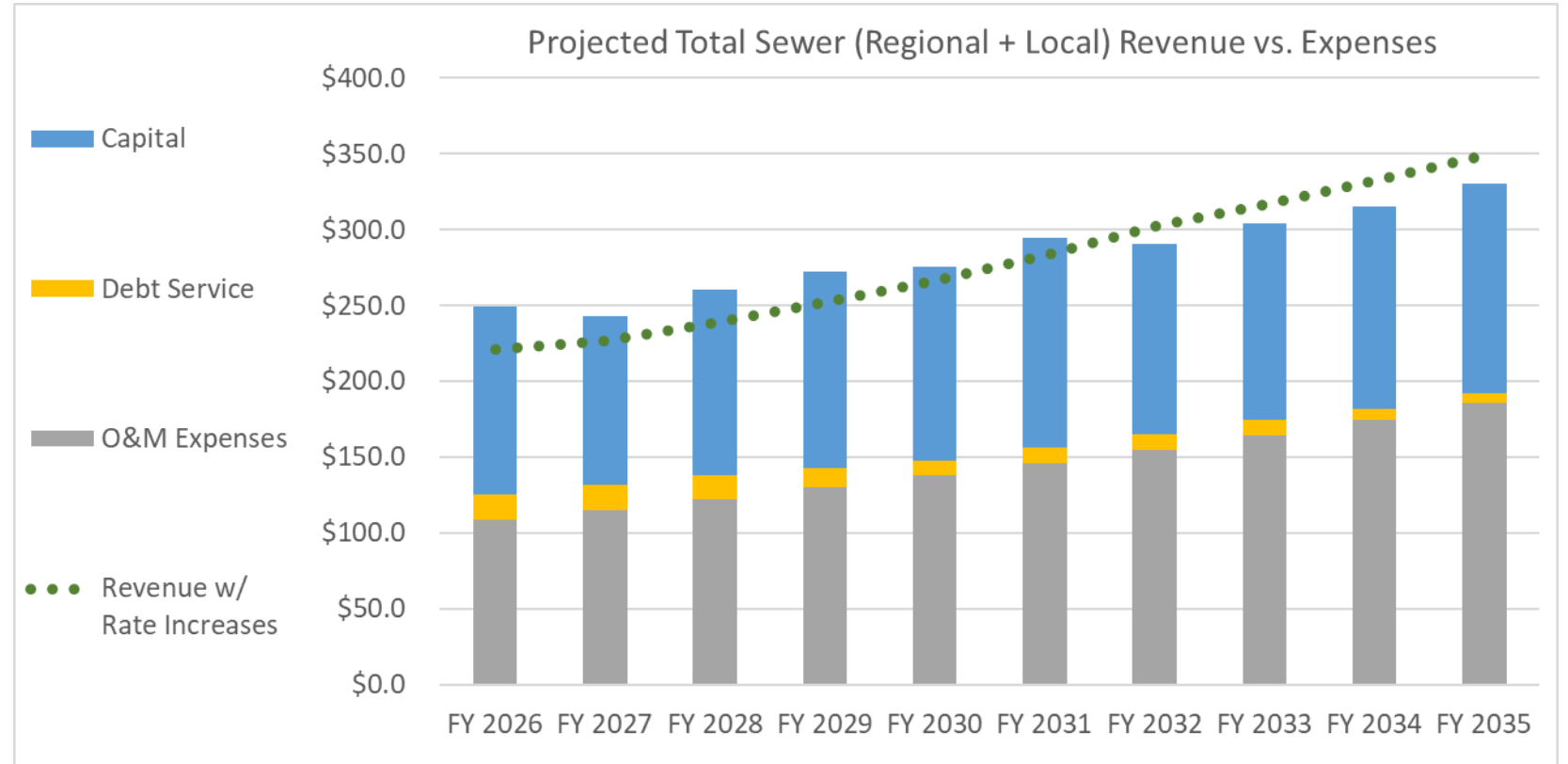


Sanitary Sewer Rate Plan

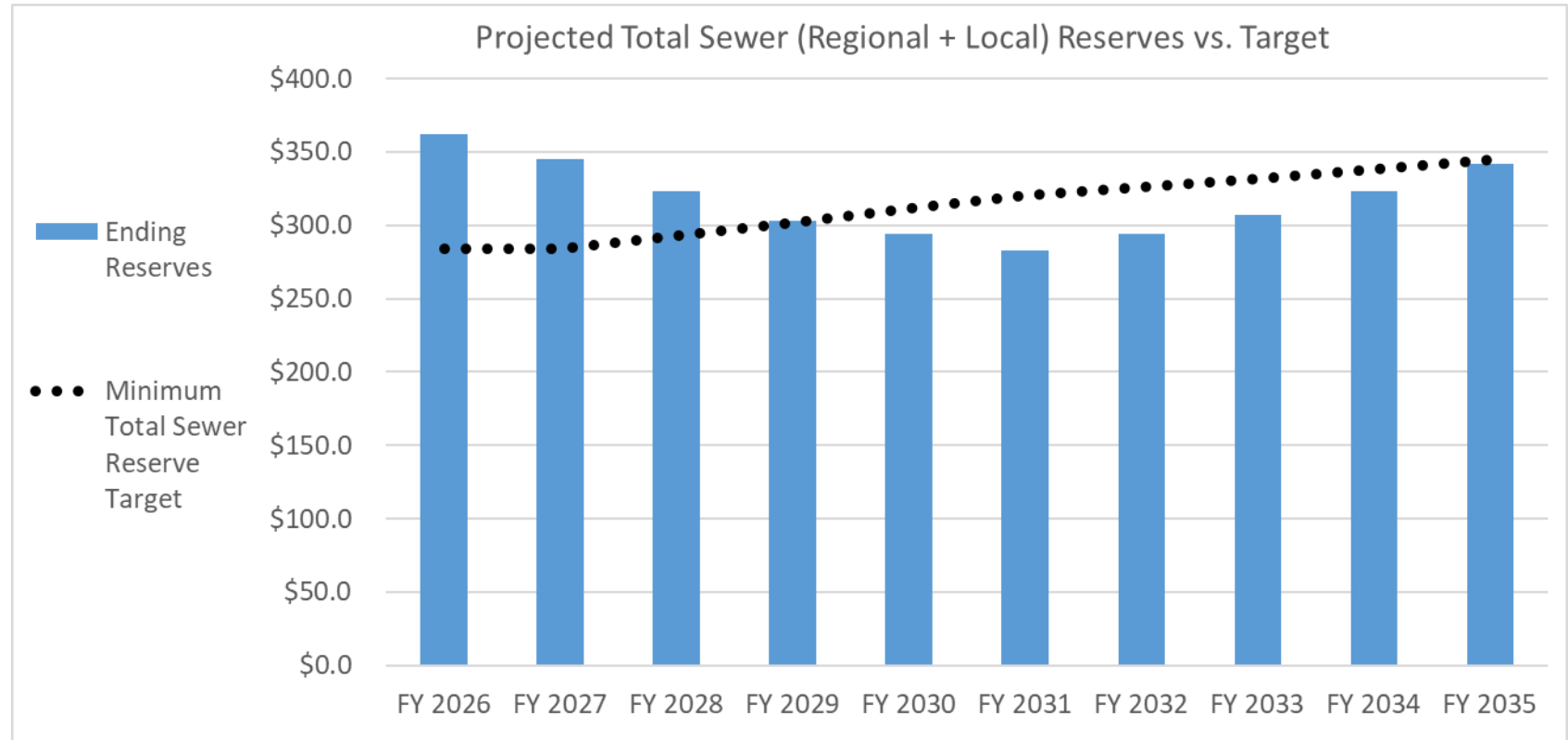
Proposed Rate Increases	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Local Sewer	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	5.0%	5.0%	5.0%



