

DATE: September 1, 2026
TO: Clean Water Services Advisory Commission Members and Interested Parties
FROM: Elizabeth Edwards, Chief of Staff
SUBJECT: **INFORMATION FOR SEPTEMBER 9, 2026, CWAC MEETING**

A Clean Water Services Advisory Commission (CWAC) meeting is scheduled for **Wednesday, September 9, 2026, at 6:30 p.m.** The meeting will be in a hybrid format at the **ABC Building in Hillsboro** and on Zoom.

Meeting location:

- **In person in the** Tualatin Room at the ABC Building, 2550 SW Hillsboro Highway in Hillsboro.
- **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 Brandi Sahlfeld (SahlfeldB@CleanWaterServices.org, 503.681.5108) by Thursday, Sept. 3, **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:

- September 9, 2026, agenda and other materials
- June 10, 2026, meeting summary

Clean Water Services Advisory Commission

September 9, 2026

AGENDA

6:30 p.m. Welcome and Introductions

6:40 p.m. Announcements

6:50 p.m. FY 2025-26 Year-End Financial Report

- Kathy Leader, Chief Financial Officer

Requested action: *Informational/discussion item*

7:30 p.m. Healthy Streams Plan

- Lisa Huntington, Director, Natural Systems & Environmental Stewardship
- Kristel Griffith, Program Manager, Natural Systems & Environmental Stewardship

Staff will provide a high-level overview of accomplishments made since the 2005 Healthy Streams Plan was adopted. At its August 25 meeting, the CWS Board of Directors requested that CWAC provide feedback on updating the plan. Staff will ask CWAC to form a subcommittee to help guide the development of an updated plan and to provide advice on the scope of work and prioritization of recommended actions.

Requested action: *Board requests that CWAC provide feedback*

8:10 p.m. Invitation for Public Comment

8:20 p.m. Announcements and Adjournment

Next meeting: October 14, 2026

Fiscal Year 2025-26 Financial Report

Kathleen Leader, Chief Financial Officer

Clean Water Services Advisory Commission, September 9, 2026



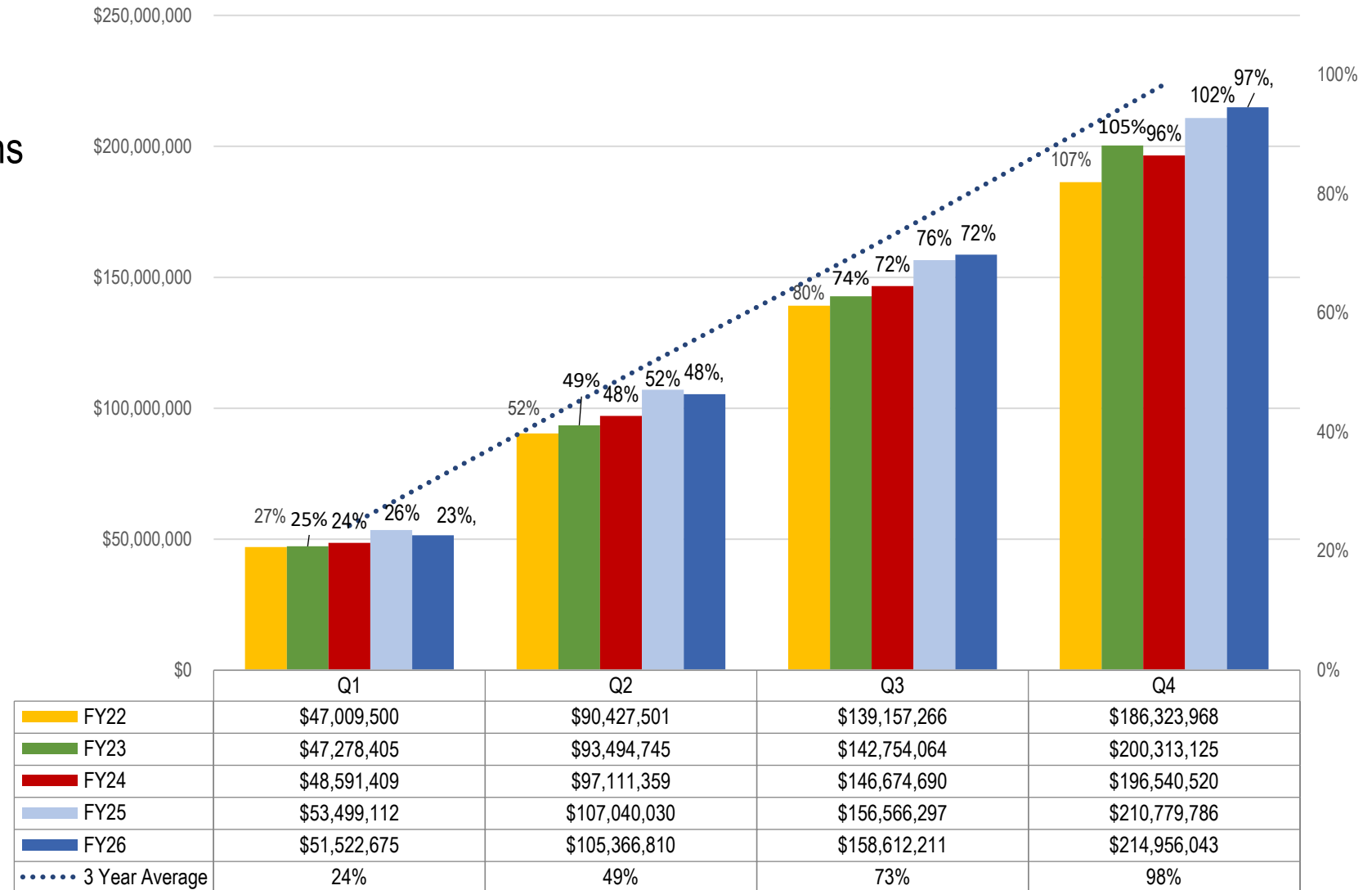
Presentation Overview

1. Comparison of percentage of annual budgeted revenue collected by quarter, FY 2021-22 through FY 2025-26
2. Comparison of percentage of budget spent by quarter, FY 2021-22 through FY 2025-26
3. FY 2025-26 results of operations
4. FY 2025-26 financial data is based on estimated ending balances and is unaudited



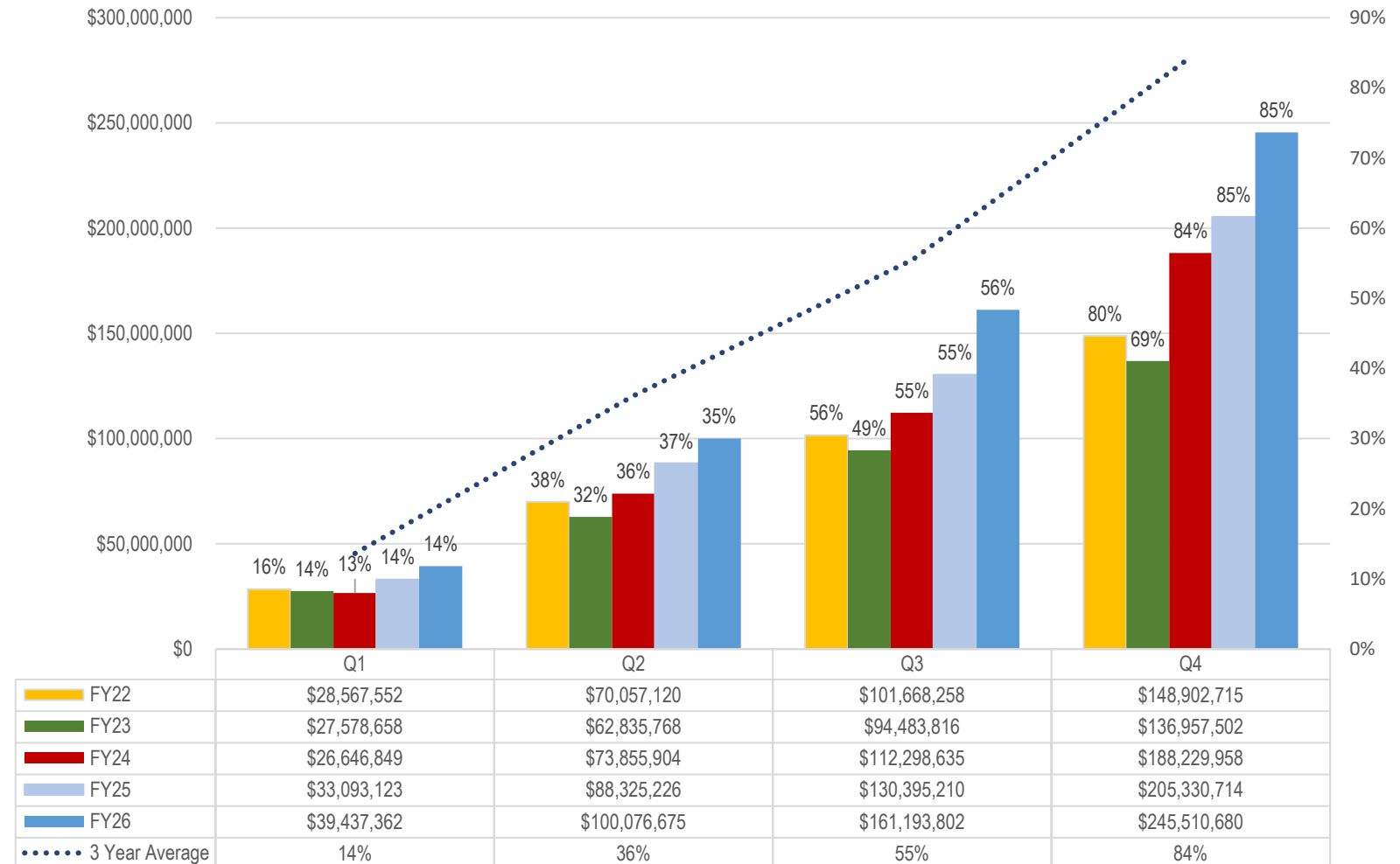
% of Budgeted Revenue Collected by Quarter: FY22-26

