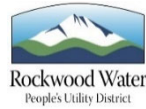


PRESIDENT, Tom Lewis
VICE PRESIDENT, Kathy Zimmerman
SECRETARY, Colby Riley



TREASURER, Larry Dixon
DIRECTOR, Steve Okazaki
GENERAL MANAGER, Kari J. Duncan

**REGULAR MEETING
ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
BOARD OF DIRECTORS**

August 25, 2021

6:00 p.m.

Zoom Web/Teleconference

**Please copy the link below and paste into your web browser to join the webinar:
<https://us02web.zoom.us/j/84583185249?pwd=cjg4cnA1UnlwdW9MWjVYWGJ5UVdaZz09>**

Passcode: 342426

Or Phone: +1 253 215 8782

Webinar ID: 845 8318 5249

REVISED PRELIMINARY AGENDA

1. Approval of Agenda
2. Approval of Consent Agenda - Action
 - a. General Manager's Report - GM Duncan
 - b. Superintendent's Report - DS Crocker
 - c. Customer Service Report - OS Middleton
 - d. Engineer's Report - DE Hudson
 - e. Government Affairs Activities - GAC Aden
 - f. Financial Status - July 31, 2021
3. Approval of Minutes - July 28, 2021 Regular Board Meeting - Action
4. Approval of Bills - SA Zimmerman - Action
5. Public Comment on Non-Agenda Items
6. Resolution No. RWPUD 21/22-001 Resolution to Amend Policy Manual to Add Tax Exempt Governmental Bonds Tax Compliance And Continuing Disclosure Compliance Guidelines - Action
7. WIFIA Loan Update - GM Duncan - Discussion
8. Set General Manager Evaluation Date and Goal Setting - Discussion
9. Fiscal Year 2020/2021 General Manager Goals Recap and Accomplishments - GM Duncan - Discussion
10. In-Person Board Meetings - GM Duncan - Discussion
11. For the Good of the Order
12. Next Meeting - September 22, 2021 - Regular Board Meeting - 6:00 p.m.
13. Adjournment

The meeting location is wheelchair accessible. Requests for a sign language interpreter should be made as soon as possible or at least 5 days prior to the meeting. Requests for language interpretation should be made at least 2 days in advance of the meeting. Requests can be made by calling 503.665.4179.



Rockwood Water
People's Utility District

19601 NE Halsey Street
Portland, OR 97230-7430
503-665-4179 - Phone
503-667-5108 - Fax
www.rwpud.org

MEMORANDUM

To: Board of Directors
From: Kari Duncan, General Manager
Date: August 20, 2021
Re: WIFIA Loan Application

The WIFIA loan application was submitted to the US EPA on August 19th, along with payment of the WIFIA Application fee of \$100,000. The Fee is charged to all applicants and is for the team from EPA that will be assigned to Rockwood to assist us through the full application and loan approval process. The 26 page application form as well as several key documents created specifically for the application are enclosed. The full submittal of attachments is listed on the following page; however, due to the extreme length, only select documents have been included in the packet. Gresham will submit their application next month; once their rate plan has been approved by the City Council. We expect to complete the application process and start utilizing loan funds in the first quarter of 2022.

Key documents for your review include:

Rockwood Water WIFIA Application final (26 pages)

C.6. – rwpud pro forma 7.7.21 This is a summary created by David Ulbricht of SDAO with data from the HDR Financial Model that projects the District financial status over the course of the loan repayment period and the debt service requirements for repayment of the revenue bonds and the WIFIA loan through the year 2041. (5 pages)

E.1. – WIFIA Section E Spreadsheet This is a spreadsheet that summarizes all aspects of the project that the loan will cover, split into Packages that have been defined by the Groundwater Development Master Plan (GDMP). (10 pages)

E.8. – Risk Mitigation Plan_26JUL2021 This is the plan created by Murraysmith based on the workshop with Rockwood and Gresham staff to discuss and evaluate the potential risks to the project, the likelihood of those risks occurring, the impact of the risks and strategies to avoid, accept, transfer, or limit the risk. (7 pages)

WIFIA Application list of attachments

-  A.9. - SAM Activation
-  B.3. - Customer Type and Top Ten
-  B.5. - CIP Descriptions FY19-FY22
-  B.6. - Delinquency
-  B.7. - PERS Reports
-  B.8. - 2013 Water System Master Plan
-  B.9. - Outreach Effort Samples
-  B.10. - 2021 District Org Chart
-  C.4. -Moody's Bond Rating Letter 2021
-  C.5. Audited Financial Statements
-  C.6. - 2021 Financial Plan Model
-  C.6. - Financial Plan and Model
-  C.6. - rwpud pro forma 7.7.21
-  C.7. 10 year Historic and Current Rates
-  C.8. - Flow of Funds
-  C.9 - Master Revenue Bond Declaration_Rockwood PUD_2021 4154-8433-3867 2
-  C.9. - adopted Resolution 20_21-001 Bond Authorization
-  C.9. - First Series Declaration to Master Water Revenue Bond Declaration_Rockwood PUD_2021 4155-2273-8219 2
-  C.9. - Resolution 20_21-003 Bond Sale Authorization
-  D.1. - WIFIA PEA ENVIRONMENTAL QUESTIONNAIRE
-  D.5. - Additional Permits DEQ 1200-C Stormwater
-  D.5. - Additional Permits Oregon Health Authority
-  D.5. - Additional Permits OWRD Water Rights
-  D.5. Additional Permits Land Use
-  D.7. Additional Forms Signed
-  E.1. - WIFIA Section E Spreadsheet
-  E.2. - Project Map Schedule and Budget
-  E.3. - Groundwater Development Master Plan Revised FINAL 9-20
-  E.4. Rockwood PUD Pilot Test and Engineering Report_2021-07-30_Final
-  E.5. GWDP Package 1 Construction Contract Executed
-  E.6. - RWPUD GDMP - Package 1 Bid Documents
-  E.7. - RWPUD_GDP_Package No. 1_Volume 1_Contract Documents
-  E.8 - Risk Mitigation Plan_26JUL2021



For the WIFIA Application Instructions

The U.S. Environmental Protection Agency (EPA) will invite selected applicants to submit an application for Water Infrastructure Finance and Innovation Act (WIFIA) loans. Unsolicited applications will not be considered. Following selection, each selected applicant will be assigned a transaction team led by an underwriter. The transaction team can answer the applicant's questions regarding the application form, its attachments, and the project review, negotiation, and closing processes.

The applicant should answer all questions in this form. It may indicate if a requirement is not applicable to its project. Narrative answers can reference source documents by including the name of the document and relevant pages or sections and providing any referenced documents as attachments. The applicant must sign the Certification in the appropriate space and submit a scanned version of the signature pages to EPA. If the applicant anticipates a delay in one or more source documents, it should discuss the situation with its transaction team and indicate the anticipated date of submitting that document in the application. Additionally, the applicant is required to notify and submit to EPA any updated application materials that become available during the review period. EPA may request additional items from applicants on a case-by-case basis.