Sanitary Sewer Rate Plan

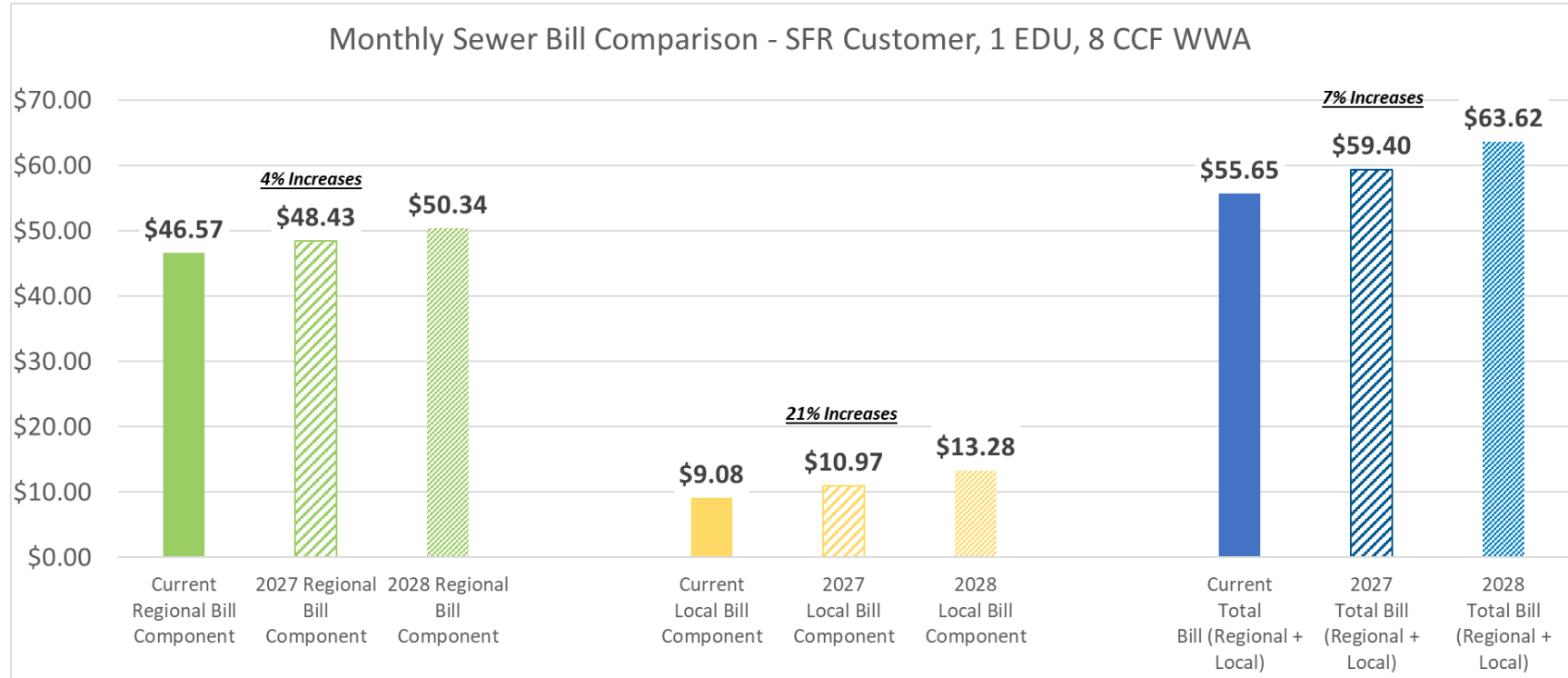


Sanitary Sewer Rate Plan



Sanitary Sewer Rate Plan

Residential Bill Impacts



Surface Water Management Rate Plan

Surface Water Management

Financial Drivers

Aging Infrastructure & Capital Improvement Needs

- Over \$11.8 million in the current year, plus next five years

Existing Debt Service

- 2004 Pension Obligation Bond annual payment of approx. \$360K allocated to SWM

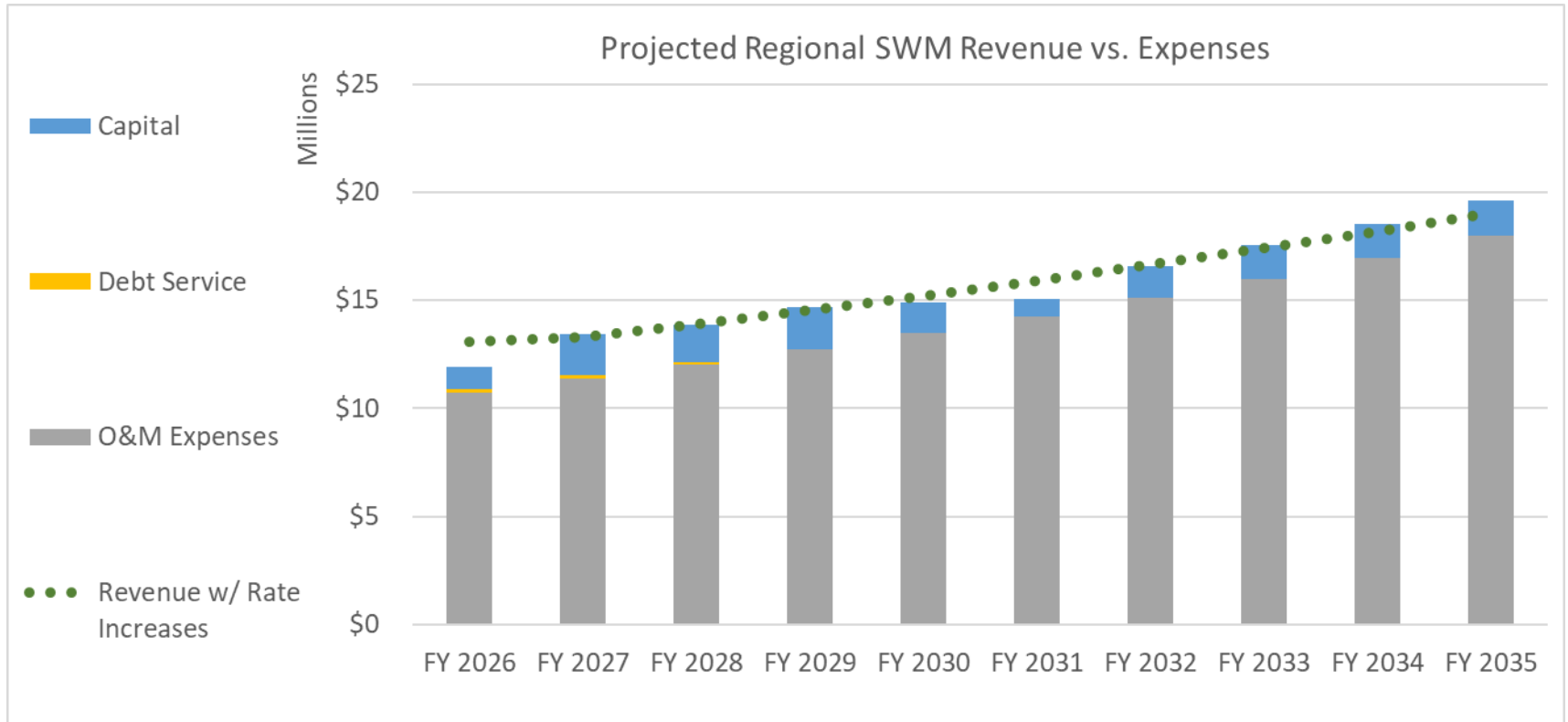
Operating Cost Inflation

- Annual rate adjustments needed to keep rates in line with escalating costs: Labor - 7%, Materials & Services - 5%

Maintaining Reserve Funds

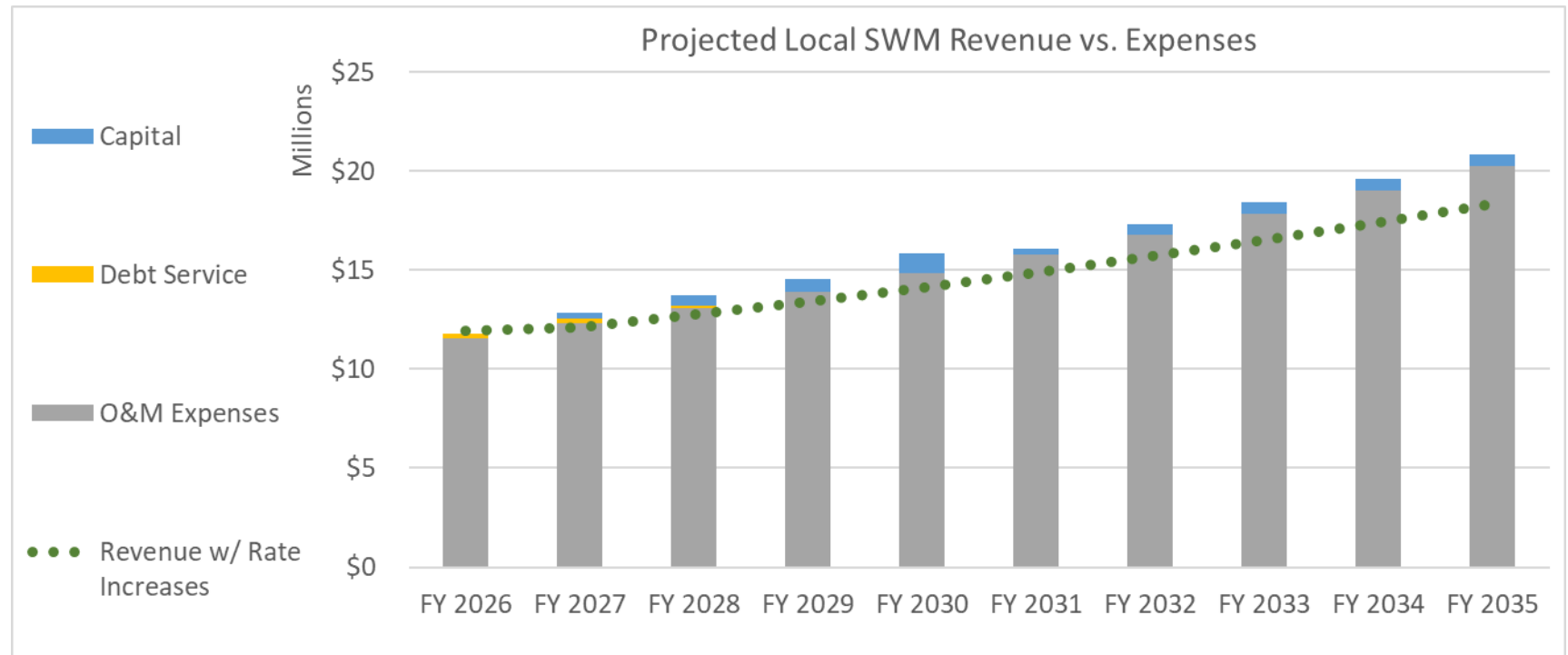
Surface Water Management Proposed Rate Plan

Proposed Rate Increases	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Regional SWM	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