- Service fee collections level over fiscal year
- FY26 Q4:
97% of budget
revenue collected vs
3-year average 98%



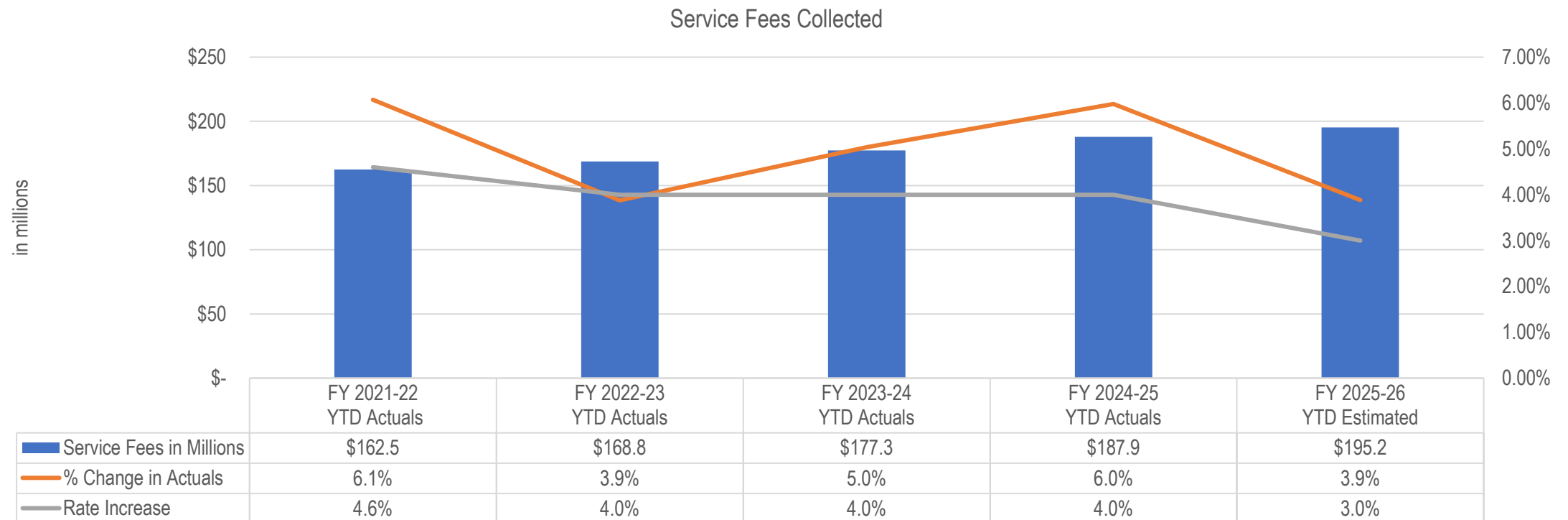
% of Budget Spent by Quarter: FY22-FY26

- Budget spent level over fiscal year
- FY26 Q4:
85% of budget spent vs
3-year average 84%



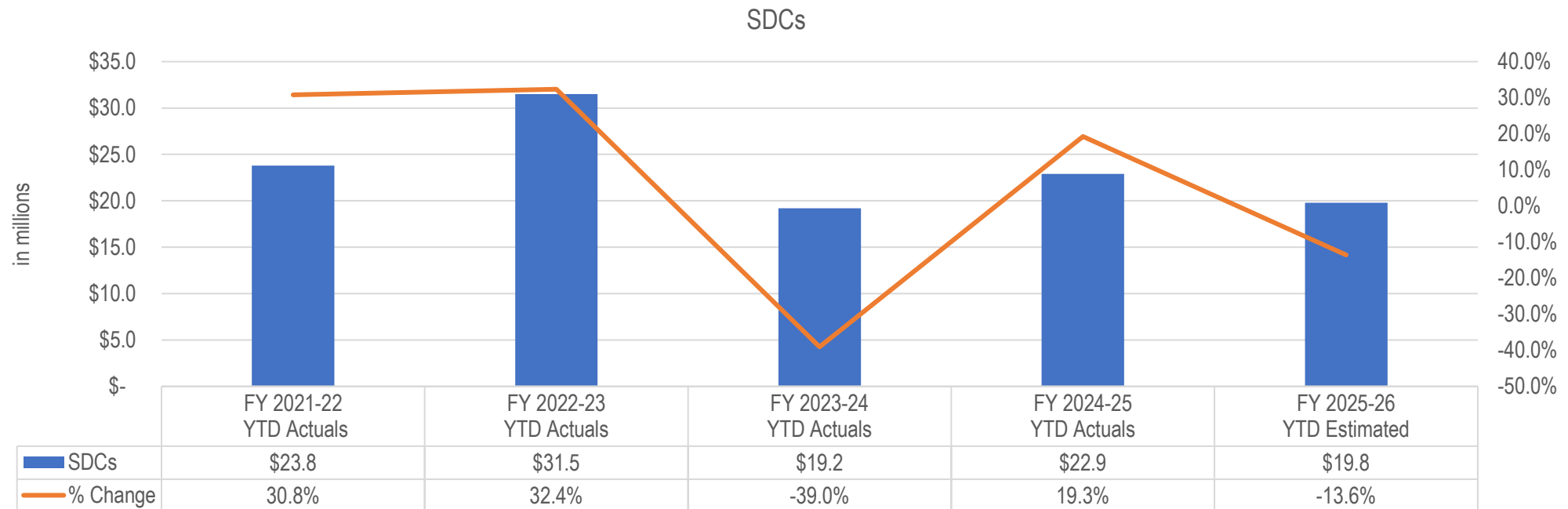
FY26: Results of Operations: Service Fees

- Service fee revenues collected **increased \$7.3 million (3.9%)** compared to prior year
- Trending is in line with the 3% rate increase and historical growth of 1 - 1.5%



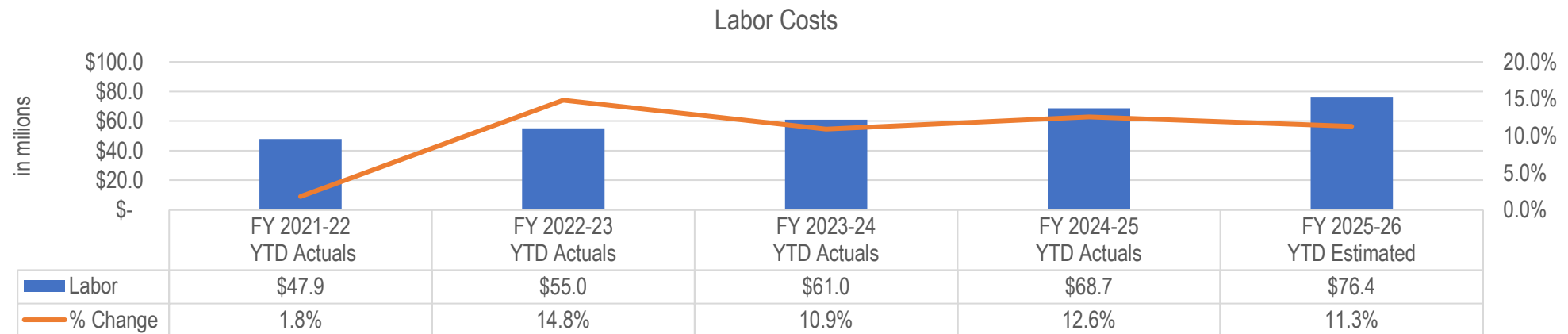
FY26: Results of Operations: System Development Charges

- System Development Charges (SDCs) collected **decreased \$3.1 million (13.6%)** compared to prior year
- SDC budget for FY26 is \$24.4 million



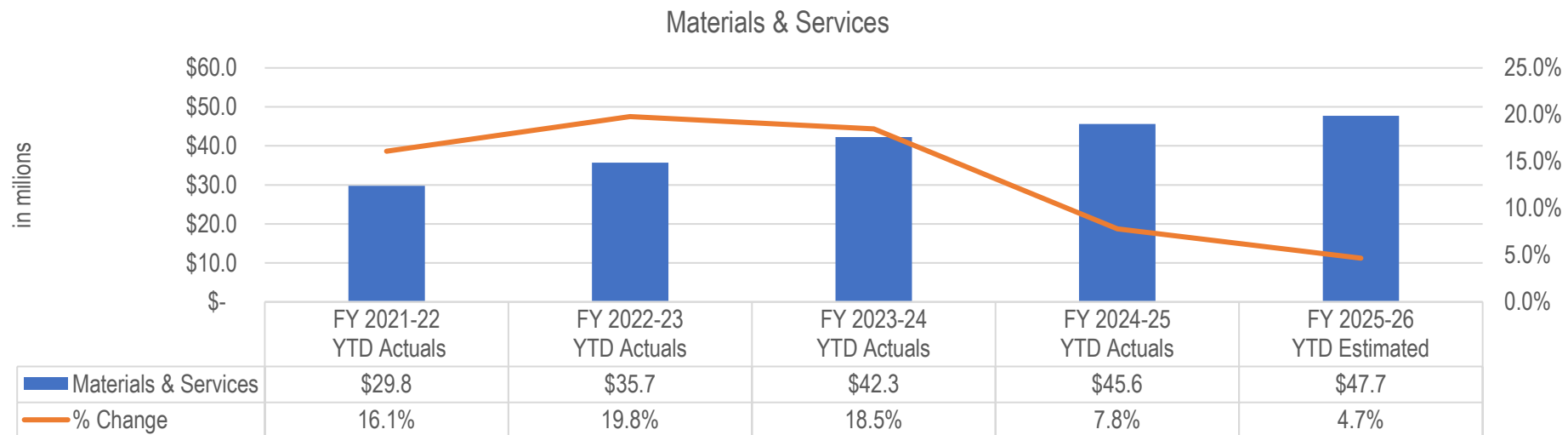
FY26: Results of Operations: Labor

- Labor costs **increased \$7.7 million (11.3%)** compared to prior year
 - Cost of living and performance-based pay increased \$3.4 million (8%)
 - Retirement benefit payment increased \$3.1 million (31%)
 - Medical/dental/vision insurance increased \$764,000 (8%)
 - Employee vacancies averaged 50 of 500 positions budgeted (10%), which reduced wages spent by approximately \$9.3 million for FY26 as compared to budget