The applicant may assert a Confidential Business Information (CBI) claim covering part or all of the information submitted to EPA as part of its letter of interest, in a manner consistent with 40 C.F.R. 2.203, 41 Fed. Reg. 36902 (Sept. 1, 1976), by placing on (or attaching to) the information a cover sheet, stamped or typed legend, or other suitable form of notice employing language such as trade secret, proprietary, or company confidential. The applicant should also state whether it desires confidential treatment until a certain date or until the occurrence of a certain event. Information covered by a business confidentiality claim will be disclosed by EPA only to the extent and only by means of the procedures set forth under 40 C.F.R. Part 2, Subpart B. Information that is not accompanied by a business confidentiality claim when it is received by EPA may be made available to the public by EPA without further notice to the applicant. More information about CBI is available in the WIFIA program handbook and frequently asked questions (FAQ) available at <http://www.epa.gov/wifia>.

The applicant must submit a non-refundable application fee. The application fee is \$25,000 for an application for a project serving small communities (population of not more than 25,000 people). For all other project applications, the application fee is \$100,000. For further information regarding the application fee, as well as the credit processing fee which will be charged at loan closing, and any other applicable fees, please see the [WIFIA fee rule](#).

WIFIA Application Submission

The final application submission must include:

1. Completed application form;
2. All attachments requested and referenced in this form; and
3. The application fee.



The applicant should reference the supporting document checklist provided on page 4 to ensure all needed information is provided in the application submission. Upon receipt of the application fee and materials, EPA will provide a confirmation email.

Application Form and Attachment Submittal: When finished, the application form and attachments must be uploaded to EPA's SharePoint site. To be granted access to the WIFIA SharePoint site, the applicant should email the WIFIA Underwriter assigned to the applicant with the names and emails of all staff that need access.

Application Fee Submittal: The applicant should use of Pay.gov to make electronic payments to EPA. In Pay.gov, the applicant can track its payments to EPA and schedule recurring or automatic payments. Although it is not mandatory to register for a user id to access and use Pay.Gov, registration is recommended to have access to all Pay.gov system functionality. To use Pay.gov, follow these instructions:

1. Access the Pay.gov system by going to <https://www.pay.gov> and search for WIFIA or click on the following hyperlink to directly launch the [WIFIA Loan Collection & Fees Form](#).
2. Provide the following information on the payment to ensure proper credit:
 - Remitter's contact phone number
 - Company/Organization Name as it appears on EPA document
 - Complete address, including city, state, zip code
 - Project Name
 - Loan Number: this is EPA WIFIA Loan number, NOT the remitter's number
 - From the "Payment Type" drop down menu select "Application Fee (Fee01)"
 - Other Description: please enter the EPA WIFIA Loan number followed by -FEE01, for example 16123DC-FEE01
3. Follow the remaining on-screen instructions to successfully process the payment to EPA.
4. Send an email to OCFO-OC-ACD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

The application fee may also be paid via FEDWIRE; for questions about payments, email to OCFO-OC-ACD-WIFIA@epa.gov and wifia_portfolio@epa.gov. For detailed payment instructions, contact the WIFIA program.

Burden

The public reporting and recordkeeping burden for this collection of information is estimated to average 200 hours per response. Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated collection techniques to the Director, Regulatory Support Division, U.S. Environmental Protection Agency (2822T), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460. Include the OMB control number in any correspondence. Do not send the completed form to this address.

Warning



US Environmental Protection Agency
WIFIA Program
Application

OMB Control No. 2040-0292
EPA Form No. 6100-032
Approval expires 4/24/2023

Falsification or misrepresentation of information or failure to file or report information required to be reported may be the basis for denial of financial assistance by the Environmental Protection Agency. Knowing and willful falsification of information required to be submitted and false statements to a Federal Agency may also subject you to criminal prosecution. See, for example, 18 U.S.C. §1001.

Additional information is available at <https://epa.gov/wifia> and by contacting wifia@epa.gov.






SUPPORTING DOCUMENT CHECKLIST

The applicant should submit its completed application form plus all relevant supporting documents listed in the checklist as attachments.

Question	Supporting Document(s)*	Included
Application Fee – Refer to fee instructions on page 2		
Section A: Key Applicant and Loan Information* (No attachments)		
9. System for Award Management (SAM) registration	<ul style="list-style-type: none"> Screen shot verifying active SAM registration^{1*} 	<input checked="" type="checkbox"/>
Section B: Applicant Background		
5. Capital Improvement Planning Process	<ul style="list-style-type: none"> Current year and previous 3 years Capital Improvement Plans 	<input checked="" type="checkbox"/>
7. Liabilities	<ul style="list-style-type: none"> Liabilities Description 	<input checked="" type="checkbox"/>
8. System Condition	<ul style="list-style-type: none"> System Master Plan System Condition Assessment 	<input checked="" type="checkbox"/> <input type="checkbox"/>
10. Organization Chart	<ul style="list-style-type: none"> Organization Chart 	<input checked="" type="checkbox"/>
Section C: Financing Plan		
4. Preliminary Rating Letter	<ul style="list-style-type: none"> Preliminary Rating Letter* 	<input checked="" type="checkbox"/>
5. Audited Financial Statements	<ul style="list-style-type: none"> Audited Financial Statements (3 years)* 	<input checked="" type="checkbox"/>
6. Cash flow pro forma(s)	<ul style="list-style-type: none"> Cash flow pro forma* 	<input checked="" type="checkbox"/>
7. Rate Setting Process	<ul style="list-style-type: none"> Rate Studies Rate Schedules 	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
8. Flow of Funds	<ul style="list-style-type: none"> Flow of Funds 	<input checked="" type="checkbox"/>
9. Loan Agreement	<ul style="list-style-type: none"> Master Indenture Bond Ordinance 	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Section D: Federal Requirements		
1. National Environmental Policy Act (NEPA)/ Programmatic Environmental Assessment Questionnaire	<ul style="list-style-type: none"> Environmental Assessment (Draft or Final) Environmental Impact Statement (Draft or Final) Supporting Documentation 	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>

¹ Applicants must have an active registration in SAM to do business with the Federal Government. Registration information is available at <https://sam.gov/SAM/>.