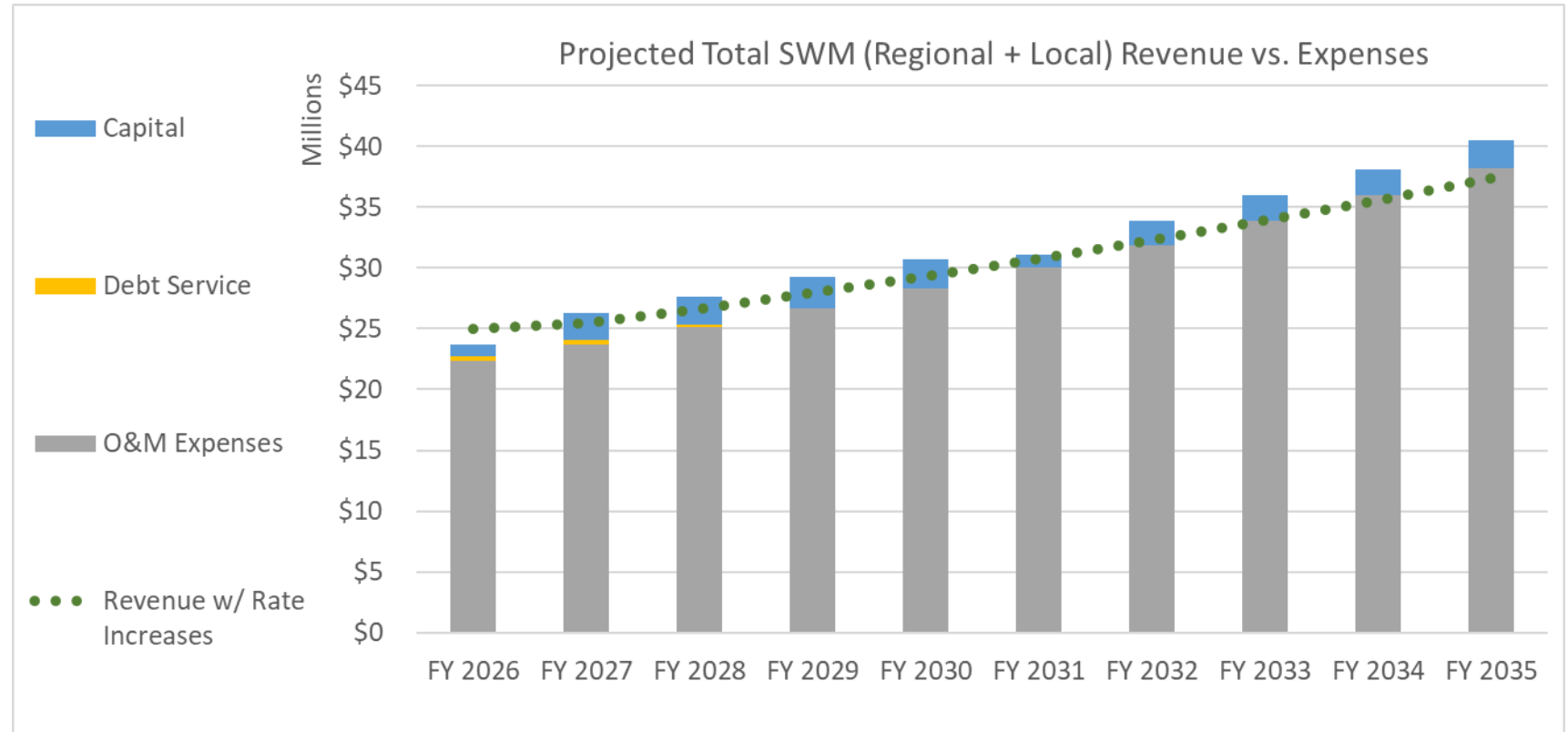


Surface Water Management Proposed Rate Plan

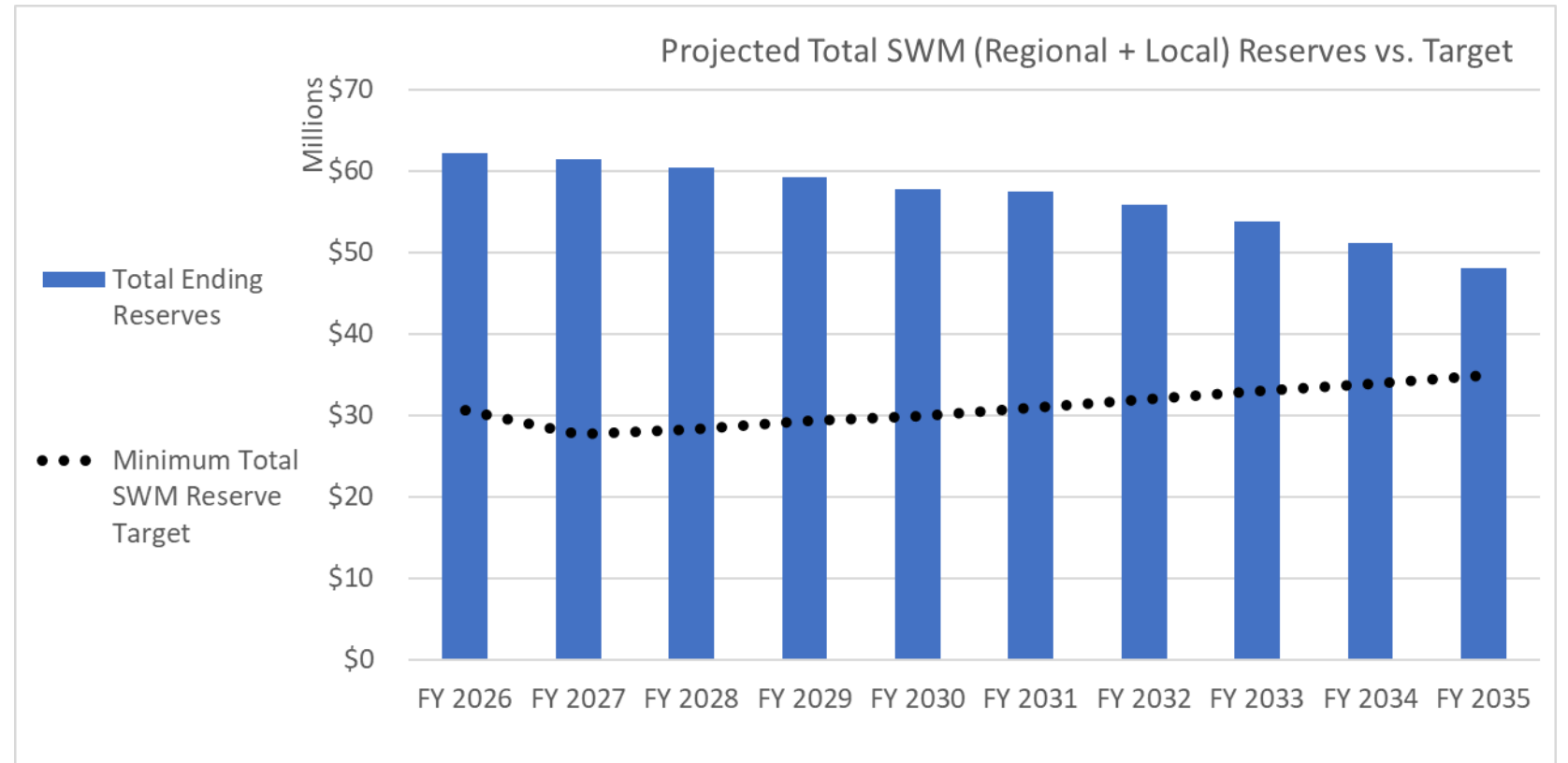
Proposed Rate Increases	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Local SWM	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%