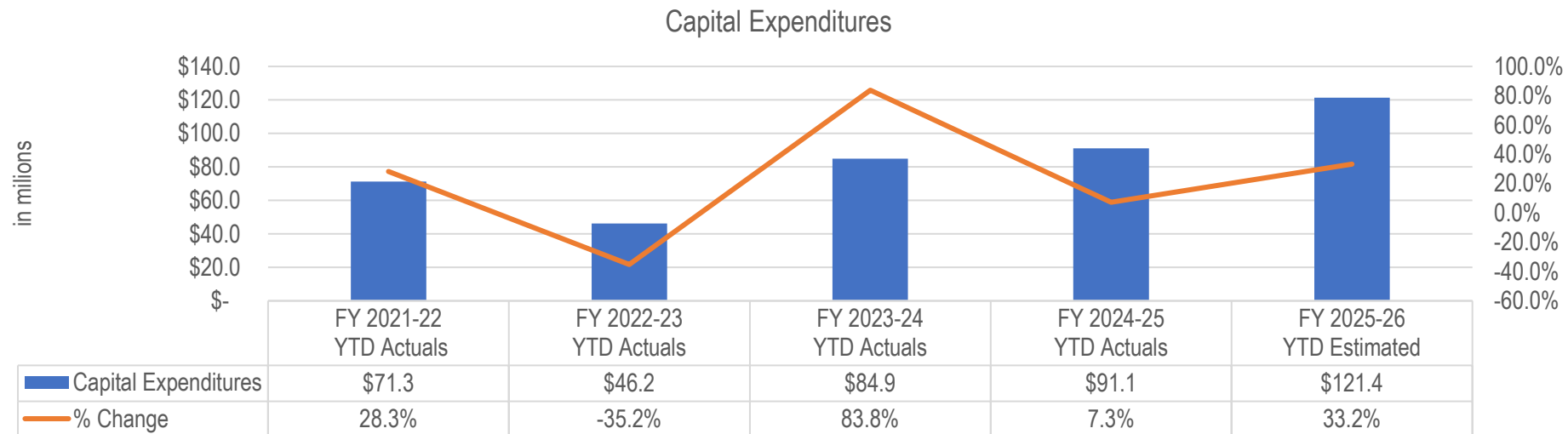
FY26: Results of Operations: Materials & Services

- Materials & Services **increased by \$2.1 million (4.7%)** compared to prior year
 - Software maintenance fee increased \$765,000 (26%)
 - Contract services with other agencies increased \$460,000 (11%)
 - Electricity increased \$274,000 (5%)
 - Fuel increased \$248,000 (26%)



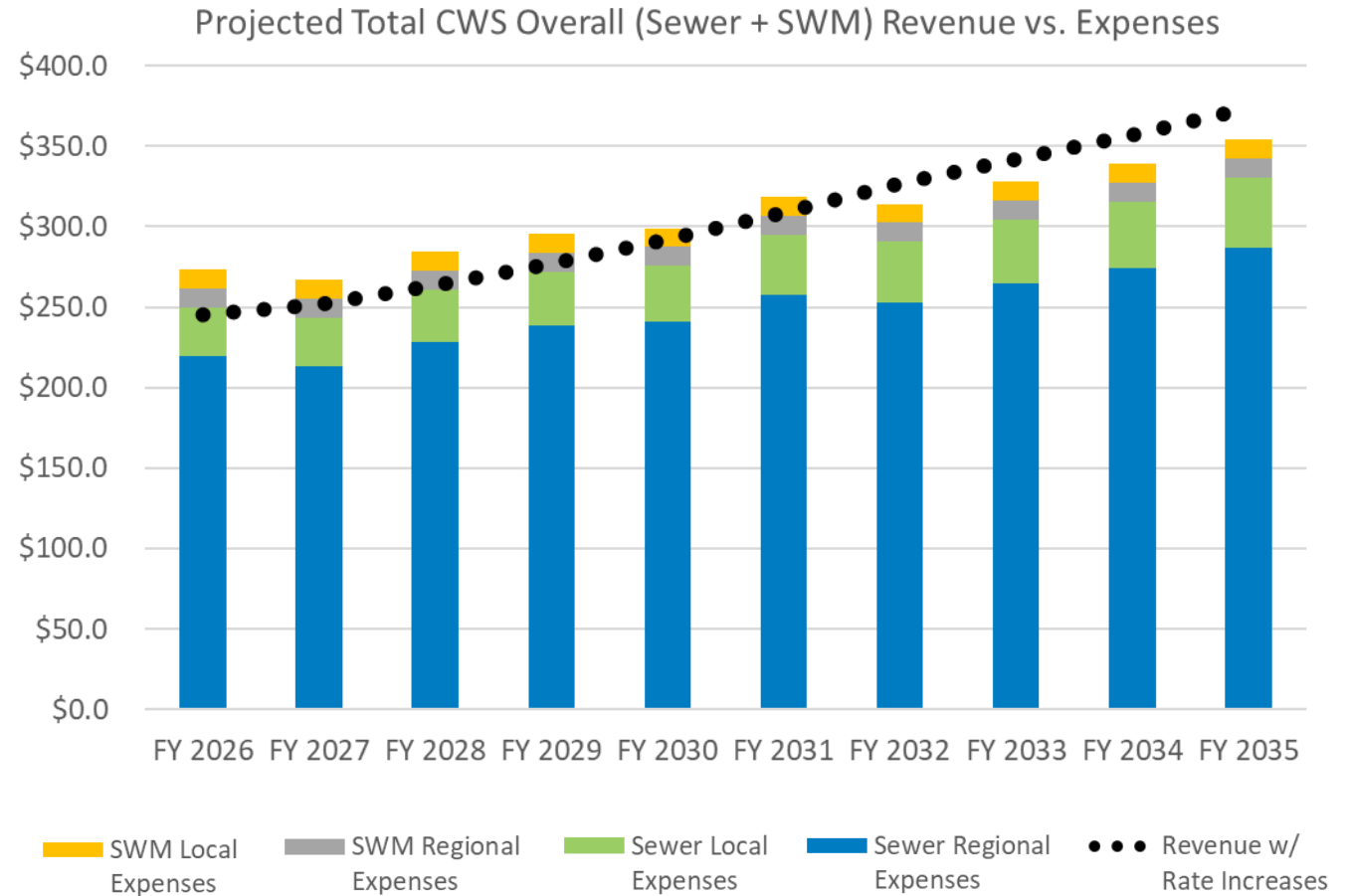
FY26: Results of Operations: Capital Costs

- Capital costs increased **\$30.3 million (33.2%)** compared to prior year and reflect increased project delivery including:
 - Forest Grove primary treatment: spent \$28.7 million (FY26 budget of \$29.6 million)
 - CWS Lab: spent \$40.3 million (FY26 budget of \$31 million)
 - Brookman Trunk: spent \$6.5 million (FY26 budget of \$7.6 million)