	<ul style="list-style-type: none"> Programmatic Environmental Assessment Questionnaire 	
2. SRF Environmental Review	<ul style="list-style-type: none"> SRF Findings SRF Consultation Documentation 	<input type="checkbox"/> <input type="checkbox"/>
4. Cross-Cutter Consultation Agencies	<ul style="list-style-type: none"> State Historic Preservation Officer Fish and Wildlife Service National Marine and Fisheries Service Coastal Zone Management Agency Other: [Click or tap here to enter text.] 	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5. Additional Permits	<ul style="list-style-type: none"> Oregon Health Authority Drinking Water Services Plan Review Oregon Water Resources Department Water Rights Permits DEQ 1200-C Stormwater Permit City of Gresham: Type II Special Use Permit, Design Review, Building Permits, Grading and Erosion Control, Tree Removal, Electrical, Plumbing, Street Opening City of Fairview; Street Opening Permit 	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
7. Additional Forms	 epa_form_6600_06.pdf  SFLL_1_2-V1.2.pdf  epa_form_4700_4.pdf	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
8. Uniform Act	<ul style="list-style-type: none"> Narrative of Compliance 	<input checked="" type="checkbox"/>
Section E: Contract Information (Refer to Supplemental Spreadsheet)		
Complete Section E of spreadsheet and indicate which of the following attachments are included:		<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Project Map Preliminary Engineering Report Preliminary Design Report Planning Document 		<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>



US Environmental Protection Agency
WIFIA Program
Application

OMB Control No. 2040-0292
EPA Form No. 6100-032
Approval expires 4/24/2023

• Executed Contract Documents	<input checked="" type="checkbox"/>
• Procurement Documents	<input checked="" type="checkbox"/>
• Detailed project schedule(s)*	<input checked="" type="checkbox"/>
• Engineer's Cost Estimate associated with detailed project scope*	<input checked="" type="checkbox"/>
• Existing Operation and Maintenance Plan	<input type="checkbox"/>
• Professional Service Contract or similar evidence of new Operation and Maintenance Plan to be developed	<input type="checkbox"/>
• Risk Mitigation Plan/Matrix	<input checked="" type="checkbox"/>
• Project Management Plan	<input type="checkbox"/>
• Evidence of Experience with Similar Projects	<input type="checkbox"/>
• Draft of Final Bid Specifications with required language	<input checked="" type="checkbox"/>
• Sample of Final Bid Specifications with required language	<input checked="" type="checkbox"/>
Certifications	<input type="checkbox"/>

*Required



APPLICATION FORM

Provide the following information in this form. Narrative answers can reference source documents (include the name of the document and relevant pages or sections). Provide any referenced documents as attachments.

Section A: Key Applicant and Loan Information

1. Legal name of prospective borrower:

[Rockwood Water People’s Utility District (RWPUD)]

2. Project name (for purposes of identification assign a short name to the project):]

[Cascade Groundwater Development (CGD)]

3. Estimated total eligible project costs (in dollars):

\$57,420,000

- Check here if total eligible project costs have changed since the letter of interest submittal

4. Requested amount of the WIFIA loan (in dollars):

\$ 28,135,800

5. Anticipated Closing Date and what is driving date: The District anticipates closing on its WIFIA loan in late calendar year 2021, or early 2022. The primary driver for this timeline is the drawdown budget and timeline for the revenue bond funds, received by the District in June 2021, that is funding the first segment of this project. WIFIA funds will be needed by May 2022.

6. Applicant Contact Information

Team Member	Name and Title	Email	Phone Number
Authorized Signatory	Kari J. Duncan, General Manager	kduncan@rwpud.org	503-674-4507
WIFIA Point of Contact	Kari J. Duncan, General Manager	kduncan@rwpud.org	503-674-4507
Financial Advisor	David Ulbricht, Director of Advisory Services SDAO	dulbricht@sdao.com	503-472-9965
Bond Counsel	Douglas Goe and Christine E. Reynolds, Orrick, Herrington & Sutcliffe	dgoe@orrick.com cerenolds@orrick.com	503-943-4821



Project Manager	Jeremy Hudson, District Engineer	judson@rwpud.org	503-674-4511
Environmental Review Contact	Brian Ginter, Principal Engineer Murraysmith	Brian.ginter@murraysmith.us	503-225-9010
Other: [Click or tap here to enter text.]	[Click or tap here to enter text.]	[Click or tap here to enter text.]	[Click or tap here to enter text.]
Other: [Click or tap here to enter text.]	[Click or tap here to enter text.]	[Click or tap here to enter text.]	[Click or tap here to enter text.]
Other: [Click or tap here to enter text.]	[Click or tap here to enter text.]	[Click or tap here to enter text.]	[Click or tap here to enter text.]

7. Employer/taxpayer identification number (EIN/TIN):

[93-1031409]

8. Dun and Bradstreet Data Universal Number System (DUNS) number:

[04-545-4816]

9. Is the applicant registered in the System for Award Management (SAM)? If yes, provide

Yes

No



Section B: Applicant Background

1. Describe the authorizing actions required by the applicant in order to enter into a loan agreement with the WIFIA program (e.g., board vote, local vote, ordinance).

The Board of Directors of the District (the “Board”) authorized the issuance of revenue bonds (including the WIFIA loan), from time-to-time, in one or series, in an aggregate principal amount sufficient to provide, among other things, net proceeds up to \$75,000,000, for the purpose of financing all or a portion of capital improvements to the District’s water system and amounts necessary to pay for related costs, pursuant to Resolution No. RWPUD 20/21-001, adopted by the Board on January 27, 2021 (the “Bond Resolution”). Prior to closing the WIFIA loan, the Board will adopt another resolution authorizing the execution and delivery of the WIFIA loan documents pursuant to the requirements of the Oregon Constitution and the statutes of the State, including Oregon Revised Statutes (“ORS”) Chapter 287A, and authorizing and directing the authorized representatives of the District to execute and deliver all necessary documents related thereto including a Series Declaration issued under the District’s Master Water Revenue Bond Declaration dated June 1, 2021 (together with all Supplemental Declarations and Series Declarations, the “Bond Declaration”).

2. Disclose any current, threatened, or pending litigation involving the applicant related to permitting, public involvement, environmental irregularities, construction defects, securities fraud, conflict of interest, failure to perform under a State or Federal contract, or other charges which may reflect on the applicant’s financial position or ability to complete the project(s).

None

3. List the historical, if available, or projected customer concentration analysis, including a breakdown of customers by class (residential, non-residential, commercial, bulk, etc.), usage, and revenues for the past 12 months and a list of the top ten (10) customers by percentage of revenues.

Please see attachment “B.3. – Customer Type and Top Ten”

4. Provide the average residential customer combined water and sewer rates as a percentage of Median Household Income.

0.59%

5. Describe the applicant’s capital improvement planning process. Include a capital improvement plan, other planning documents, and capital budgets produced in the current year and previous three (3) years as attachments.

The Capital Improvement Planning process follows the 2013 District Master Plan and the 2020 Groundwater Development Plan and is included each year as part of the District’s Budget and Rate setting process. Proposed projects from the Master Plan are submitted to the District



Board of Directors as part of the CIP section of the Budget and programmed into the District's annual Budget and Finance Model.