Surface Water Management Proposed Rate Plan

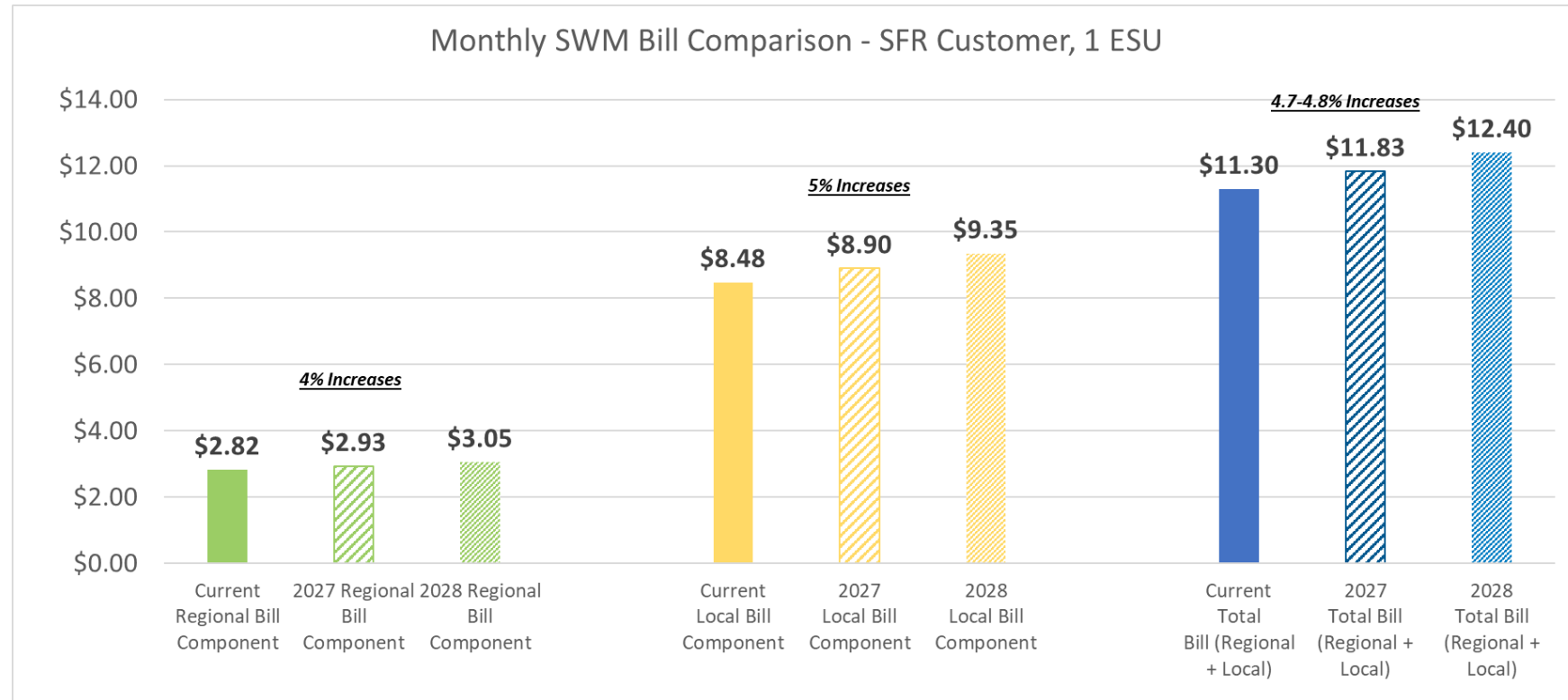


Surface Water Management Proposed Rate Plan



Surface Water Management Proposed Rate Plan

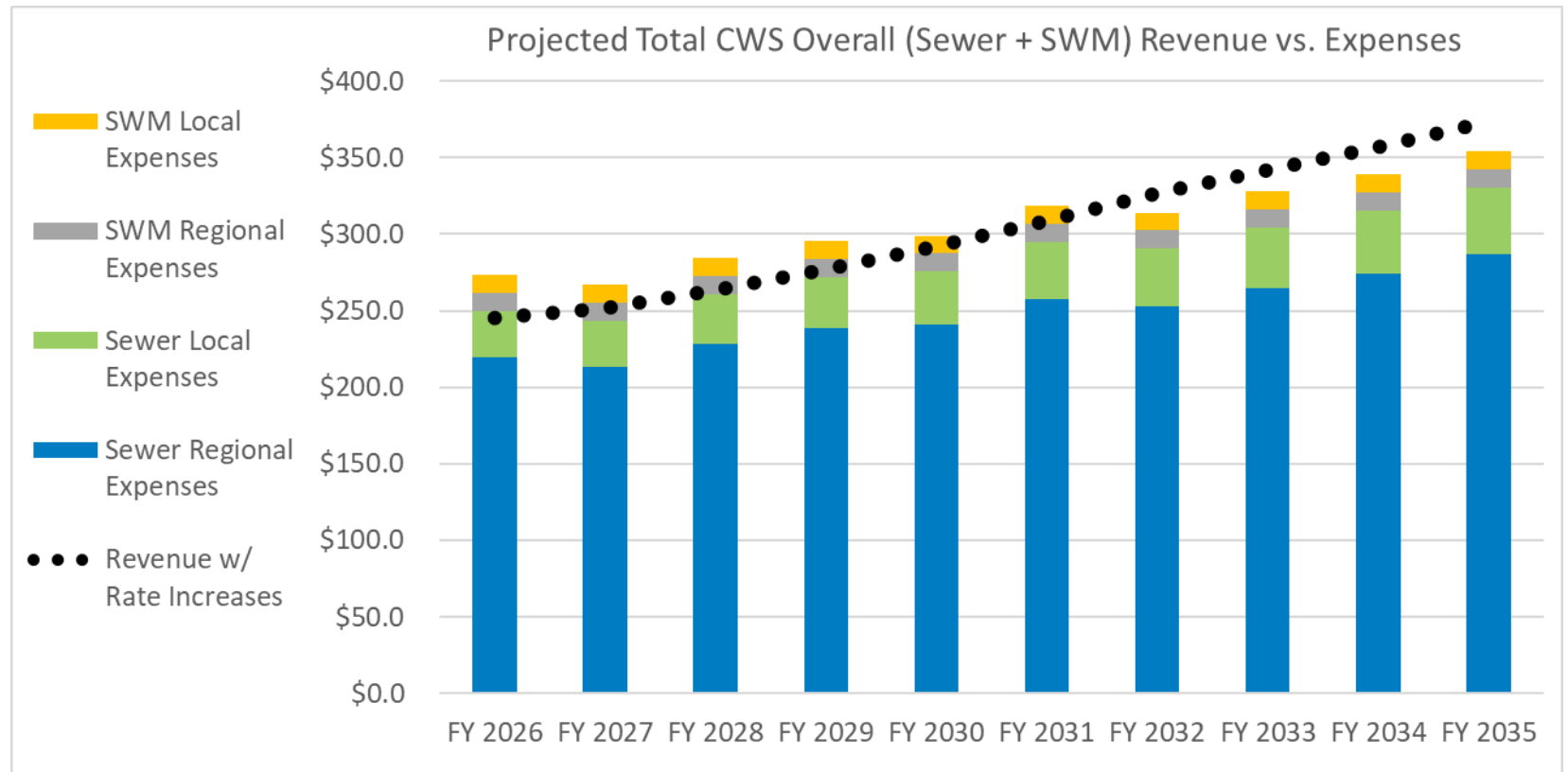
Residential Bill Impacts



CWS Overall Rate Impacts

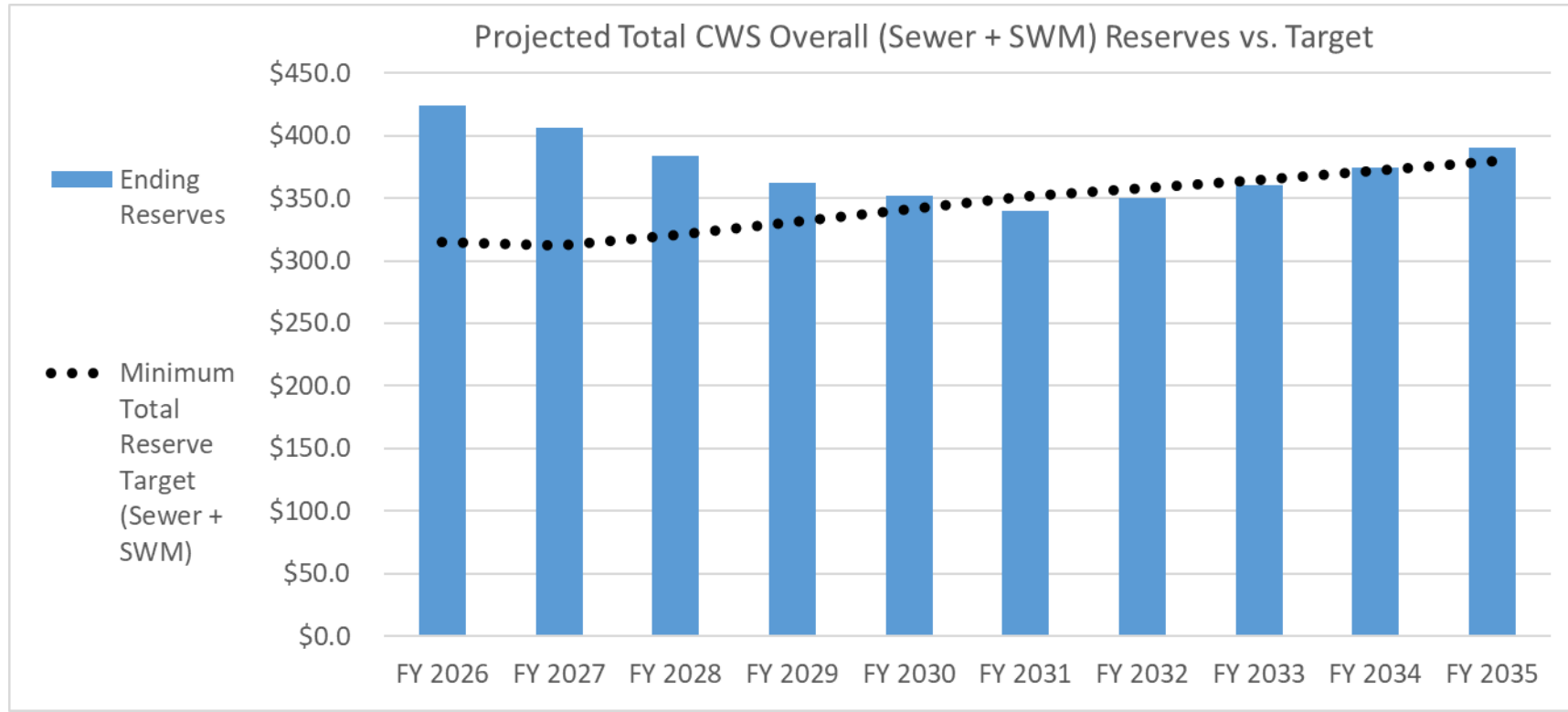
CWS Proposed Rate Plan

District Overall Revenue vs. Expenses



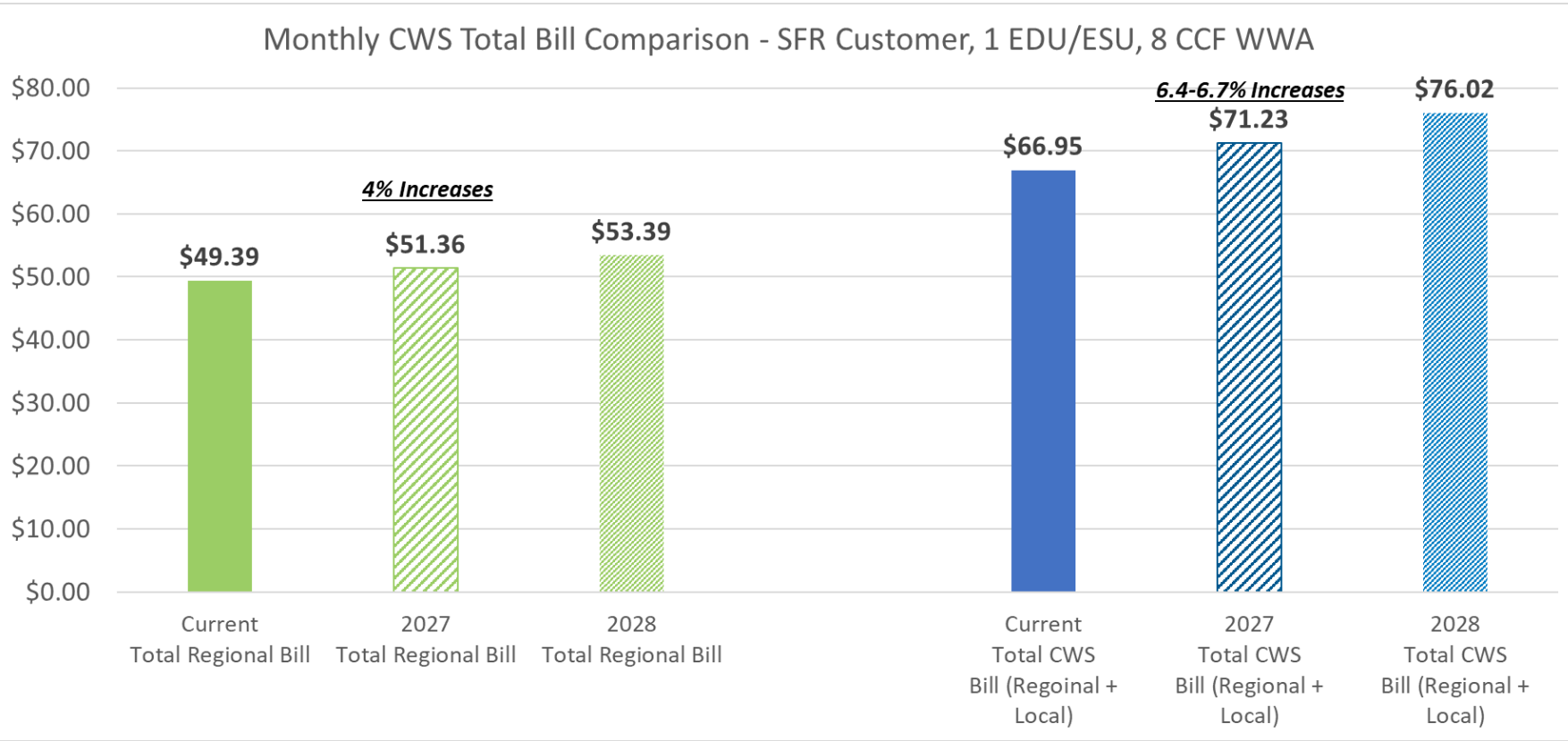
CWS Proposed Rate Plan

