2026 CWS Board of Directors Work Session

Minutes
Friday, October 23, 2026, 9:00 am
CWS Administration Building Complex – Tualatin Conference Room
2550 SW Hillsboro Hwy, Hillsboro, OR 97123

Board members present: Vice Chair Jerry Willey, District 4
Director Nafisa Fai, District 1
Director Pam Treece, District 2
Director Jason Snider, District 3

CWS staff present: Rahim Harji, General Manager
Elizabeth Edwards, Chief of Staff
Caroline Lobdell, General Counsel and Chief Compliance Officer

NOTE:
Director Fai arrived at 9:03 am

I. CONVENE MEETING – 9:00 – 9:05 am

A. Welcome

Rahim Harji, General Manager
Elizabeth Edwards, Chief of Staff

Edwards welcomed the group and covered meeting housekeeping issues.

Harji gave overview of the meeting agenda.

B. Update on NPDES Permit Application (00:03:45 on recording)

Caroline Lobdell, General Counsel & Acting Regulatory Affairs Director
Jamie Hughes, Regulatory Affairs Services Manager

Lobdell gave overview of permit renewal. Lobdell also congratulated Jamie Hughes on her new role within the Regulatory department.

Hughes presented the Update on CWS' Permit Renewal PowerPoint.

Issues Discussed

Hughes stated that the Clean Water Services (CWS) NPDES permit is the most complicated in the country. It is a unique and innovative permit, and much effort goes into the renewal process.

Hughes stated that CWS is always working on the permit renewal process. Hughes reviewed the timeline for the renewal application. She relayed that the permit approval can take the Department of Environmental Quality (DEQ) some time to approve.

Hughes discussed the renewal process. Hughes said this is the first time submitting the renewal application via DEQ's online application system. Hughes reiterated that CWS works closely with DEQ on all steps of the permit renewal process.

Treece said we need to discuss risk of what happens if we don't receive approval. Hughes discussed those issues.

Harji stated that during this process, CWS is also educating DEQ and CWS' partners.

Hughes reviewed the permit renewal schedule. She stated that CWS provides updates to external stakeholders throughout the renewal process. Hughes emphasized the strong working relationship with DEQ. She reiterated that the DEQ review process can take up to one year, and beyond.

Hughes presented topics for discussion with DEQ. Willey asked about mercury levels and PFAS. Hughes said there is a section of the renewal process that covers mercury. There

are no federal limits for PFAS currently, so that does not play into this permit renewal cycle. Hughes said that as part of the renewal process, CWS will take the DEQ permit writer to CWS treatments facilities, including the new laboratory.

Willey asked about water levels at Hagg Lake. Hughes replied that the levels this year are fine for reservoirs at both Hagg and Barney, and that there were no issues with maintaining the flows this summer. Hughes stated that managing water rates in the upcoming years is critical.

Hughes presented the communication process that will be used throughout the permit renewal process. Treece asked about competing interest areas from external stakeholders. Hughes discussed anticipated stakeholder areas of interest.

Willey asked about water quality credit trading for temperature. Hughes discussed.

Fai asked about PFAS. Hughes said CWS is one of the leaders in the state in its response to this issue.

Willey asked how CWS became one of the leaders in the industry. Harji responded and gave credit to previous GMs/CEOs and the vision made years ago. Snider commented that is also due to the uniqueness of our permit. Harji concurred. Harji also stated that due to the Tualatin river's sensitive nature, we've had to become innovative.

Hughes discussed the steps in DEQ's process after the renewal application is submitted. Discussion about how DEQ responds to public inquiries/comments.

Hughes presented next steps for the permit renewal process.

Harji thanked Hughes, Lobdell, and the entire regulatory team for their work.

C. Recycled Water Master Plan (with Intro to Thermal Compliance Strategy) (00:47:15 on recording)
Peter Schauer, Research & Innovation Services Manager
Scott Mansell, Research & Innovation Division Manager
Jared Kinnear, Resource Recovery Division Manger

Schauer, Mansell, and Kinnear presented the CWS' Recycled Water Master Plan Development PowerPoint.