Please see attachment "B.5. – CIP Descriptions FY19-FY22"

6. Describe accounts receivables outstanding, including the 12-month trailing average of on-time payment amounts as a percentage of amount billed per period. Include a brief description of the process for collections.

9.78% past due and 90.22% on time payments – see attachment labeled #6 Accounts past due. For a description of the process for collections.

Please see attachment "B.6. – Delinquency"

7. Describe or provide an attachment with the status of liabilities and funding for pension contributions, defined benefits, and other post-employment benefits.

Rockwood pays the employer and employee portion. Payroll totals are submitted to PERS through their online portal after every payroll run, which is every two weeks. PERS then sends a statement of amount owing and withdraws the monies directly from our bank account via ACH.

Please see attachment labeled "B.7. - PERS Reports"

8. Provide the latest system condition assessment report or master plan available for the water and/or wastewater system this project supports. If a report or plan is unavailable, provide a brief description of significant facilities (i.e. pump stations or treatment plants) within the system, including construction and major rehabilitation dates, and any asset management processes utilized for the system.

Please see attachment "B.8. – 2013 Water System Master Plan"

9. If applicable, describe community outreach efforts conducted to date and planned for the project(s). Include community meetings, outreach sessions and groups contacted.

Please see attached community outreach materials in Section B-9 of the attachments. Outreach includes monthly neighborhood newsletters in construction impacted areas, direct outreach by phone, email and letters to large customers, quarterly District newsletters with project updates, Board briefings and neighborhood and community meetings.

For Project and Corporate Financing Transactions Only:



-
10. Provide a project-level organizational chart, include the major parties involved in planning, owning, financing, providing supply and/or offtake, constructing, operating, and/or maintaining the project(s). Include the major service contractors that have been, or will be, retained for the project (e.g., architects, developers, engineers, attorneys, financial advisors and underwriters, environmental consultants). Please also disclose if there is a financial relationship between the project sponsor and any key project partners.

The project is not using corporate financing, therefore this chart does not apply. However, a District staff organizational chart is attached for your reference.

Please see attachment “B.10. – 2021 District Org Chart”



Section C: Financing Plan

1. Provide a sources and uses of funds table for the construction period(s), including the proposed WIFIA assistance. For applicants other than Public Entities, please identify the amount and source(s) of project equity, letters of credit, and other sources of debt as applicable. Note any ineligible project costs. More information about eligible costs is available in the [WIFIA program handbook](#). If other debt is being issued, describe the timing and certainty.

Sources Category	Estimated Dollar Value
1. WIFIA Loan (cannot exceed 49% of eligible costs)	\$ 28,135,800
2. Revenue Bonds	\$ 28,284,200
3. SRF Loan	Click or tap here to enter text.
4. Borrower Cash	\$ 1,000,000
5. Previously Incurred Eligible Costs*	Click or tap here to enter text.
6. Other (please specify) Click or tap here to enter text.	Click or tap here to enter text.
TOTAL SOURCES	\$ 57,420,000
Uses Category	Estimated Cost
1. Construction	\$ 43,138,802.54
2. Design	\$ 7,936,063.33
3. Planning	Click or tap here to enter text.
4. Land Acquisition	Click or tap here to enter text.
5. Other Capital Costs	\$ 6,345,134.17
6. Contingency	Click or tap here to enter text.
7. Total Capital Costs	Click or tap here to enter text.
8. Financing Costs	Click or tap here to enter text.
8. Ineligible Costs (if applicable)	Click or tap here to enter text.
9. Other (please specify) Click or tap here to enter text.	Click or tap here to enter text.
10. Other (please specify) Click or tap here to enter text.	Click or tap here to enter text.
TOTAL USES	\$ 57,420,000

*Previously Incurred Eligible Costs are project related costs incurred prior to the WIFIA loan's execution. Please see the WIFIA Program Handbook for additional information on Eligible Costs.

2. Describe the proposed credit terms of the WIFIA assistance. Complete the following table and include additional text below.

Credit Term	Proposed
Lien Priority	<input checked="" type="radio"/> Senior Lien Subordinate Lien: all project debt <input type="radio"/> having the same priority as the WIFIA loan.



	<p>Subordinate Lien: not all project debt has the same priority as the WIFIA loan. A springing lien will be used in a bankruptcy related event.</p>
<p>Security Pledge</p>	<p><i>Security. WIFIA Loan</i> - The WIFIA Loan shall be payable as a senior lien Bond solely from the Security (as defined in the Bond Declaration) on parity with the District’s Series 2021 Bonds. The Security consists of the District’s right, title and interest in the following:(a) Net Revenues; (b) Subsidy Payments; (c) moneys and investments (including investment earnings thereon) on deposit in the Debt Service Account and the Bond Reserve Account, including without limitation the District’s right, title and interest in any Reserve Credit Facility (and any moneys drawn or paid thereunder) given with respect to meeting the Bond Reserve Requirement on a particular Series of Bonds; (d) any Credit Facility other than a Reserve Credit Facility given as security for the payment of any amounts owing on any 2021 Bonds (and any moneys drawn or paid thereunder); provided that such Credit Facility secures only those 2021 Bonds for which it was given; and (e) such other properties and assets as may be hereafter pledged to the payment of the WIFIA Loan pursuant to any Supplemental Declaration or which may be delivered, pledged, mortgaged or assigned by any person as security for the WIFIA Loan.</p> <p><i>Net Revenues.</i> The Bond Declaration defines Net Revenues as all Gross Revenues less Operating Expenses.</p> <p>Gross Revenues is defined in the Bond Declaration to mean all fees, charges and other revenues (including System Development Charge Revenues) from the operation of the System, including, without limitation, transfers from the Rate Stabilization Account, other moneys required to be placed in the funds and accounts created pursuant to the Bond Declaration and any interest earnings thereon. The term “Gross Revenues” does not include: (a) the interest income or other earnings derived from the investment of the Bond Proceeds Account, the Rebate Account, or any escrow fund established for the defeasance or refunding of outstanding indebtedness of the District; (b) payments of assessments made with respect to a local improvement (as defined in ORS Chapter 223) levied against benefited properties; (c) any gifts, grants, donations or other moneys received by the District from any State or federal agency or other person if such gifts, grants, donations or other</p>



moneys are the subject of any limitation or reservation that is: (i) imposed by the donor or grantor; or (ii) imposed by law or administrative regulation to which the donor or grantor is subject, limiting the application of such funds in a manner inconsistent with the application of Gross Revenues hereunder; (d) the proceeds of any borrowing; (e) the proceeds of any liability or other insurance (excluding business interruption insurance or other insurance of like nature insuring against the loss of revenues); (f) the proceeds of any casualty insurance that the District intends to use for repair or replacement of the System; (g) the proceeds derived from the sales of assets pursuant to the Bond Declaration; (h) any ad valorem taxes or other taxes imposed by the District to be paid to the extent properly attributable to operations of the System.