District Overall Reserve Funds vs. Target



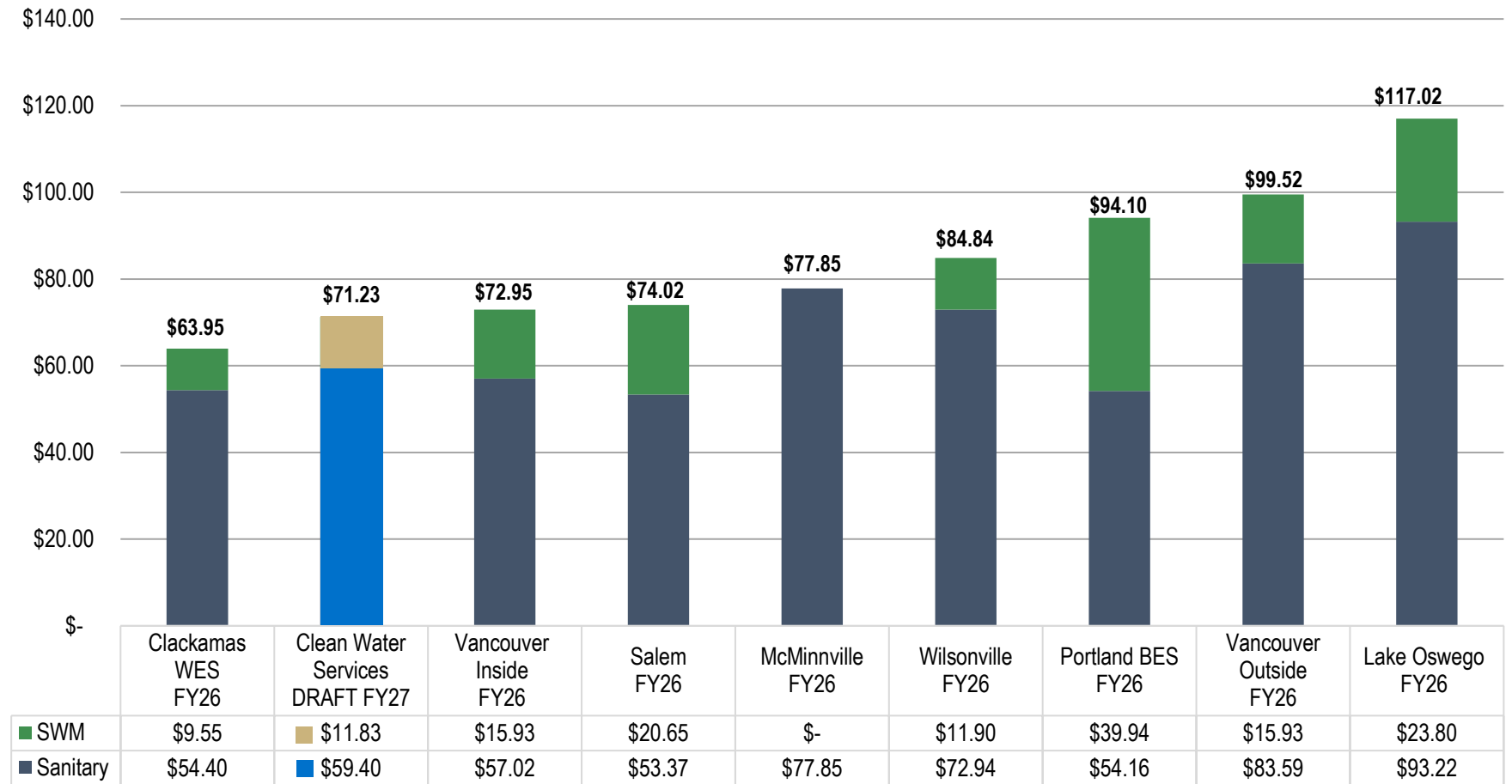
CWS Proposed Rate Plan

Residential Bill Impacts – CWS Overall Total



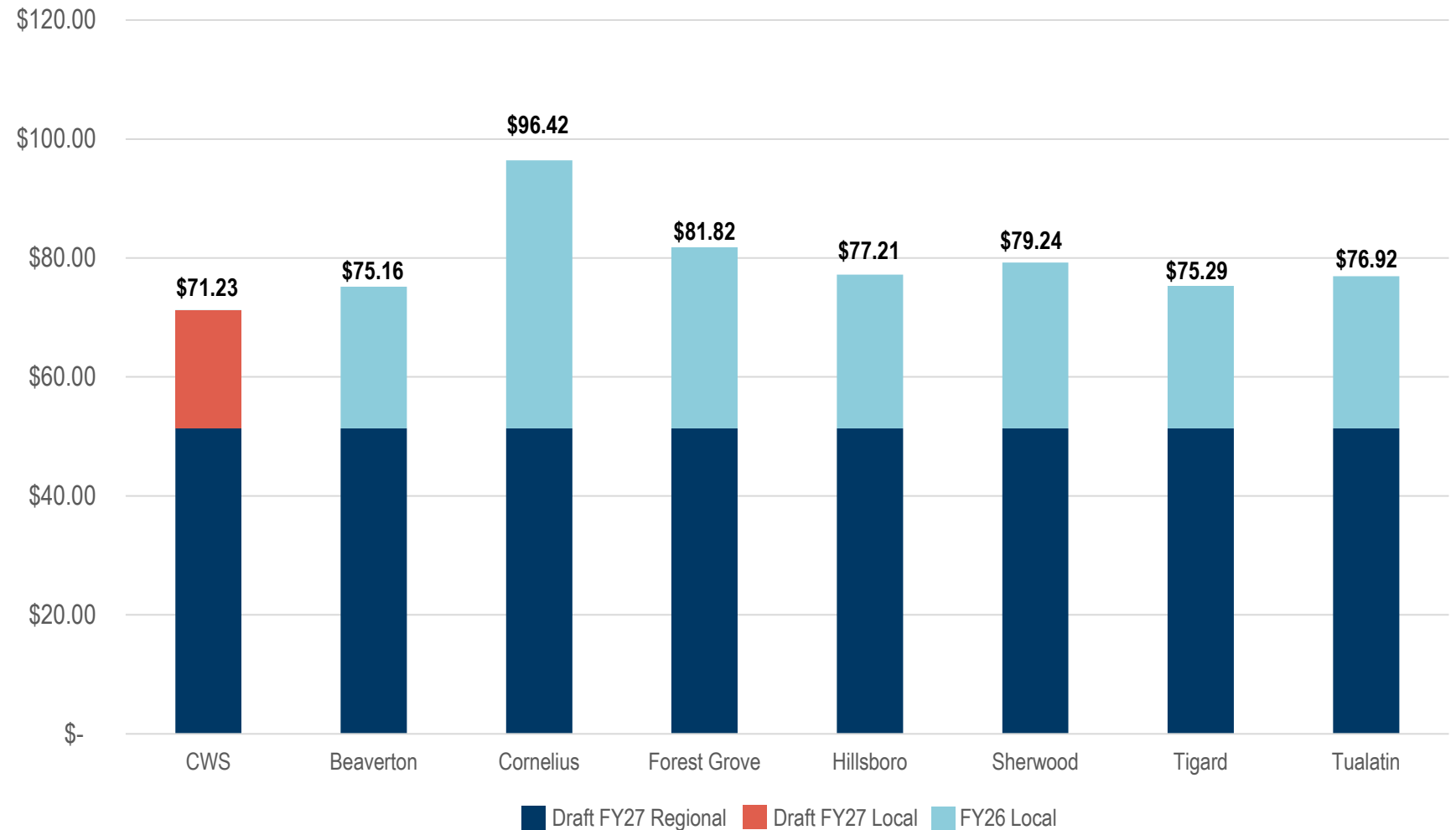
6.4% Total Increase: CWS Competitive with Other Utilities

- FY27 sanitary, surface water management rates for local sewer utilities are not available
- Compare potential CWS FY27 6.4% total rate increase to FY26 rates of others
- CWS rates remain competitive