Issues Discussed
Schauer presented the history of CWS water reuse and stated that the main current driver for water reuse is managing thermal load.

Schauer described types of recycled water projects.

Schauer discussed why there is a master plan for water reuse.

Mansell discussed temperature regulations as the driver for water reuse and then spoke about temperature compliance strategies.

Mansell explained that the temperature compliance strategy provides the reuse targets for treatment plants, and the water reuse master plan identifies, prioritizes, and sequences projects to meet the targets set out in the temperature compliance strategy.

Mansell discussed the net value of a reuse project, which includes monetized and non-monetized benefits.

Mansell discussed thermal load reduction, which can be reduced either by lowering temperature or managing the flow to the river. Mansell described thermal plumes, their impact, and for what circumstances thermal credits can be used.

Mansell stated that CWS uses FEMA ecosystem services values as an internal tool for benefit-cost assessment for water reuse.

Mansell discussed other types of benefits of water reuse, such as reduced carbon emissions as compared with using a cooling tower or a chiller.

Kinnear reviewed the water reuse master plan. He explained the plan includes stored water, the shade program, and water reuse. Kinnear said that stored water and the shade program are mitigation strategies, whereas reuse avoids putting heat into the river.

Kinnear discussed the master plan approach. CWS is analyzing and evaluating opportunities – all in an effort to reduce the thermal load. As the idea of water reuse is a new idea to many people, Kinnear discussed CWS' outreach and education plan, including identifying stakeholder needs, and engagement strategies.

Kinnear presented the market assessment strategy. General discussion about different strategies. Kinnear discussed stakeholder engagement.

Kinnear discussed system planning as a whole. Kinner said that a future plan is to grow crops using recycled water as an example for the agricultural community of the benefits of using recycled water.

Kinnear discussed the prioritization process using costs and net annual value. He discussed recommended improvements for the process and stated these are built into the 10-year Capital Improvement Program.

Kinner stated the recycled water master plan final report is expected this month. Snider

asked about the economics for a customer using recycled water as compared to potable water. Kinner stated CWS is very competitive cost-wise. Harji talked about Hillsboro's intergovernmental agreement with CWS for the Rood Bridge Park project, stating that it is more cost beneficial for the City of Hillsboro to use recycled water than to use drinking water for that project.

Kinner presented the next steps for the recycled water program. Snider asked about infrastructure needs over the next 10-15 years. Kinner said CWS is looking at new infrastructure, including dual-use pipelines, new pump stations, etc. General discussion about water reuse.

Snider asked about water temperature in recycled water when land applied. Harji stated that water temperature is not an issue with reuse, it is only on issue for the river.

Break – 10:45 - 10:58 am

Fai excused from meeting at 11:00 am.

D. **Policy Review and Modernization: Ordinance 37A Engrossed** (01:44:40 on recording)
Rahim Harji, General Manager
Caroline Lobdell, General Counsel & Chief Compliance Officer

Harji presented the Policy Review and Modernization: Ordinance 37A Engrossed PowerPoint.

Issues Discussed
Harji discussed Ordinance 37A Engrossed and Ordinance 38, the recommended revisions to those ordinances, and the suggested approach for those revisions.

Lobdell discussed the suggested approach. Lobdell explained Ordinance 37A Engrossed and the requested changes for updating the ordinance.

Discussion about the two ordinances. Lobdell asked for input from the Board in drafting the new ordinance replacing Ordinance 37A Engrossed.

Board members agreed to repealing Ordinance 37A Engrossed.

Discussion about the "emergency declaration" language in the ordinance. Lobdell asked about reciprocity between Washington County and CWS. Board agreed that language should be struck - no reciprocity.

Harji confirmed next steps.

Fai returned to meeting at 11:30 am.

E. Fiscal Year 2025-26 Year-End Financial Report (02:14:12on recording)
Kathleen Leader, Chief Financial Officer

Leader presented the Fiscal Year 2025-26 Financial Report PowerPoint.

Issues Discussed
Leader provided presentation overview.

Leader discussed percentage of budgeted revenue by quarter for fiscal years 2022-2026.

Leader discussed percentage of budget spent by quarter for fiscal years 2022-2026.