The Bond Declaration provides that Operating Expenses do not include: (a) any rebates or penalties paid from Gross Revenues under Section 148 of the Code; (b) payments for the settlement of litigation and payments to any liability reserve fund; (c) depreciation and amortization of property, values or losses, and all amounts treated for accounting purposes as payments for capital expenditures; (d) expenses incurred to maintain and preserve the System that are otherwise paid for from a grant or other restricted funding source; (e) debt service payments (including amounts treated for accounting purposes as debt service payments); or (f) capital transfers and capital outlays including without limitation transfers to capital construction accounts, related administrative expenses capitalized in connection with such capital transfers and capital outlays and expenditures for renewals and replacements.

Pursuant to ORS 287A.310, the pledge of the Net Revenues made by the District under the Bond Declaration will be valid and binding from the Delivery Date of the 2021 Bonds and the WIFIA Loan. The lien of this pledge is superior to all other claims and liens, except liens and claims for the payment of Operating Expenses, to the fullest extent permitted by ORS 287A.310, or any successor statute.

THE 2021 BONDS, THE WIFIA LOAN AND ANY SUBSEQUENT FUTURE PARITY OBLIGATIONS SHALL NOT BE A GENERAL OBLIGATION OF THE DISTRICT OR THE COUNTY OR THE STATE, NOR A CHARGE ON THEIR TAX REVENUES. THE DISTRICT HAS NO OBLIGATION TO PAY THE 2021 BONDS,



	<p>WIFIA LOAN AND ANY FUTURE PARITY OBLIGATIONS EXCEPT FROM NET REVENUES OF THE SYSTEM. THE 2021 BONDS, WIFIA LOAN AND FUTURE PARITY OBLIGATIONS SHALL BE PAYABLE SOLELY FROM THE NET REVENUES OF THE SYSTEM SPECIFICALLY PLEDGED THERETO UNDER THE BOND DECLARATION. NO RECOURSE SHALL BE HAD AGAINST ANY PROPERTIES OR ASSETS, OTHER THAN NET REVENUES OF THE SYSTEM, OF THE DISTRICT OR THE COUNTY OR THE STATE FOR THE PAYMENT OF ANY AMOUNTS OWING UNDER OR WITH RESPECT TO THE 2021 BONDS, WIFIA LOAN AND ANY FUTURE PARITY OBLIGATIONS OR THE BOND DECLARATION. THE BONDHOLDERS, LENDERS OR HOLDERS OF ANY OBLIGATION SHALL HAVE NO RIGHT TO COMPEL THE PAYMENT OF ANY AMOUNTS OWING UNDER OR WITH RESPECT TO THE 2021 BONDS, WIFIA LOAN, FUTURE PARITY OBLIGATIONS OR THE BOND DECLARATION OUT OF ANY TAX REVENUES OR OTHER ASSETS OF THE DISTRICT OR THE COUNTY OR THE STATE (OTHER THAN THE NET REVENUES OF THE SYSTEM).</p>
WIFIA Loan Maturity Date	2/1/2052

- Describe all dedicated revenue sources to be used to repay project financing, the expected rate(s), and the base to which such rates will be applied (e.g. average monthly consumption). Include rate covenant requirements that may affect these revenue sources.

Water rate revenues which include a base and volume fee will be the primary revenue source for loan repayment, according to the financial plan and rate model attached in section C7 titled "RWPUD- 2021 Financial Plan (Rev 3) and RWPUD – 2021 Financial Plan Update Final" and the attached Cash Flow pro forma which provides the rate revenue projections and cash flow. The average daily consumption for the system is currently 6.5 million gallons per day, and rate revenues are based on this value and do not include projected water demand increases, to be conservative.

A description of the Rate Covenant is as follows and ensures that the revenue sources are adequate for debt service.

Rate Covenant

The District covenants for the benefit of the Owners of all senior lien Bonds (including the WIFIA loan) that it will charge rates and fees in connection with the operation of the System which,



when combined with other Gross Revenues, are adequate to generate Net Revenues in each Fiscal Year at least equal to each of (a) 1.25 times Annual Bond Debt Service due in that Fiscal Year for Outstanding Bonds, (b) 1.15 times Annual Bond Debt Service due in that Fiscal Year for Outstanding Bonds, excluding SDC Improvement Fees, (c) 1.00 times Annual Bond Debt Service due in that Fiscal Year for any Subordinate Obligations (after subtracting Annual Bond Debt Service from Net Revenues due in that Fiscal Year for 2021 Bonds), and (d) any amounts owed by the District to a Credit Provider for surety premium payments. Not less than 90 days following the end of each Fiscal Year, the Authorized Representative will determine whether the District has met the requirements of Section 9.01(a), and will document the results of its determination in a certificate to be held on file by the District. If the Net Revenues fail to meet the Rate Covenant, the District will promptly, but in no event more than 270 days after the close of the Fiscal Year in which the failure occurred, increase its rates and fees or reduce expenses to a level so that Net Revenues are projected to meet the Rate Covenant for the remainder of the then-current Fiscal Year and for the succeeding Fiscal Year. The District will demonstrate its compliance with the Rate Covenant and all other provisions of the Bond Declaration by filing the Annual Certificate as required by the Bond Declaration.

4. Provide the file name for and submit a new or recent preliminary rating letter from a nationally recognized statistical rating organization opining on the proposed WIFIA financing and describing the applicant's ability to obtain an investment grade rating on the project's senior obligations. An existing rating may be used in place of a preliminary rating letter if it is recent and actively maintained. The applicant should discuss using an existing rating with its transaction team prior to application submittal.

]
[See attachment "C.4. - Moody's Bond Rating Letter 2021"

5. Provide the year-end audited financial statement for the applicant for past three (3) years, as an attachment, and enter the file names below.]

[
See attachment "C.5. – Audited Financial Statements"

6. Attach the financial model for the project(s) and provide its file name below. All amounts should be expressed on a cash (year-of-expenditure) basis and should clearly show assumptions used to arrive at such estimates. A sample pro forma can be found [here](#). The pro forma(s) should include:

- a. Details on projected revenues, operations and maintenance expense, capital expenditures and other key line items. Include rate changes and inflation factors as appropriate;
- b. Estimated total debt service coverage. Also show senior and junior lien debt coverages separately, if applicable;
- c. Disbursement and repayment schedule for all debt sharing the WIFIA security, addressing, as applicable, senior- and junior-lien debt. Same lien debt amounts may be aggregated;



d. Anticipated disbursement and repayment schedule of the requested WIFIA loan.