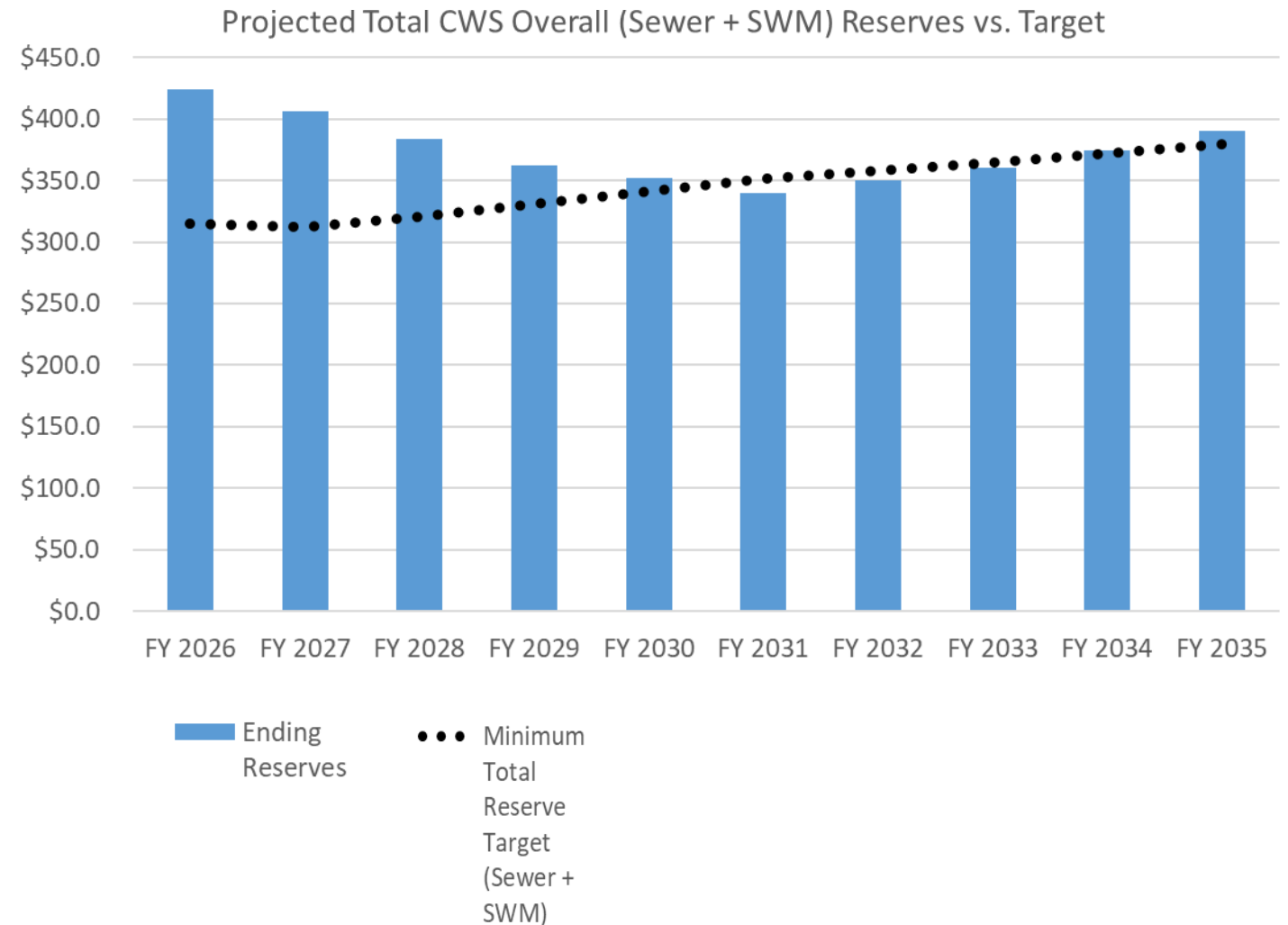
10-Year Financial Forecast

- Projected expenses total over \$273 million, and revenues are approximately \$246 million in FY26
- CWS will run a small deficit overall through FY31, mainly due to local program
- Reserve funds will be used to cover the deficit
- If forecasted rate increases are implemented, revenues will exceed projected expenses, and reserve funds will be replenished beginning in FY32



10-Year Financial Forecast: Reserve Fund Targets

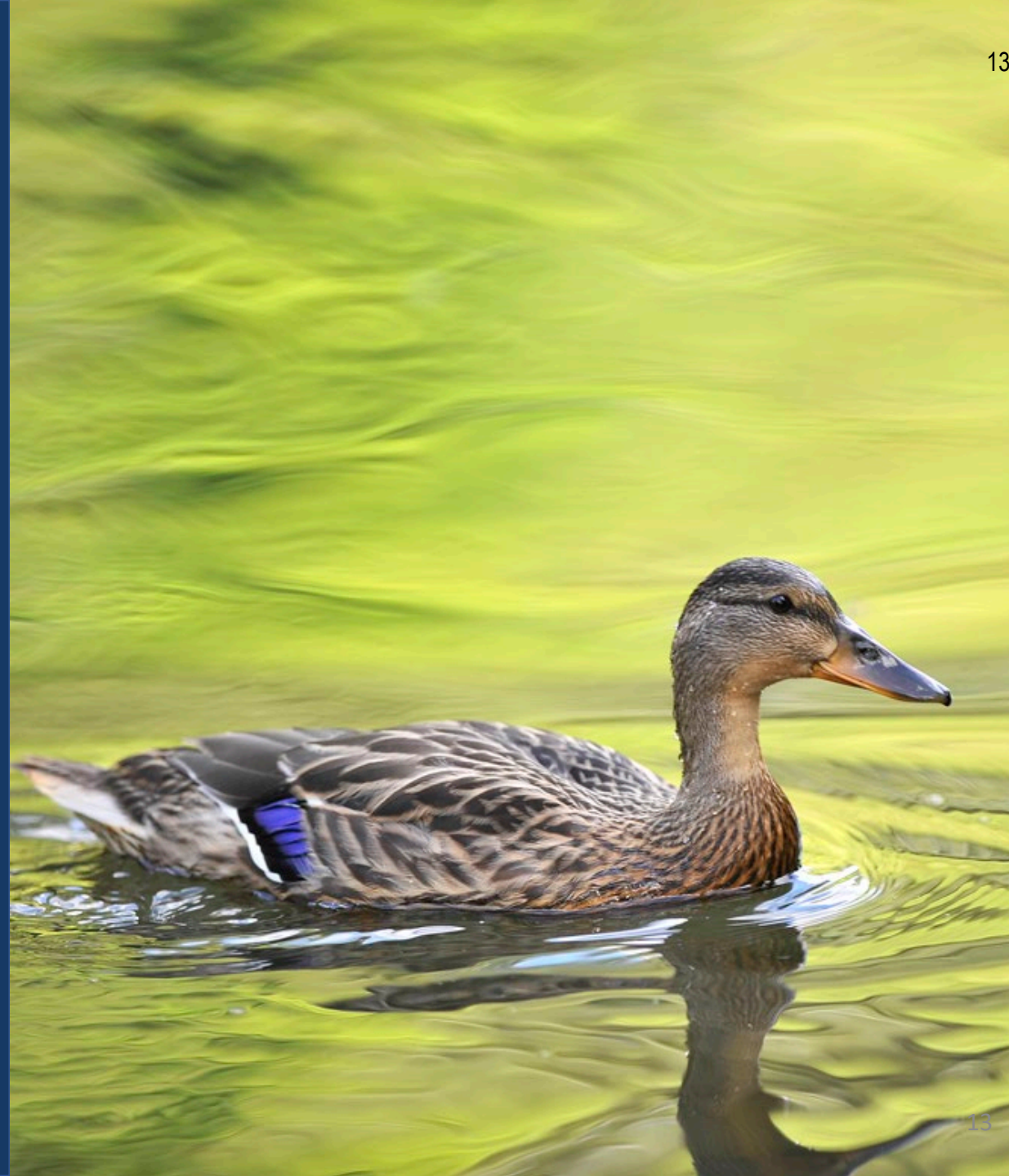
- Reserves will cover deficit through 2031 and begin to replenish reserves starting in 2032



FY26: Results of Operations: Key Takeaways

- Service fees collected are in line with rate increases and growth
- SDCs collected are lower than prior year
- Vacant staff position levels remain consistent with historical trends and impact cost savings for labor
- Capital spending increased and continues to be more aligned with budget
- Estimated spend of \$25 - \$30 million in reserves

Questions?



	2021-22			FY22	2022-23			FY23	2023-24			FY24	2024-25			FY25	2025-26			FY26	Difference CY Actual to PY	% Change
	4th Quarter			4rd Quarter			4rd Quarter			4th Quarter			4th Quarter			4th Quarter						
	<u>Budget</u>	<u>Actual</u>		<u>Budget</u>	<u>Actual</u>		<u>Budget</u>	<u>Actual</u>		<u>Budget</u>	<u>Actual</u>		<u>Budget</u>	<u>Actual</u>		<u>Budget</u>	<u>Actual</u>		<u>Budget</u>	<u>Actual</u>		
REVENUES																						
Service Fees	\$ 158,899,200	162,539,701	102.3%	\$ 169,455,900	\$ 168,796,525	99.6%	\$ 176,672,200	\$ 177,335,247	100.4%	\$ 185,948,800	\$ 187,861,103	101.0%	\$ 196,540,200	\$ 195,161,036	99.3%	7,299,932	3.9%					
CWS	\$ 59,995,200	61,044,624	101.7%	\$ 63,149,900	\$ 62,993,846	99.8%	\$ 65,712,200	\$ 65,791,163	100.1%	\$ 68,859,900	\$ 68,332,395	99.2%	\$ 72,302,900	\$ 70,192,346	97.1%	1,859,951	2.7%					
Cities	\$ 83,410,700	86,224,169	103.4%	\$ 89,644,900	\$ 89,720,174	100.1%	\$ 94,398,100	\$ 94,397,646	100.0%	\$ 99,616,200	\$ 100,579,182	101.0%	\$ 105,891,000	\$ 105,226,926	99.4%	4,647,744	4.6%					
Industrial	\$ 15,493,300	15,270,908	98.6%	\$ 16,661,100	\$ 16,082,506	96.5%	\$ 16,561,900	\$ 17,146,438	103.5%	\$ 17,472,700	\$ 18,949,527	108.5%	\$ 18,346,300	\$ 19,741,764	107.6%	792,237	4.2%					
SDC's	\$ 15,588,600	23,784,267	152.6%	\$ 22,268,400	\$ 31,516,600	141.5%	\$ 27,628,500	\$ 19,205,273	69.5%	\$ 21,210,300	\$ 22,918,683	108.1%	\$ 24,429,300	\$ 19,795,008	81.0%	(3,123,675)	-13.6%					
CWS	\$ 4,695,400	4,690,775	99.9%	\$ 4,229,200	\$ 4,806,736	113.7%	\$ 5,400,700	\$ 4,285,792	79.4%	\$ 4,238,300	\$ 4,586,957	108.2%	\$ 4,766,400	\$ 3,266,403	68.5%	(1,320,554)	-28.8%					
Cities	\$ 10,893,200	19,093,492	175.3%	\$ 18,039,200	\$ 26,709,864	148.1%	\$ 22,227,800	\$ 14,919,481	67.1%	\$ 16,972,000	\$ 18,331,726	108.0%	\$ 19,662,900	\$ 16,528,605	84.1%	(1,803,121)	-9.8%					
Total	174,487,800	186,323,968	106.8%	\$ 191,724,300	\$ 200,313,125	104.5%	\$ 204,300,700	\$ 196,540,520	96.2%	\$ 207,159,100	\$ 210,779,786	101.7%	\$ 220,969,500	\$ 214,956,043	97.3%	4,176,257	2.0%					
EXPENDITURES																						
Operating	\$ 91,127,100	77,648,208	85.2%	\$ 101,357,300	\$ 90,743,261	89.5%	\$ 123,624,500	\$ 103,344,933	83.6%	\$ 134,767,700	\$ 114,228,585	84.8%	\$ 143,258,000	\$ 124,133,488	86.7%	9,904,903	8.7%					
Labor	\$ 57,627,700	47,869,210	83.1%	\$ 63,529,500	\$ 55,018,085	86.6%	\$ 76,263,200	\$ 61,035,824	80.0%	\$ 83,007,300	\$ 68,658,220	82.7%	\$ 89,556,600	\$ 76,402,856	85.3%	7,744,636	11.3%					
Materials & Services	\$ 33,499,400	29,778,998	88.9%	\$ 37,827,800	\$ 35,725,176	94.4%	\$ 47,361,300	\$ 42,309,109	89.3%	\$ 51,760,400	\$ 45,570,365	88.0%	\$ 53,701,400	\$ 47,730,632	88.9%	2,160,267	4.7%					
Capital	\$ 94,386,400	71,254,507	75.5%	\$ 97,543,700	\$ 46,214,241	47.4%	\$ 101,319,200	\$ 84,885,025	83.8%	\$ 106,906,300	\$ 91,102,129	85.2%	\$ 147,120,900	\$ 121,377,192	82.5%	30,275,063	33.2%					
Equipment	\$ 5,026,000	3,601,693	71.7%	\$ 1,907,400	\$ 1,152,196	60.4%	\$ 1,809,000	\$ 1,259,892	69.6%	\$ 1,142,500	\$ 614,431	53.8%	\$ 1,562,100	\$ 1,269,224	81.3%	654,793	106.6%					
Replacement Rnewal	\$ 10,154,500	4,595,502	45.3%	\$ 14,907,800	\$ 6,027,376	40.4%	\$ 15,373,500	\$ 8,485,552	55.2%	\$ 15,957,500	\$ 10,004,238	62.7%	\$ 23,146,000	\$ 12,383,985	53.5%	2,379,747	23.8%					
New Construction	\$ 79,205,900	63,057,312	79.6%	\$ 80,728,500	\$ 39,034,669	48.4%	\$ 84,136,700	\$ 75,139,581	89.3%	\$ 89,806,300	\$ 80,483,460	89.6%	\$ 122,412,800	\$ 107,723,983	88.0%	27,240,523	33.8%					
Total	185,513,500	148,902,715	80.3%	\$ 198,901,000	\$ 136,957,502	68.9%	\$ 224,943,700	\$ 188,229,958	83.7%	\$ 241,674,000	\$ 205,330,714	85.0%	\$ 290,378,900	\$ 245,510,680	84.5%	40,179,966	19.6%					