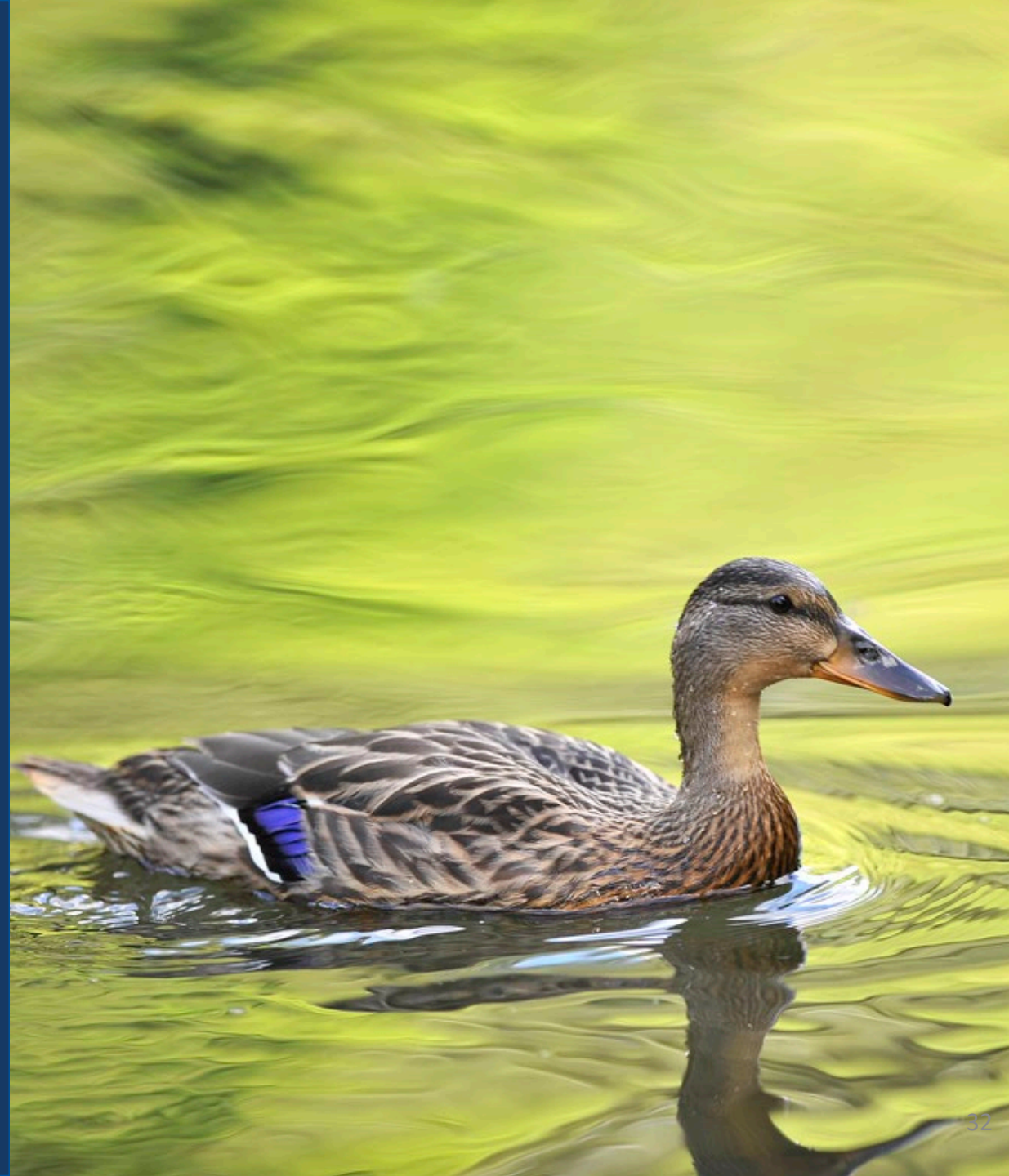


6.4% Total Increase: CWS Competitive with Cities

- FY27 local rates for cities are not available
- Compare potential CWS FY27 regional and local rates to cities
- City rate for comparison is FY27 CWS regional rate + FY26 local rate, which varies by city
- CWS rates remain competitive



Questions?



Budget 101

Kathy Leader, Chief Financial Officer
Clean Water Services Advisory Commission

March 11, 2026



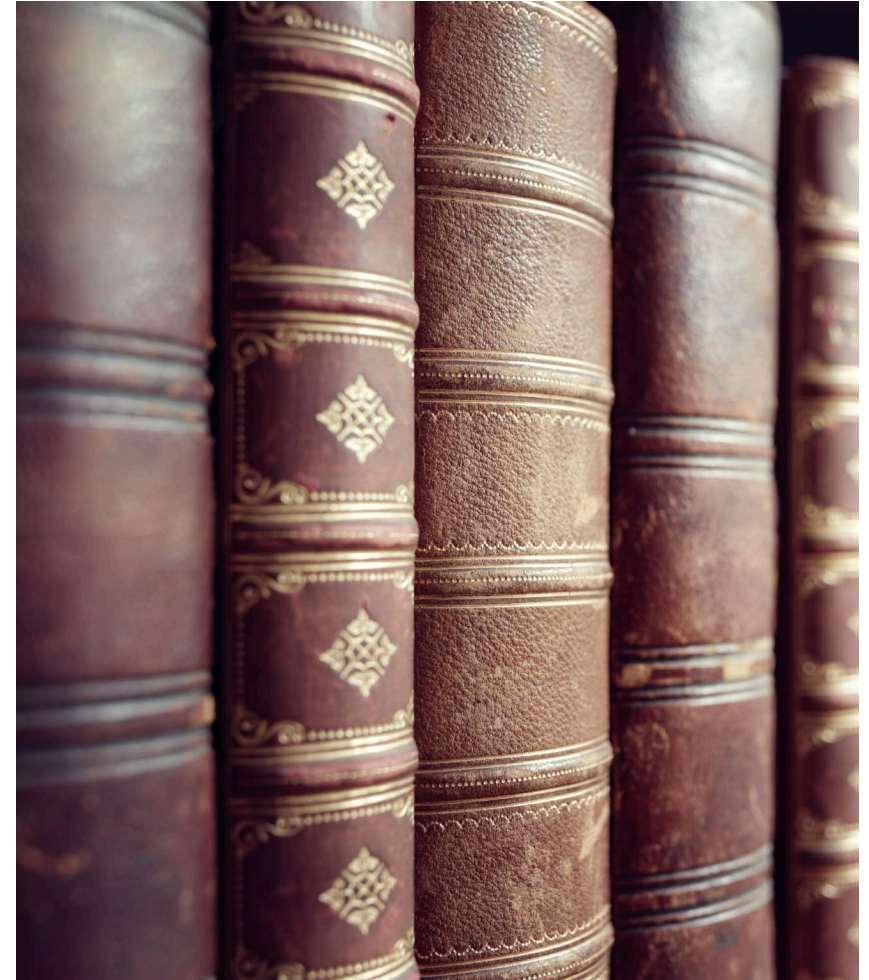
Presentation Overview

- Budget Committee role
- FY 2025-26
 - Budget drivers
 - Revenues
 - Expenditures
- FY 2026-27 Budget Committee schedule



Budget Committee Role

- Clean Water Services budget prepared in accordance with Oregon Revised Statutes:
 - Elect a presiding officer
 - Receive budget message
 - Participate in budget committee meeting
 - Hear public comment
 - Deliberate, make motion to approve budget expenditures and recommend it for adoption by the Board of Directors, as appropriate