See attachments

“C.6. – rwpud pro forma 7.7.21”

“C.6. – Financial Plan and Model”

7. Describe the rate setting process, including regulations governing rate setting, approval requirements, timing for implementation, etc. Include 10 years of rate schedule history for the applicant and specify if recommended rate increases were ever rejected.

Regulations for the rate setting process can be found in the District Policy Manual, in the sections below (not attached).

- Series 1,000-Role and Function of Board- Article 7: Budget Committee
- Series 4000- Rules and Regulations- Article 6 Rates and Charges,
- Appendix IV: Water Rates and Charges
- Appendix VI: Financial Management Policies

The District Budget and Rate setting process follows the policy manual, and consists of a draft budget document that is created by staff and submitted to a financial consultant who updates the financial plan and model (see “C.6. – Financial Plan and Model”). Based on the model, a budget and rate adjustment is proposed to the District Board and Budget Committee between April and May, and an approved rate adjustment and budget is finalized at the June Board and Budget hearing. A recommended rate increase has never been rejected by the Board.

See attachment: “C.7 – 10 Year Historic and Current Rates”

8. If available, provide a flow of funds diagram or description and summarize key obligations in the flow of funds.

Please see attached flow of funds in Section C Financing Plan/8 Flow of Funds/ RWPUD – WIFIA APP – SECTION C#8 – FLOW OF FUNDS

9. Describe what document(s) will be the starting point for the WIFIA loan agreement:

Standard WIFIA loan agreement.

Existing Master Indenture or Bond Ordinance. Included as an attachment is the Existing Master Indenture or Bond Ordinance.



US Environmental Protection Agency
WIFIA Program
Application

OMB Control No. 2040-0292
EPA Form No. 6100-032
Approval expires 4/24/2023

- Customized loan agreement for the project(s) and applicant.
- Other.

Additional notes for loan agreement:



Section D: Federal Requirements Compliance

- Describe the status of the environmental review in accordance with the National Environmental Policy Act (NEPA). If applicable, submit the [Programmatic Environmental Assessment \(PEA\) Questionnaire form](#), Environmental Assessment (draft or final), or Environmental Impact Statement (draft or final),

The Environmental Review was completed by Murraysmith and the completed PEA Questionnaire is attached.

- Describe the status of the SRF environmental review, if applicable. Submit the available SRF Findings and/or SRF consultation documentation.

N/A

- If the environmental review for the project is underway or complete, complete the following table to identify the anticipated impacts and mitigations. Mark a “X” in the appropriate column to identify the impacts anticipated for each resource type and, if applicable, provide a short explanation of the mitigations.

Resource Type	Anticipated Impacts			Mitigations
	No Impact	Less Than Significant Impact	Potentially Significant Impact	
Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No mitigation required (groundwater)
Biological	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[Enter text here.]
Cultural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No mitigation identified
Others as Applicable	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	[Enter text here.]

- Identify any agencies with which cross-cutter consultations have been undertaken for the project and include supporting documentation as attachments. (Check all that apply)

- State Historic Preservation Officer
- Fish and Wildlife Service
- National Marine and Fisheries Service
- Coastal Zone Management Agency
- Other [Click or tap here to enter text.]

- Describe the status of any additional permits and approvals that the project(s) may require. Add additional rows as needed. If providing permit information as attachments, list the filenames below.



Major Permits or Approvals Required	Approving Authority	Status	Expected Approval Date
Enter text here.	Enter text here.	Enter text here.	Enter date here.
Enter text here.	Enter text here.	Enter text here.	Enter date here.
Enter text here.	Enter text here.	Enter text here.	Enter date here.

We do not anticipate any other “major permits” needed.

6. If applicable, specify if a new or relocated discharge, either permanent or temporary, to surface or groundwater is expected or new or relocated water intakes are expected.

The District has applied for and received a 1200-C permit as part of its groundwater development project.

The District is developing several new wells as part of this project, defined in the Groundwater Development Master Plan.

7. Additional forms will need to be completed and submitted prior to closing the WIFIA loan. Check all that are included with the application:



epa_form_6600_06.pdf



SFLLL_1_2-V1.2.pdf



epa_form_4700_4.pdf



8. If the project(s) include acquisition of real property, identify how the project complies or will comply with [Uniform Relocation Assistance and Real Property Acquisition Policies Act](#) (Uniform Act).

The District purchased three properties related to the development of new wells for the project, however eminent domain was not used for the purchase of the properties. Two of the properties, associated with Well #7 located at 710 and 718 NE 202nd Avenue, Gresham, OR were advertised on the market at the time of purchase and the District made an offer which was accepted. The third property, located at 335 NE 141st Avenue at our Well #8 location was not



for sale at the time. The District reached out to the homeowner of the property and asked the owner if they would be interested in selling. The owner recommended a purchase price to the District that they would be willing to accept in compensation for the property and this was accepted by the District.

Section E: Contract Information

Complete the “Section E: Supplemental Spreadsheet.” Instructions for each column are available on the first tab labeled “Instructions – Section E”. Provide answers for each project in the application using separate rows designated, “Contract 1, Contract 2, etc.”



CERTIFICATIONS

1. *National Environmental Policy Act:* The applicant acknowledges that any project receiving credit assistance under this program must comply with all provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)
2. *American Iron and Steel:* The applicant acknowledges that any project receiving credit assistance under this program for the construction, alteration, maintenance, or repair of a project may only use iron and steel products produced in the United States and must comply with all applicable guidance.
3. *Prevailing Wages:* The applicant acknowledges that all laborers and mechanics employed by contractors or subcontractors on projects receiving credit assistance under this program shall be paid wages at rates not less than those prevailing for the same type of work on similar construction in the immediate locality, as determined by the Secretary of Labor, in accordance with sections 3141-3144, 3146, and 3147 of Title 40 (Davis-Bacon wage rules).
4. *Credit Ratings:* This applicant has received a preliminary rating opinion letter(s) on the project's senior debt instrument, from one or more rating agencies. These letters or ratings are attached.
5. *Credit Processing Fees:* The undersigned certifies that it will reimburse EPA for its costs incurred in negotiating the credit agreement, irrespective of whether the credit agreement is executed.
6. *Lobbying:* Section 1352 of Title 31, United States Code provides that none of the funds appropriated by any Act of Congress may be expended by a recipient of a contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, or an employee of a Member of Congress in connection with the award or making of a Federal contract, grant, loan, or cooperative agreement or the modification thereof. EPA interprets this provision to include the use of appropriated funds to influence or attempt to influence the selection for assistance under the WIFIA program.

WIFIA applicants must file a declaration: (a) with the submission of an application for WIFIA credit assistance; (b) upon receipt of WIFIA credit assistance (unless the information contained in the declaration accompanying the WIFIA application has not materially changed); and (c) at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the information contained in any declaration previously filed in connection with the WIFIA credit assistance.