Healthy Streams Plan Update

Lisa Huntington, Natural Systems Enhancement & Stewardship Director
Kristel Griffith, Program Manager

Clean Water Services Advisory Commission, September 9, 2026

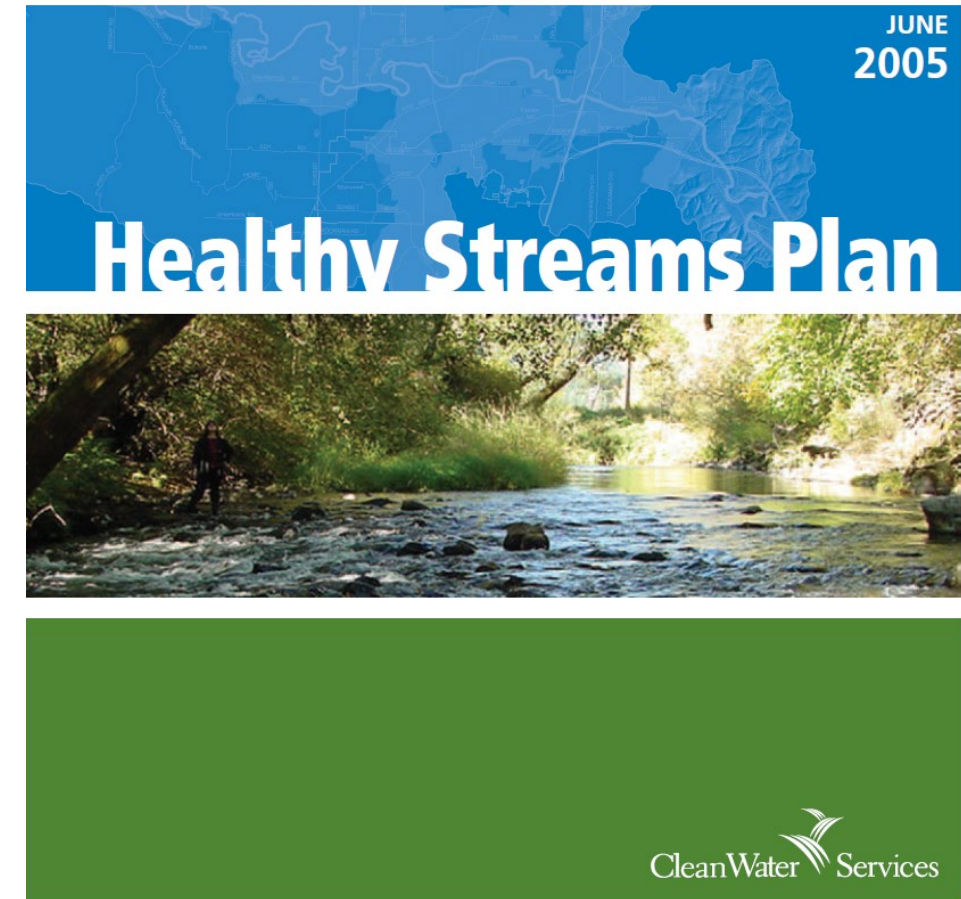
Purpose of Today's Discussion

- Review 2005 Healthy Streams Plan accomplishments
- Update kickoff
- On August 25, 2026, Clean Water Services Board of Directors requested that CWAC review and provide input on updating the plan by Minute Order 26-53
- Staff request creation of a subcommittee to more closely advise and update the full Commission



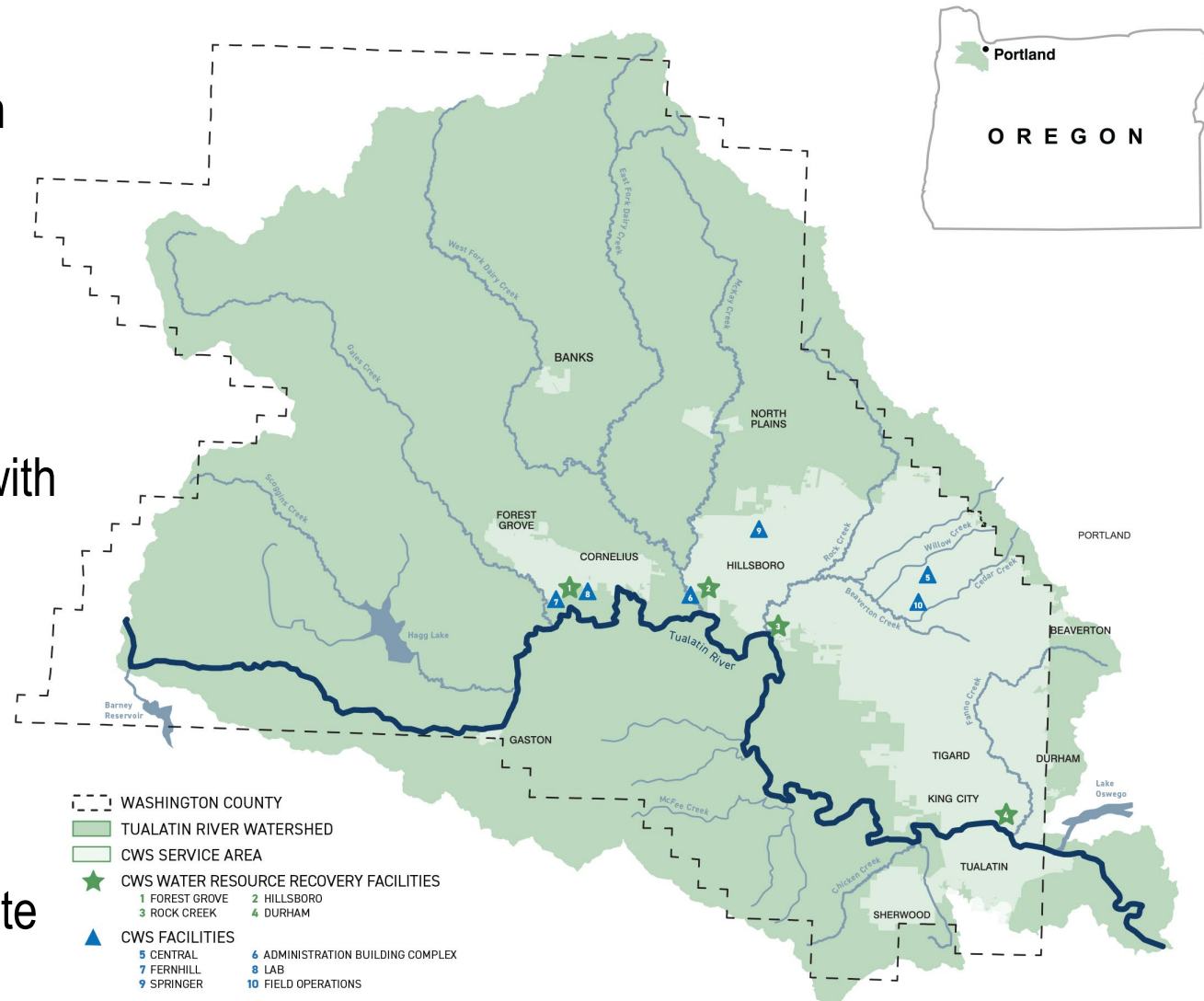
What Is the Healthy Streams Plan?