Leader discussed the revenue side of budget for fiscal year 2026. Discussion about system development charges.

Leader discussed the expenditure side of budget for fiscal year 2026. Discussion about employee vacancies. Fai asked about overtime rates and Treece asked about exempt/non-exempt status of 37 vacant positions. Discussion about materials and services expenditures.

Leader presented 10-year financial forecast.

Leader discussed takeaways from 2026. Discussion about those takeaways.

LUNCH BREAK 12:03-1:00 pm

II. RECONVENED – 1:01 pm

Willey called the meeting back to order for the afternoon session of the meeting.

F. 2027 Legislative Agenda (02:50:08 on recording)
Elizabeth Edwards, Chief of Staff

Edwards presented the 2027 State and Federal Legislative Agenda PowerPoint.

Issues Discussed
Edwards discussed the board adoption process timeline for legislative agenda development and adoption.

Edwards previewed the 2027 state legislative session. Treece asked what process CWS uses for bills that may negatively impact CWS. Edwards explained.

Treece asked about issues at DEQ that may impact its review of CWS' NPDES permit. Harji explained that CWS has reached out to DEQ for clarity.

Edwards stated that CWS uses Washington County's legislative bill-tracking software to review and keep track of legislative bills.

Edwards presented CWS' 2027 draft state legislative guiding principle, and discussed state legislative priorities.

Edwards presented CWS' 2027 federal legislative priorities, including two new priorities of supporting resources for water utilities to address cybersecurity threats, and supporting federal investment in water workforce training.

Edwards discussed CWS' federal advocacy approach.

Edwards presented next steps.

G. Hot Topics (03:36:40 on recording)
Rahim Harji, General Manager
Elizabeth Edwards, Chief of Staff

Issues Discussed
Harji provided an update on the short-term and a long-term plans for customer assistance and utility billing. He stated that he has ongoing meetings with city managers about this topic.

Harji discussed the class and compensation study. He said he would provide detailed updates to the Board on the process.

Harji discussed the first annual Oregon Water Professionals Appreciation Week and thanked the Board for attending CWS events.

Harji explained how and when CWS engages with data centers and its role. CWS specifically focuses on two main areas: stormwater and wastewater.

Harji briefly outlined the process a data center must follow before it can be built: starting with land use (which will go through the city or county, not CWS), and then CWS will review whether CWS' system can serve the facility. Harji said that all of the data centers who have submitted industrial discharge applications to date use closed-loop systems, and CWS reviews the applications to make sure that CWS can support their non-industrial discharge (e.g., sinks and toilets). CWS also reviews plans to ensure the data center meets the CWS stormwater design and construction standards.

Harji stated CWS' role during the construction phase is limited, but does include monitoring for erosion control issues.

Harji shared that if any of the closed-loop data centers want to discharge anything other than non-industrial waste, they must obtain a temporary discharge permit from CWS to do this. To date, two data centers have asked CWS for a permit, but after reviewing our requirements, they chose to dispose of their industrial discharge via alternative means.

Harji stated that data centers know that if they want to release industrial discharge into CWS' system, they must apply for a permit for that planned individual discharge. Harji said he will be sending a discharge prohibition reminder letter to data centers stating they need to apply for a temporary discharge permit for any individual industrial discharge event**.** Lobdell explained the rules that CWS must adhere to in these specific instances.

General discussion about data centers and industrial discharge.

H. Onboarding New Board Members (04:18:00 on recording)
Elizabeth Edwards, Chief of Staff

Issues Discussed
Edwards discussed the process CWS will use to onboard the new Board members.

Treece asked if current Board members will be given this same material and education. Edwards replied yes.

I. Board Planning and Discussion (04:27:15 on recording)
Rahim Harji, General Manager
Elizabeth Edwards, Chief of Staff

Issues Discussed
Edwards reviewed remaining 2026 CWS board meetings agendas and preliminary 2027 items.

J. Wrap Up
Rahim Harji, General Manager
Elizabeth Edwards, Chief of Staff

Harji thanked the Board for the collaboration work with CWS.

III. MEETING ADJOURNED – 2:49 pm