The undersigned certifies, to the best of his or her knowledge and belief, that:

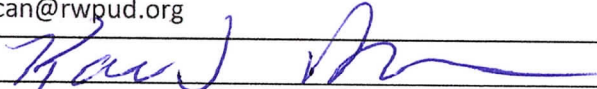
1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement,



the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
 This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
7. *Debarment:* The undersigned further certifies that it is not currently: 1) debarred or suspended from participating in any Federal programs; 2) formally proposed for debarment, with a final determination still pending; or 3) indicted, convicted, or had a civil judgment rendered against it for any of the offenses listed in the Regulations Governing Debarment and Suspension (Governmentwide Nonprocurement Debarment and Suspension Regulations: 2 C.F.R. Part 180 and Part 1532).
8. *Default/Delinquency:* The undersigned further certifies that neither it nor any of its subsidiaries or affiliates are currently in default or delinquent on any debt or loans provided or guaranteed by the Federal Government.
9. *Other Federal Requirements:* The applicant acknowledges that it must comply with all other federal statutes and regulations, as applicable. A non-exhaustive list of federal cross-cutting statutes and regulations can be found at : <https://www.epa.gov/wifia/wifia-resources#complianceanchor>.
10. *Signature:* By submitting this application, the undersigned certifies that the facts stated and the certifications and representations made in this application are true, to the best of the applicant's knowledge and belief after due inquiry, and that the applicant has not omitted any material facts. The undersigned is an authorized representative of the applicant.

Name: Kari J. Duncan
 Title: General Manager
 Organization: Rockwood Water People's Utility District
 Street Address: 19601 NE Halsey Street
 City/State/Zip: Portland/ OR / 97230-7430
 Phone: 503-674-4507
 E-mail: kduncan@rwpud.org

Signature: 
 Date Signed: 8/19/2021



KEY DEFINITIONS

- (a) *Administrator* means the Administrator of EPA.
- (b) *Community water system* has the meaning given the term in section 1401 of the Safe Drinking Water Act (42 U.S.C. 300f).
- (c) *Credit assistance* means a secured loan or loan guarantee under WIFIA.
- (d) *Credit agreement* means a contractual agreement between EPA and the project sponsor (and the lender, if applicable) that formalizes the terms and conditions established in the term sheet (or conditional term sheet) and authorizes the execution of a secured loan or loan guarantee.
- (e) *Eligible project costs* mean amounts, substantially all of which are paid by, or for the account of, an obligor in connection with a project, including the cost of:
- (1) Development-phase activities, including planning, feasibility analysis (including any related analysis necessary to carry out an eligible project), revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;
 - (2) Construction, reconstruction, rehabilitation, and replacement activities;
 - (3) The acquisition of real property or an interest in real property (including water rights, land relating to the project, and improvements to land), environmental mitigation (including acquisitions pursuant to section 33 U.S.C. §3905(7)), construction contingencies, and acquisition of equipment; and
 - (4) Capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction.
- (f) *Investment-grade rating* means a rating category of BBB minus, Baa3, bbb minus, BBB (low), or higher assigned by a nationally recognized statistical rating organization (NRSRO) to project obligations offered into the capital markets.
- (g) *Iron and steel products* means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.
- (h) *Nationally Recognized Statistical Rating Organization (NRSRO)* means a credit rating agency identified and registered by the Office of Credit Ratings in the Securities and Exchange Commission.
- (i) *Project* means:
- (1) Any project for flood damage reduction, hurricane and storm damage reduction, environmental restoration, coastal or inland harbor navigation improvement, or inland and intracoastal waterways navigation improvement that the Secretary determines is technically sound, economically justified, and environmentally acceptable, including—



-
- (A) a project to reduce flood damage;
 - (B) a project to restore aquatic ecosystems;
 - (C) a project to improve the inland and intracoastal waterways navigation system of the United States; and
 - (D) a project to improve navigation of a coastal or inland harbor of the United States, including channel deepening and construction of associated general navigation features.
- (2) 1 or more activities that are eligible for assistance [under section 1383\(c\) of this title](#), notwithstanding the public ownership requirement under paragraph (1) of that subsection.
 - (3) 1 or more activities described in section [300j-12\(a\)\(2\) of title 42](#).
 - (4) A project for enhanced energy efficiency in the operation of a public water system or a publicly owned treatment works.
 - (5) A project for repair, rehabilitation, or replacement of a treatment works, community water system, or aging water distribution or waste collection facility (including a facility that serves a population or community of an Indian reservation).
 - (6) A brackish or sea water desalination project, including chloride control, a managed aquifer recharge project, a water recycling project, or a project to provide alternative water supplies to reduce aquifer depletion.
 - (7) A project to prevent, reduce, or mitigate the effects of drought, including projects that enhance the resilience of drought-stricken watersheds.
 - (8) Acquisition of real property or an interest in real property—
 - (A) if the acquisition is integral to a project described in paragraphs (1) through (6); or
 - (B) pursuant to an existing plan that, in the judgment of the Administrator or the Secretary, as applicable, would mitigate the environmental impacts of water resources infrastructure projects otherwise eligible for assistance under this section.
 - (9) A combination of projects, each of which is eligible under paragraph (2) or (3), for which a State infrastructure financing authority submits to the Administrator a single application.
 - (10) A combination of projects secured by a common security pledge, each of which is eligible under paragraph (1), (2), (3), (4), (5), (6), (7), or (8), for which an eligible entity, or a combination of eligible entities, submits a single application.
- (j) *Public entity* means:
- (1) a Federal, State, or local Governmental entity, agency, or instrumentality; or
 - (2) a Tribal Government or consortium of Tribal Governments.
- (k) *Publicly sponsored* means the obligor can demonstrate, to the satisfaction of the Administrator that it has consulted with the affected State, local or Tribal Government in which the project is located, or is otherwise affected by the project, and that such government supports the proposed project. Support can be shown by a certified letter signed by the approving municipal department or similar agency, mayor or other similar designated authority, local ordinance, or any other means by which local government approval can be evidenced.



-
- (l) *Small Community* means a community with a population of no more than 25,000 individuals.
- (m) *State* means any one of the fifty states, the District of Columbia, Puerto Rico, or any other territory or possession of the United States.
- (n) *State infrastructure financing authority* means the State entity established or designated by the Governor of a State to receive a capitalization grant provided by, or otherwise carry out the requirements of, title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et. seq.) or section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12).
- (o) *Term sheet* means a contractual agreement between EPA and the project sponsor (and the lender, if applicable) that sets forth the key business terms and conditions of a Federal credit instrument. Execution of this document represents a legal obligation of budget authority.
- (p) *Treatment works* has the meaning given the term in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292).
- (q) *WIFIA* means the Water Infrastructure Finance and Innovation Act of 2014, Pub. L. 113-121, 128 Stat, 1332, codified at 33 U.S.C. §§ 3901-3914.