- A high-level master plan for surface and stormwater to meet requirements of multiple regulatory frameworks and provide services to the community
- A visioning platform to anticipate and proactively address potential future regulations
- A list of recommended projects, programs, and policies for work in streams
- A record of financial need and supported operating rates and charges
- A tool to coordinate Clean Water Services (District) and co-implementer programs and projects



Why a Healthy Streams Plan?

- Multiple regulatory drivers and Board direction
- Founded in the goals of the Clean Water Act, *look beyond current* regulatory requirements
- Integrate water quality, water quantity, and habitat needs of the Tualatin River Watershed
- Cost-effectively achieve thermal compliance with net environmental benefit
- Address watershed-wide stormwater management issues
- Inform and complement the Stormwater Management Plan
- Work in partnership with co-implementers, state and federal agencies, with local expertise and community feedback



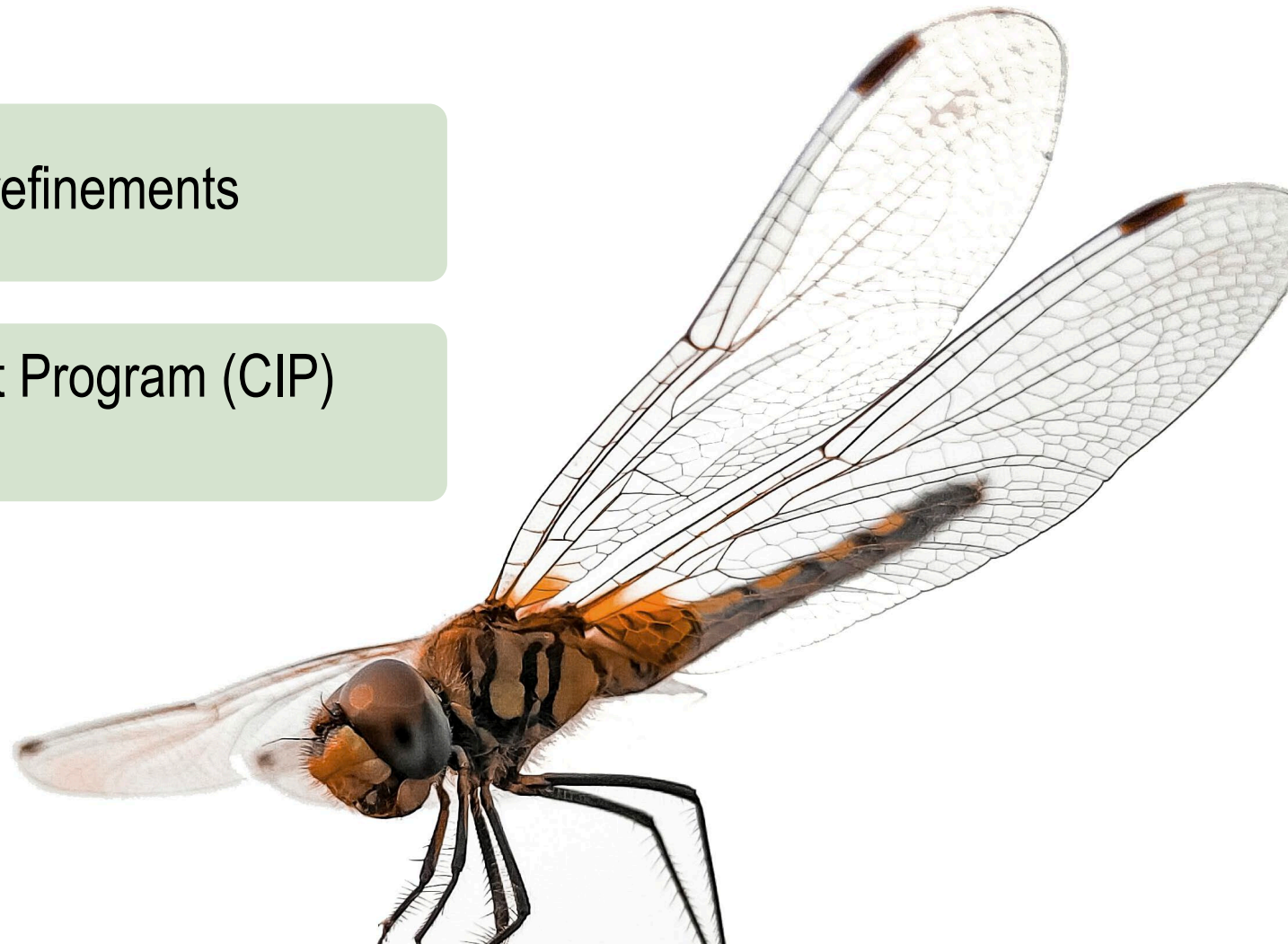
2005 Healthy Streams Plan Accomplishments



Review policy and program refinements



Review Capital Improvement Program (CIP)
programs and projects



Policy and Program Refinements Selected in 2005

56 options were identified in four broad categories

Policy and Program Options	Goal
Regulations	13
Operations and delivery	24
Fiscal policy	11
Public engagement	8
Overall	56

Policy and Program Refinements Selected in 2005

56 options were identified in four broad categories

Policy and Program Options	Goal	Completed	Progress
Regulations	13	9	69%
Operations and delivery	24	17	71%
Fiscal policy	11	6	55%
Public engagement	8	8	100%
Overall	56	40	71%

Policy and Program Refinements 2005 Goals and Actuals

Major Successes

- ▶ Allowed the District to fund projects outside the service boundary, expand to the watershed
- ▶ Anticipated hydromodification requirements, easing the burden to comply
- ▶ Developed an inspection and maintenance program for private stormwater facilities
- ▶ Informed the ratepayer survey (we are using many of the same questions today)
- ▶ Set performance standards for operation and maintenance of the storm system

Policy and Program Refinements 2005 Goals and Actuals

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Abandoned

- ▶ Direct incentives for private landowners in favor of partnerships
 - ▶ Create a tax with Metro on pesticide use
 - ▶ Reduce property taxes for owners who sign preservation agreements
- ▶ Create a maximum amount of impervious area in each subbasin

CIP Projects Selected in 2005

Five focal areas of capital investment were identified

Thermal Compliance	Goal
Stream enhancement projects (shade credit)	24
Community plantings*	2,000,000
Flow restoration (cubic feet per second)	9.73

Stormwater Compliance	Goal
Outfall retrofits*	68
Culvert retrofit or replacement*	383

*Community Plantings, Outfall Retrofits, and Culvert Retrofits: Each co-implementer had a goal

CIP Projects Selected in 2005

Five focal areas of capital investment were identified

Thermal Compliance	Goal	Completed	Progress
Stream enhancement projects (shade credit)	24	211	879%
Community plantings*	2,000,000	16,961,650	848%
Flow restoration (cubic feet per second)	9.73	28.6	294%

Stormwater Compliance	Goal	Completed	Progress
Outfall retrofits*	68	168	247%
Culvert retrofit or replacement*	383	146	38%

*Community Plantings, Outfall Retrofits, and Culvert Retrofits: Each co-implementer had a goal

CIP Projects Selected in 2005

This success is partially due to the efforts of the Cities, Washington County, and other partners

Five focal areas of capital investment were identified

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Healthy Streams Plan Enhancement and Community Projects

- Projects (698 in Total)
- ~ Major Streams
- City Boundaries
- Tualatin Watershed Boundary

0 3 6
Miles

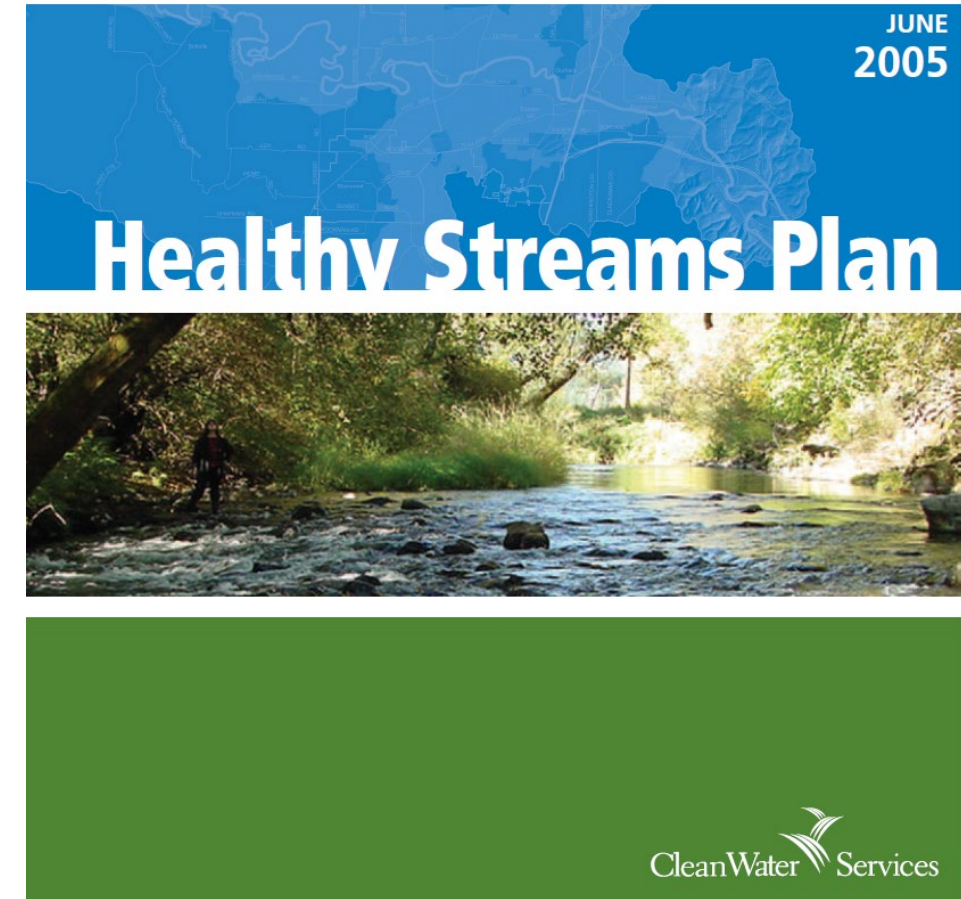
Stream enhancement and community planting projects have:

- ▶ Supported thermal compliance through streamside shade
- ▶ Created 660 million kilocalories (kcal) of thermal credit for \$0.06/kcal
- ▶ Created the Tree for All collaborative



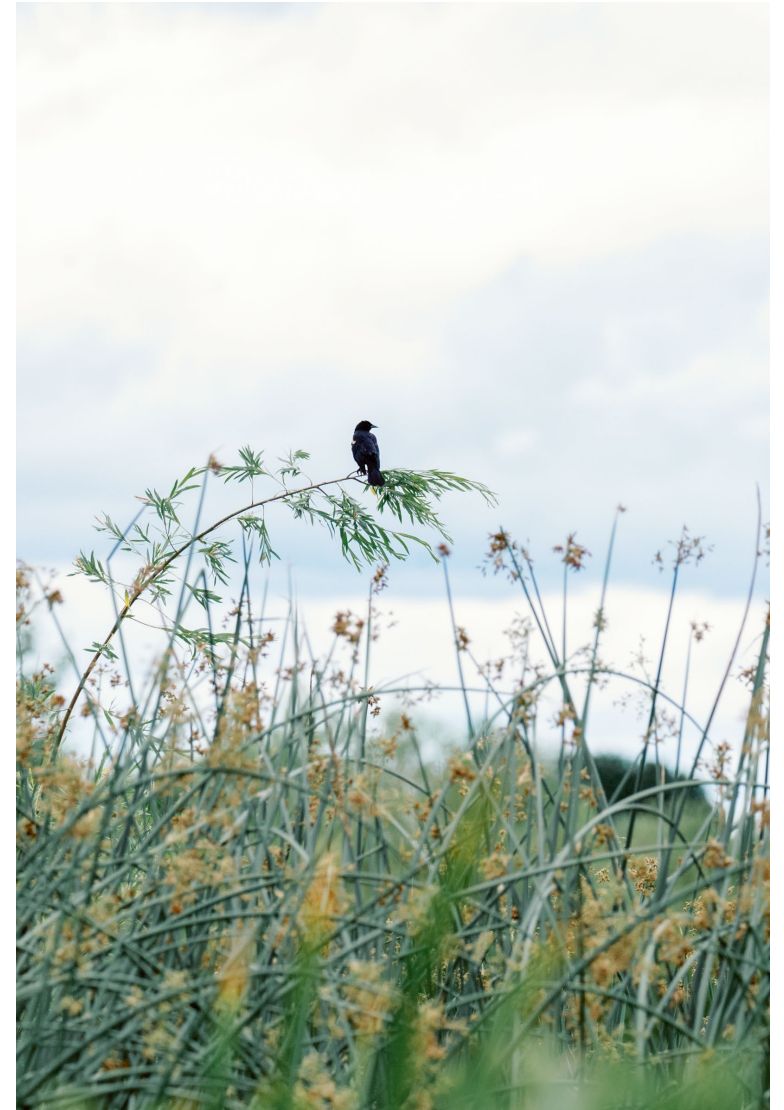
Why Update the Healthy Streams Plan?

- Most actions in adopted 2005 plan have been implemented
- Significant regulatory, environmental, and community changes since 2005
- Increased capacity of our co-implementers
- New ideas for changed conditions, risks and opportunities
- Growth and development pressure watershed health conditions
- Regulatory and climate resilience needs continue to evolve
- Opportunity to integrate current suite of District and partner programs



What Success Looks Like

- Implementable actions in the long-term compliance strategy for National Pollutant Discharge Elimination System watershed-based permit, including the Municipal Separate Storm Sewer System
- Responsive to changes in the new Permit
- Optimized alignment across programs and funding sources
- Prioritized implementation roadmap for capital investments
- Clear direction for future policies and programs
- Improved watershed health and ratepayer services



Project Scope At A Glance

Identify and prioritize regional stormwater and ecological enhancement opportunities in support of NPDES permit compliance now and in the future

Watershed assessment and data synthesis

- Comprehensive assessment using monitoring data, spatial analysis, and modeling to evaluate watershed conditions

Structured stakeholder engagement

- Engage District staff, Board of Directors, CWAC, co-implementers, partners, and public meaningfully to inform priorities and tradeoffs

Project prioritization and planning

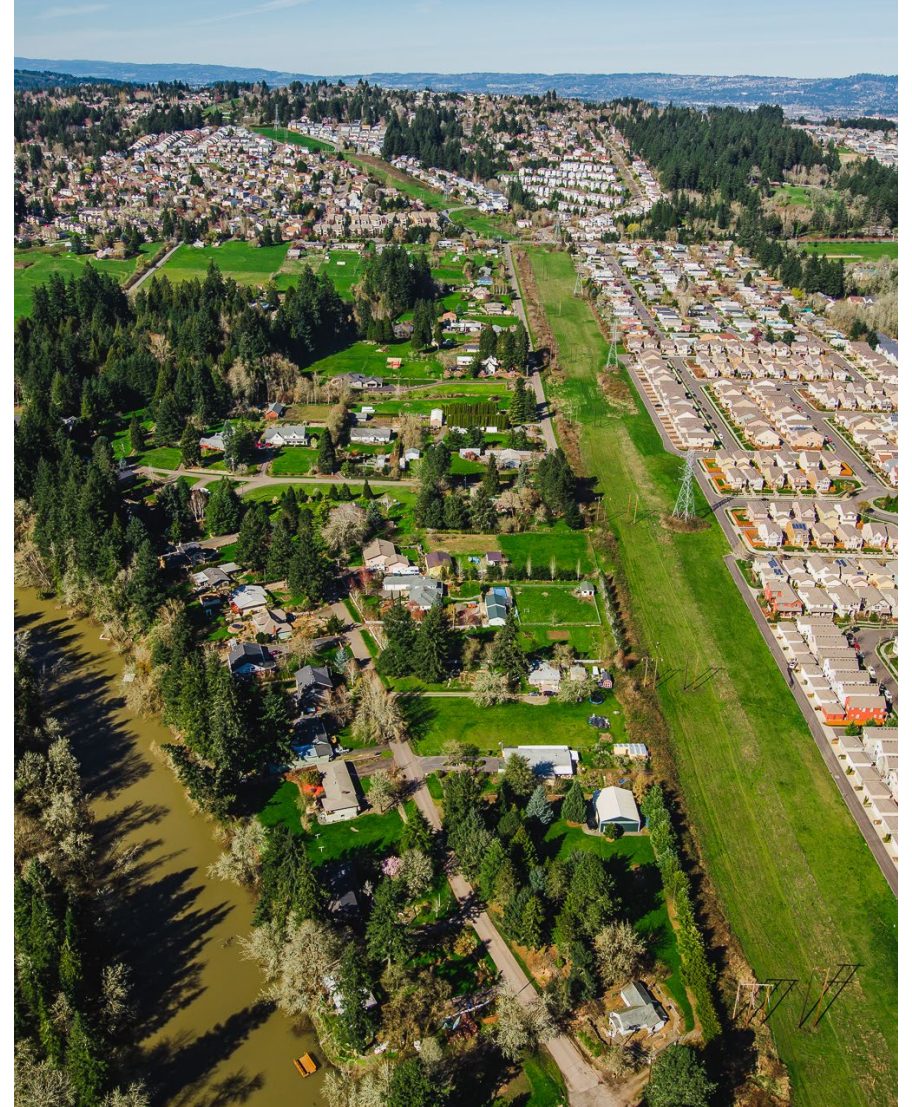
- Create and use prioritization criteria to develop a list of capital projects with planning-level cost estimates

Policy and program recommendations

- Identify recommendations to improve internal alignment, decision-making processes, and coordination with partners

Strategic Alignment with Other District Efforts

- Long-term regulatory compliance strategies
- Thermal Compliance Strategy
- Stormwater Management Plan
- Climate Action Roadmap
- East and West Basin master plans
- Recycled Water Master Plan
- Co-implementer coordination
- Ratepayer surveys
- Design and Construction Standards



Governance and Decision Making

- Board of Directors requested that CWAC provide feedback on the update (Minute Order 26-53 on August 25, 2026)
- Board of Directors to provide policy direction
- CWAC to provide strategic guidance and input
- Co-implementers and partners to provide input
- Cross-functional project team to lead execution
 - District staff and consultants
- CWAC to formally recommend plan for adoption
- Board to adopt final plan