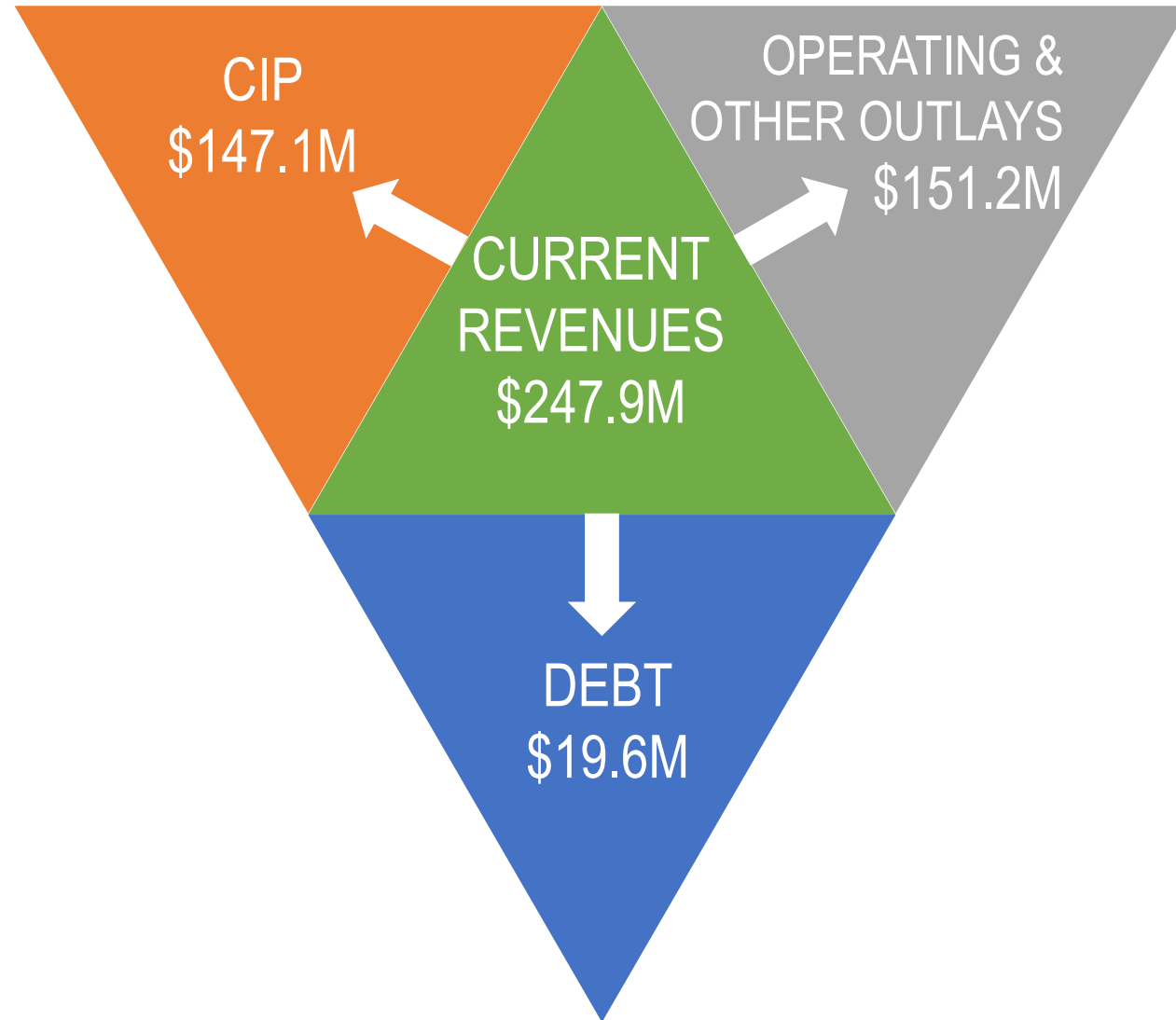


Budget Drivers

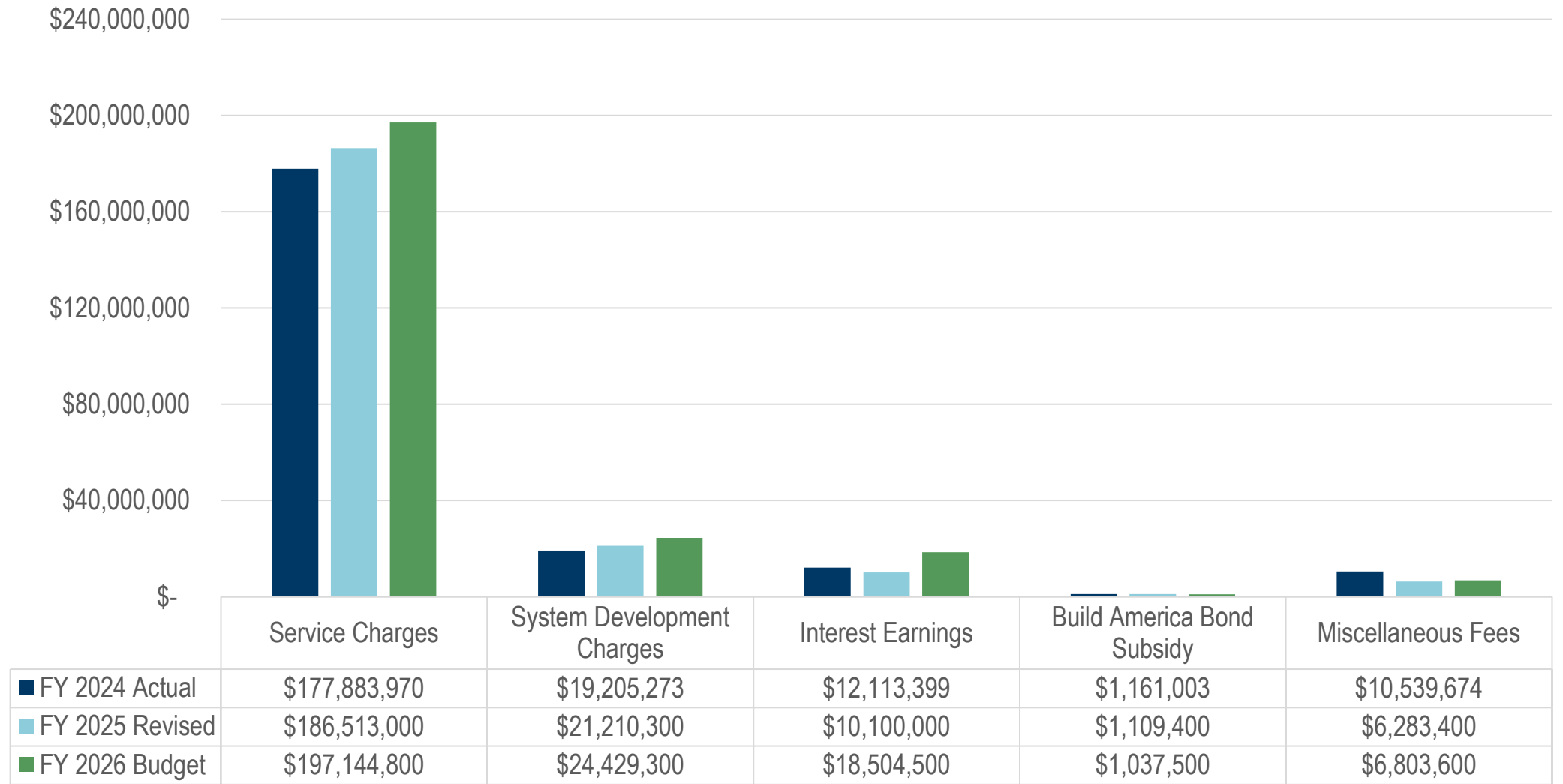
- Regulatory compliance
 - Current permit effective January 1, 2023
- People strategy
 - Remain competitive to recruit and retain talent
- Capital delivery
 - Regulatory and growth



FY 2025-26 Financial Assumptions



Revenue Trends

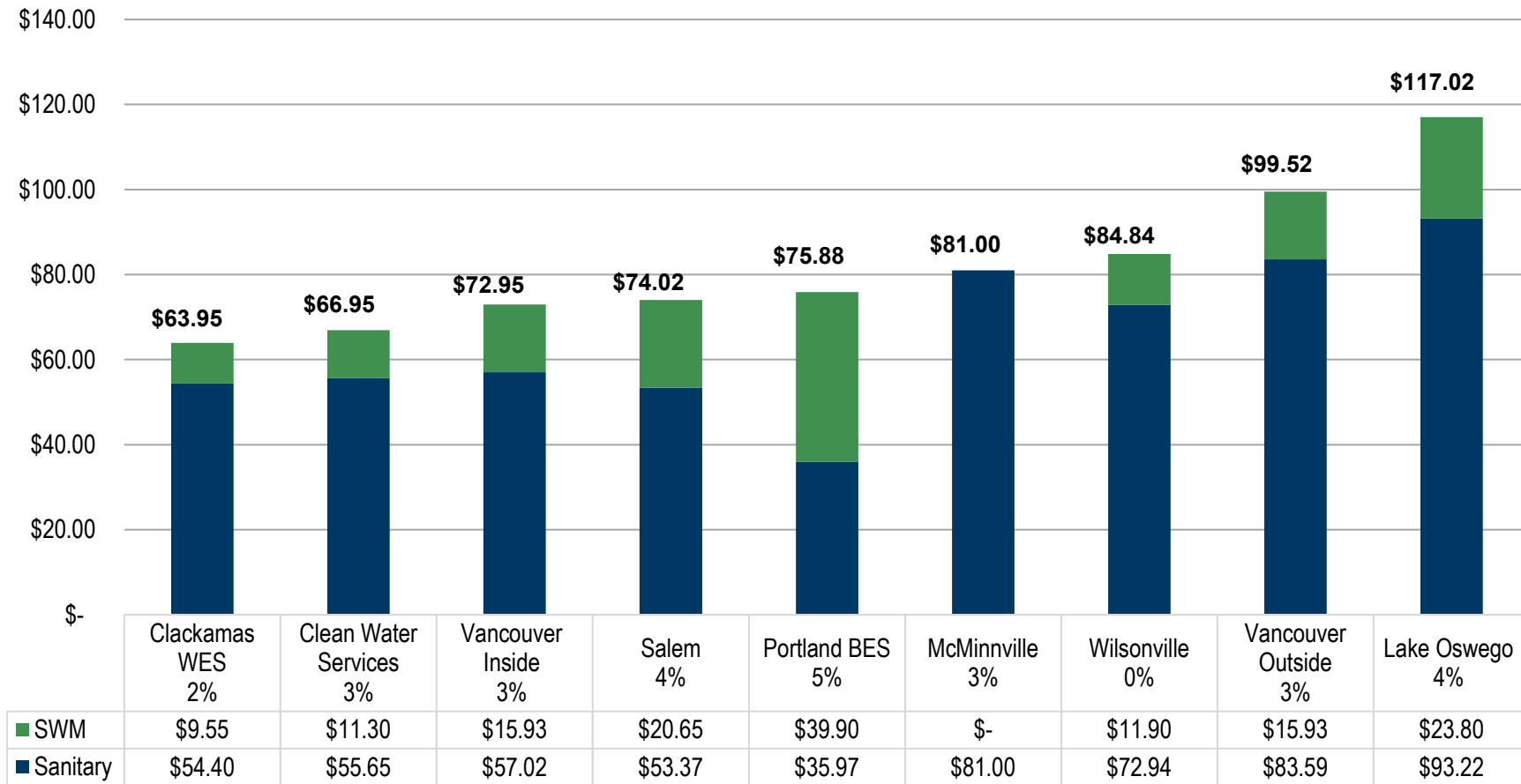


FY 2025-26 Rate Increases

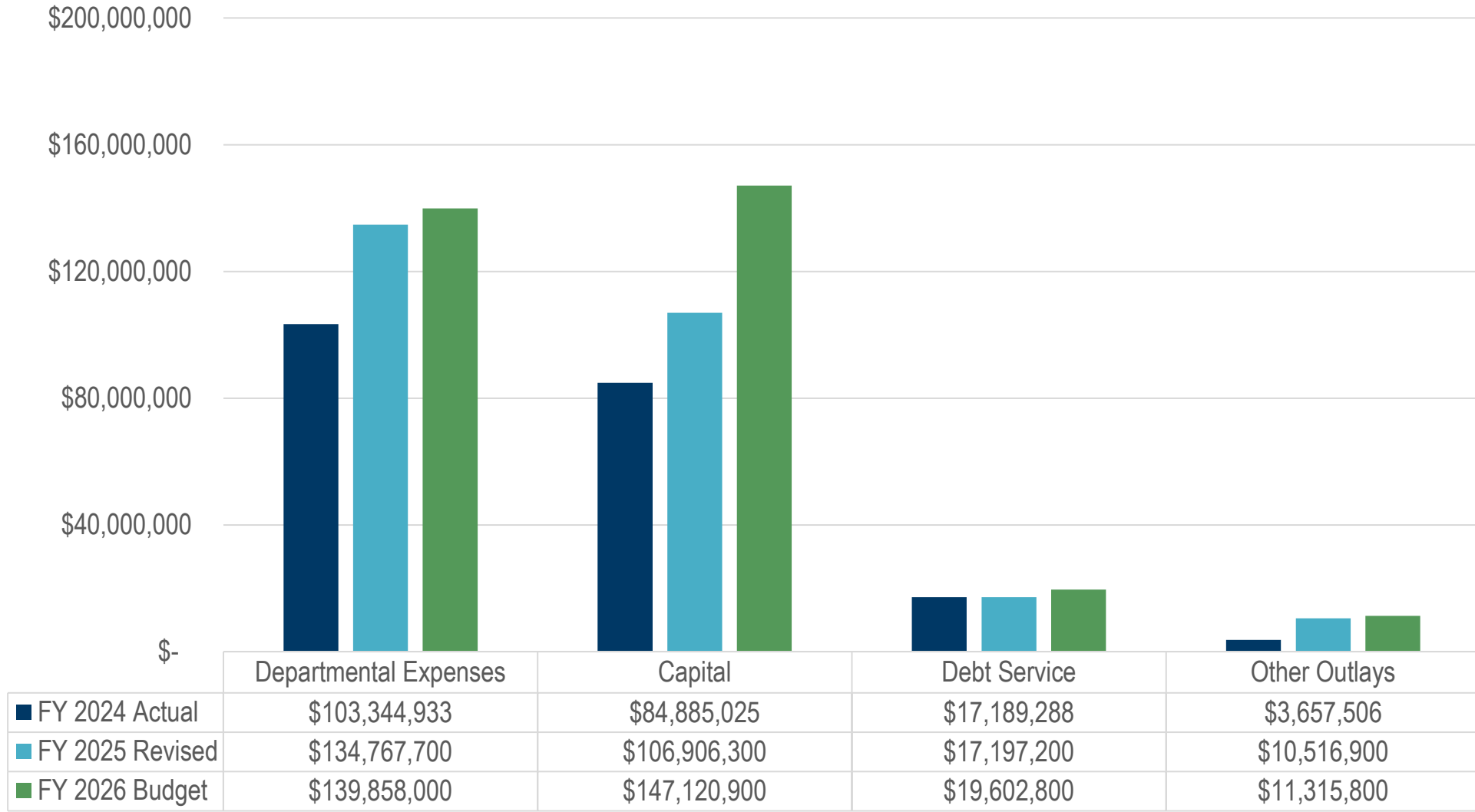
- Regional and local sanitary sewer rate (3%)
- Regional and local stormwater management fees (3%)
- Sanitary System Development Charge increased \$130 to \$7,139 per Equivalent Dwelling Unit
- SWM System Development Charge increased \$13 to \$691 per Equivalent Service Unit