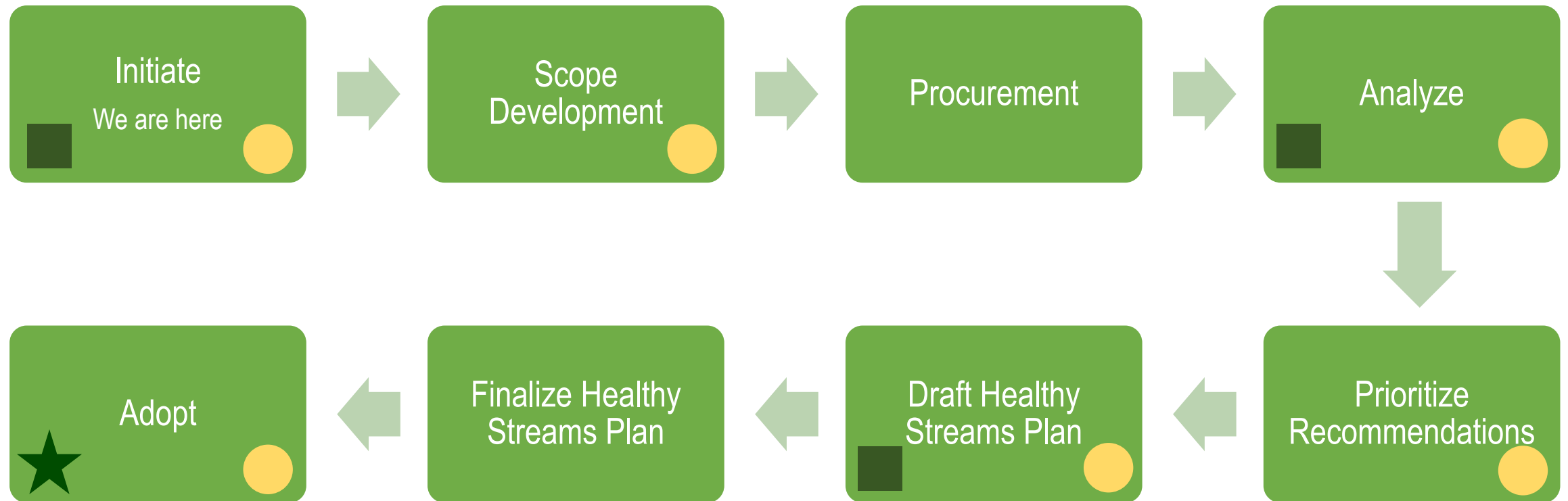


CWAC Subcommittee Role

- Advise on scope of work
- Buy in on analysis methodology and results
- Inform prioritization criteria for capital projects and policy recommendations
- Review draft Healthy Streams Plan
- Attend separate working sessions with staff
- Facilitate discussion with full CWAC at regularly scheduled meetings

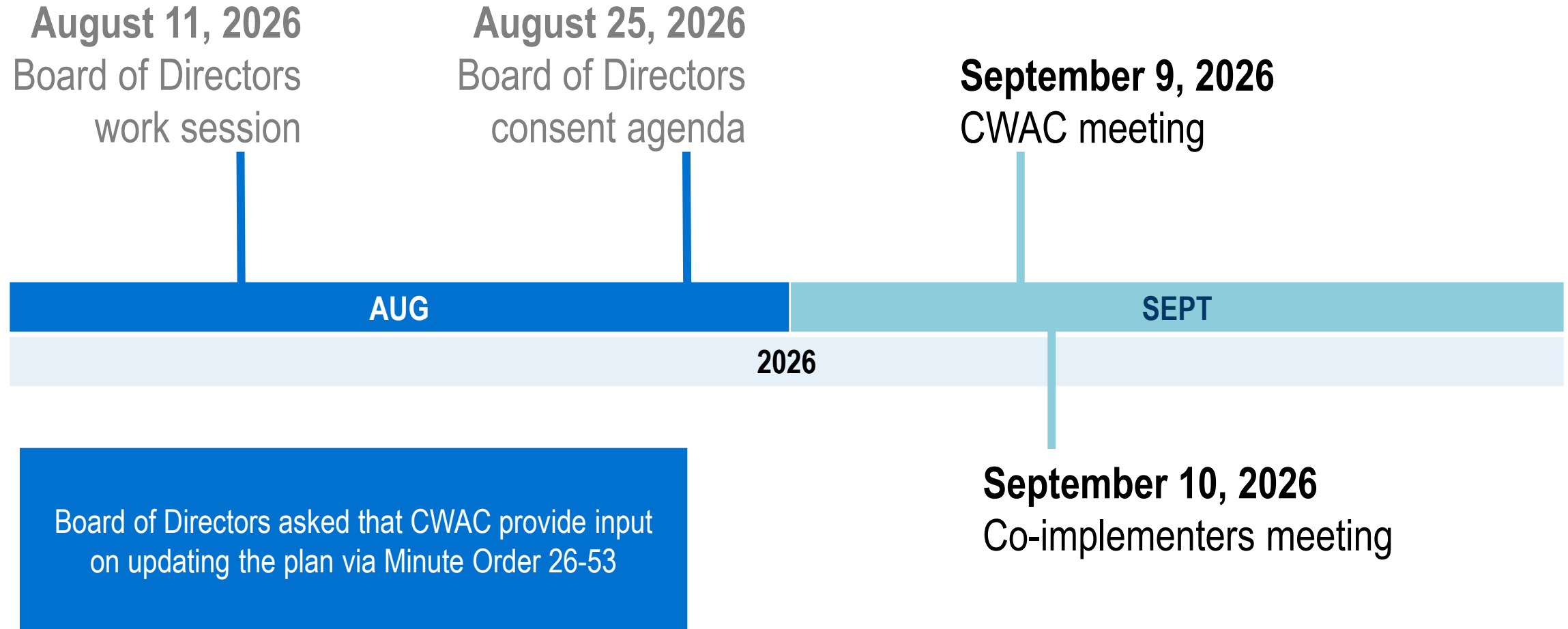


Anticipated Project Milestones



■ Proposed **Board** updates ★ **Board** adoption ● **CWAC** interaction

Kickoff Schedule for Healthy Streams Plan



Questions and Discussion

- Do CWAC members have questions about the 2005 Healthy Streams Plan and projects completed?
- Do CWAC members have questions about the proposed approach to updating the Healthy Streams Plan?
- Do CWAC members support creating a subcommittee to more closely advise and update the full Commission on the Healthy Streams Plan?
- Seeking representation with diverse perspectives, especially from
 - Environmental organizations
 - Agricultural interests
 - Business or development community



Clean Water Services Advisory Commission Meeting Summary

Date: June 10, 2026

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

CWAC MEMBERS PRESENT

- Drake Butsch (Builder/Developer 2)
- Marc Farrar (Builder/Developer 1) - remote
- Ashley Farrell (Business 1)
- Nisha George (At-Large District/Harrington) - remote
- Andy Haugen (District 4/Willey) – CWAC vice chair
- Ramesh Krishnamurthy (District 2/Treece)
- Stu Peterson (Business 2)
- Terry Song (District 3/Snyder) – acting CWAC chair
- Elaine Stewart (Environment 2)
- Lakshmi Tata (Agriculture 1)

CWAC MEMBERS ABSENT

- Glenn Fee (Environment 1) – CWAC chair
- Alan Jesse (Agriculture 2)
- Sherilyn Lombos (Cities/nonvoting)
- Rick Shanley (CWS/nonvoting)
- Rebecca Shell Kanarek (District 1/Fai)

CWS

- Jess Arino, Graphics Specialist
- Josh Bernier, Senior Information Technology Technician
- Katie Cheney, Executive Assistant
- Megan Comer, Principal Planner
- Elizabeth Edwards, Chief of Staff
- Joe Gall, Chief Utility Relations Officer
- Rahim Harji, General Manager
- Shannon Huggins, Public Involvement Coordinator
- Anh Le, Management Analyst
- Kathy Leader, Chief Financial Officer
- Damon Reische, Planning & Development Services Division Manager
- Elle Worrlein, Development and Permitting Manager

1. CALL TO ORDER

The meeting was called to order at 6:00 p.m.

2. WELCOME AND INTRODUCTIONS..... [00:13 on recording](#)

3. INTRODUCTION TO NEW CWS GENERAL MANAGER [01:19 on recording](#)

Rahim Harji, Clean Water Services' new General Manager, introduced himself to CWAC and asked for input on their experience. Commission members shared their perspectives on CWAC's role as an advisory body, noting examples where they serve on subcommittees and provide input, but also sought more clarity on the advisory role of CWAC. Members discussed opportunities for greater involvement, including serving on the Budget Committee, and more interaction with the CWS Board of Directors.

4. 2026 DESIGN AND CONSTRUCTION STANDARDS STORMWATER REVISION FORUM AND SUBCOMMITTEE REPORT [26:45 on recording](#)

- Damon Reische, Planning & Development Services Division Manager

Reische presented background on CWS' stormwater program; drivers for revisions in the Design & Construction Standards, including new permit requirements; stakeholder engagement efforts; and the current draft structure.

Reische shared the project timeline and information about the public draft available on the project webpage, as well as plans for releasing another draft before a formal Board presentation targeted for early fall, ahead of the November 1, 2026 compliance deadline. He explained the technical requirements, including retention design storms, water quality design storms, and the balance of green and gray infrastructure. The majority of soils in urban Washington County are clay-type soils that present challenges for infiltration.

Reische noted the requirement to prioritize green infrastructure. He then reviewed green vs. gray infrastructure, noting that there are pros and cons to each. Green infrastructure requires more space and can be more accessible for maintenance, while gray infrastructure is more space-efficient and can be built under paved surfaces such as parking lots.

The current public draft proposes a one-inch, 24-hour retention and water quality design storm to meet the 80% average annual runoff-based requirement. The draft also outlines infeasibility criteria and includes fee-in-lieu options that may apply due to site constraints. Reische explained new green infrastructure standards and maintenance responsibilities, along with the shift toward prioritizing stormwater infiltration under the new water quality standards.

Terry Song, who filled in as the CWAC Chair, opened the discussion for public comment. No members of the public provided comment.

5. INVITATION FOR PUBLIC COMMENT [1:38:32 on recording](#)

- No public comment.

6. ANNOUNCEMENTS, QUESTIONS, COMMENTS..... [1:38:54 on recording](#)

- No CWAC meeting in July.
- Coordinating with Tualatin Riverkeepers to schedule an August river paddle event; will communicate date to CWAC members.
- Addressed question about onboarding and education for new board members following the election, ensuring they are familiar with CWS operations.

7. MEETING ADJOURNED at 7:39pm