FY 2025-26 Estimated Comparable Rates (at 800 cubic feet per month usage)



Expenditure Trends



FY 2025-26 Total Budgeted Expenditures

- \$317.9 million
 - \$40.2 million increase in Capital Improvement Program (CIP) budget
 - \$5.1 million increase in operating budget
 - \$2.4 million increase in debt service
 - \$798,900 increase in other fund outlays

2026-27 Budget Committee Schedule

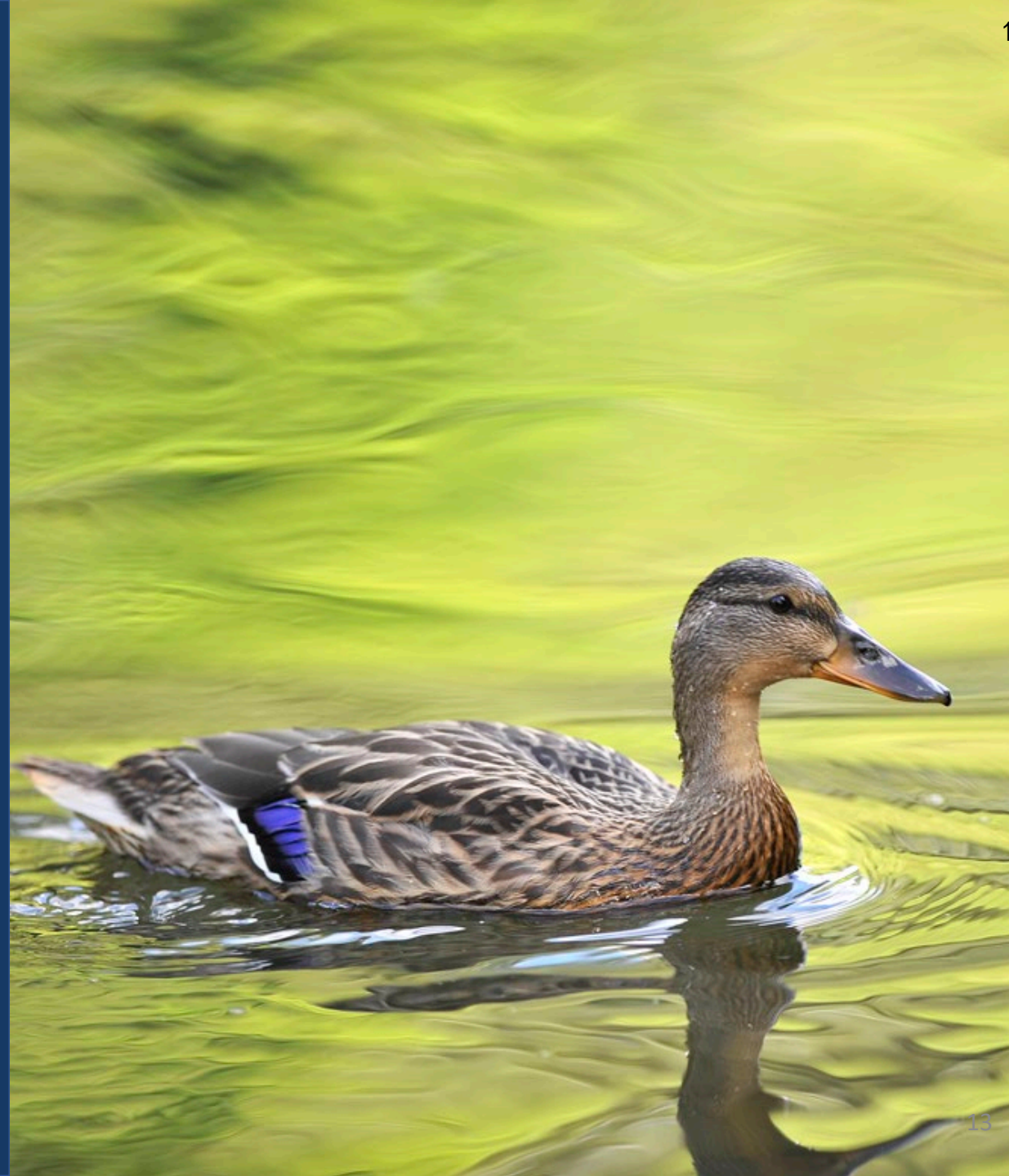
- **April 17:** Proposed Budget distributed to committee members
- **May 8:** Budget Committee meeting at Washington County Public Services Building, 9 a.m.
- **June 9:** Board will hold a public hearing and vote to adopt the budget



Questions for CWAC

- How do we engage CWAC members in the budget process in the future?
- What can we do to support CWAC members' understanding of the current proposed budget?

Questions?



Clean Water Services Advisory Commission Meeting Summary

Date: January 13, 2026

Location: CWS Central and on [Zoom](#)

CWAC MEMBERS PRESENT

- Terry Song (District 3/Snider), CWAC chair
- Glenn Fee (Environment 1), CWAC vice chair
- Drake Butsch (Builder/Developer 2)
- Marc Farrar (Builder/Developer 1)
- Ashley Farrell (Business 1)
- Andy Haugen (District 4/Willey)
- Alan Jesse (Agriculture 2)
- Ramesh Krishnamurthy (District 2/Treece)
- Sherilyn Lombos (Cities/nonvoting)
- Stu Peterson (Business 2)
- Lakshmi Tata (Agriculture 1)

CWAC MEMBERS ABSENT

- Nisha George (At-Large District/Harrington)
- Rick Shanley (CWS/nonvoting)
- Rebecca Shell Kanarek (District 1/Fai)
- Elaine Stewart (Environment 2)

CWS STAFF

- Brad Anderson, Senior Assistant Legal Counsel
- Josh Bernier, Senior Information Technology Technician
- Katie Cheney, Executive Assistant
- Elizabeth Edwards, Chief of Staff
- Joe Gall, Chief Utility Relations Officer– remote
- Shannon Huggins, Public Involvement Coordinator
- Kathy Leader, Chief Financial Officer
- Anh Le, Executive Management Analyst to the CEO/General Manager
- Tracy Rainey, Government Relations Manager

1. CALL TO ORDER

The meeting was called to order at 6:30 p.m.

2. WELCOME AND INTRODUCTIONS..... [00:00 on recording](#)

3. SELECT CHAIR AND VICE CHAIR [01:35 on recording](#)

The CWAC bylaws require an annual selection of a chair and vice chair. Terry Song served as chair for 2025; Glen Fee is the vice chair.

Stu Peterson nominated Glenn Fee for chair. Andy Haugen seconded the motion.

- Glenn Fee was elected chair.

Stu Peterson nominated Andy Haugen for vice chair. Alan Jesse seconded the motion.

- Andy Haugen was elected vice chair.

4. 2026 STATE AND FEDERAL LEGISLATIVE AGENDAS [04:52 on recording](#)

- Tracy Rainey, Government Relations Manager

Staff provided an update on the recently adopted 2026 state and federal legislative agendas. These agendas outline guiding principles and specific priorities that will provide CWS with policy direction for the upcoming 2026 state legislative short session, as well as at the federal level.

Issues Discussed

- Legislative priorities, including water infrastructure investment, DEQ funding, reuse policies, and workforce development.
- The upcoming short legislative session in Oregon, which will run from February 2 to March 9, and the need to protect funding for water quality programs.
- Federal legislative updates, including progress on budget bills and ongoing advocacy regarding water infrastructure funding and contaminants of emerging concern.
- Water Day at the Capitol; request to staff to review the Oregon Jobs Act; and share updates on the session with CWAC.

5. PUBLIC MEETING LAW TRAINING..... [52:18 on recording](#)

- Brad Anderson, Senior Assistant Legal Counsel

Staff provided training that included background on CWS and CWAC, as well as statutes governing responsibilities related to serving on an advisory commission to a government body. Topics covered included public meetings requirements, ethics law, and public records obligations.

Issues Discussed

- Ethics laws and public records requirements are applicable to the advisory committee.
- When to declare potential conflicts of interest.
- Reminder that any written communications, including emails, are considered public records.
- The process for handling ethics complaints, including the role of the Oregon Ethics Commission and the new public records grievance process.

6. FY 2024-25 YEAR-END FINANCIAL REPORT [1:33:20 on recording](#)

- Kathy Leader, Chief Financial Officer

Staff provided a presentation on the FY 2024-25 year-end financial report.

Issues Discussed

- Fiscal year 2025 results, including trends in revenue collection and expenditure.

7. INVITATION FOR PUBLIC COMMENT [1:56:26 on recording](#)

- Dale Feik encouraged all attendees to read the Oregonian article published on Wednesday, January 13th.

8. ANNOUNCEMENTS, QUESTIONS, COMMENTS [2:01:25 on recording](#)

- Next CWAC meeting is scheduled for February 11, 2026, at Central.
- Answered questions regarding recent forensic audit findings, discussed completion of R&O 25-5, and continued work on building trust.
- On January 20, the recruitment for the new General Manager will go live. Elizabeth will circulate the link to the posting and send key dates for the GM recruitment to all committee members.
- Staff will convene a subcommittee of CWAC to work on Design and Construction Standards, and interested members are invited to step forward at the next CWAC meeting to participate.

9. MEETING ADJOURNED at 8:34 pm