Rockwood Water People's Utility District

- WIFIA LOAN APPLICATION
- Section C: Financing Plan
 - #6 – Cash Flow Pro Forma

Rockwood Water Peoples Utility District

Fiscal Year July 1 - June 30

	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Budgeted 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Revenues													
Water sales	7,558,483	7,750,088	8,272,343	8,628,331	8,865,870	10,330,913	10,330,913	11,415,659	11,894,454	12,393,331	12,913,131	13,454,733	14,019,051
Water Rate Adjustment ⁽¹⁾							1,084,746	478,795	498,877	519,801	541,602	564,318	580,784
Gresham utility tax ⁽²⁾	286,547	283,406	295,954	314,754	302,289	377,570	415,000	427,450	440,274	453,482	467,086	481,099	495,532
Portland utility tax ⁽²⁾	107,517	112,157	123,537	126,107	157,893	172,500	190,000	195,700	201,571	207,618	213,847	220,262	226,870
Fairview utility tax ⁽²⁾	5,949	5,482	10,180	9,428	10,330	12,330	13,600	14,008	14,428	14,861	15,307	15,766	16,239
Backflow Charges ⁽³⁾	27,052	27,433	29,267	31,269	33,939	36,736	40,000	40,100	40,200	40,301	40,402	40,503	40,604
Set-up Fees ⁽³⁾	27,775	26,000	23,805	25,094	23,378	25,250	27,270	27,338	27,407	27,475	27,544	27,613	27,682
Late Fees	187,313	183,050	192,067	208,337	257,897	220,000	252,000	252,000	252,000	252,000	252,000	252,000	252,000
Service installations ⁽³⁾	108,882	101,312	112,763	141,820	343,614	210,000	250,000	250,625	251,252	251,880	252,509	253,141	253,774
Subdivision project income ⁽³⁾	21,596	11,817	26,030	44,776	61,394	50,000	50,000	50,125	50,250	50,376	50,502	50,628	50,755
Other Service income	136,892	119,187	151,203	164,548	133,948	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Interest	25,495	50,835	119,570	217,527	173,818	-	-	-	-	-	-	-	-
Rental Income ⁽³⁾	35,970	42,664	49,680	52,195	80,725	71,780	65,920	66,085	66,250	66,416	66,582	66,748	66,915
Scrap metal sales ⁽³⁾	6,360	5,762	11,776	10,133	7,048	5,100	7,500	7,519	7,538	7,556	7,575	7,594	7,613
Other Misc. Income ⁽³⁾	37,120	39,885	44,268	36,766	398,437	40,000	40,000	40,100	40,200	40,301	40,402	40,503	40,604
Other Govt. Agencies		-				738,500	-	-	-	-	-	-	-
Fixed Asset Disposition		-				20,000	20,000	10,000	10,000	10,000	10,000	10,000	10,000
Interest ⁽⁴⁾						71,196	70,329	97,308	104,824	110,822	108,606	103,714	110,279
SDC Reimbursement fee receipts	-	-	-	-	-	171,563	171,563	171,563	171,563	171,563	171,563	171,563	171,563
Total Revenues	8,572,951	8,759,078	9,462,443	10,011,085	10,850,580	12,703,438	13,178,841	13,694,375	14,221,087	14,767,781	15,328,657	15,910,184	16,520,264
Operating Expenses								11,894,354	12,313,131	12,913,131	13,454,733	14,019,051	
Personal services ⁽⁵⁾	2,248,105	2,349,225	2,520,959	2,730,454	3,074,387	3,332,276	3,495,423	3,621,544	3,814,495	3,956,608	4,172,766	4,333,582	4,576,505
Material and services ⁽⁶⁾	3,772,618	4,160,453	4,232,540	4,380,435	4,779,478	4,875,607	5,163,137	5,691,707	6,125,009	6,258,702	6,493,956	7,551,705	5,771,373
Total Expenditures	6,020,723	6,509,678	6,753,499	7,110,889	7,853,865	8,207,883	8,658,560	9,313,251	9,939,505	10,215,310	10,666,721	11,885,287	10,347,878
Net Revenues Available for Debt Service	2,552,228	2,249,400	2,708,944	2,900,196	2,996,715	4,495,555	4,520,281	4,381,124	4,281,583	4,552,471	4,661,936	4,024,896	6,172,386
Debt Service													
2011 Water Revenue Obligations ⁽⁷⁾	465,113	463,925	461,450	463,125	468,925	463,000	-	-	-	-	-	-	-
2021 Water Revenue Bonds ⁽⁸⁾							1,414,636	1,436,350	1,439,750	1,436,750	1,432,550	1,437,150	1,435,150
WIFIA Loan ⁽⁹⁾	-	-	-	-	-	-	-	-	789,539	789,539	789,539	789,539	2,428,329
Future Water Revenue Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	465,113	463,925	461,450	463,125	468,925	463,000	1,414,636	1,436,350	2,229,289	2,226,289	2,222,089	2,226,689	3,863,479
Debt Service Coverage Ratio with SDC Reimbursement Revenues	5.49	4.85	5.87	6.26	6.39	9.71	3.20	3.05	1.92	2.04	2.10	1.81	1.60
Revenues Available after Debt Service	2,087,116	1,785,475	2,247,494	2,437,071	2,527,790	4,032,555	3,105,645	2,944,774	2,052,294	2,326,182	2,439,847	1,798,207	2,308,907
Debt Service Coverage Ratio without SDC Reimbursement Revenues	5.49	4.85	5.87	6.26	6.39	9.34	3.07	2.93	1.84	1.97	2.02	1.73	1.55

Rockwood Water Peoples Utility District

Fiscal Year July 1 - June 30

	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033	Projected 2034	Projected 2035	Projected 2036	Projected 2037	Projected 2038	Projected 2039	Projected 2040	Projected 2041
Revenues													
Water sales	14,599,835	15,204,680	15,834,583	16,490,582	17,173,757	17,775,448	18,398,219	19,042,809	19,709,983	20,400,532	21,115,274	21,855,058	22,620,760
Water Rate Adjustment ⁽¹⁾	604,845	629,903	655,998	683,175	601,691	622,771	644,590	667,174	690,549	714,742	739,784	765,702	792,529
Gresham utility tax ⁽²⁾	510,398	525,710	541,481	557,725	574,457	591,691	609,441	627,725	646,556	665,953	685,932	706,510	727,705
Portland utility tax ⁽²⁾	233,676	240,686	247,907	255,344	263,004	270,895	279,021	287,392	296,014	304,894	314,041	323,462	333,166
Fairview utility tax ⁽²⁾	16,726	17,228	17,745	18,277	18,826	19,390	19,972	20,571	21,188	21,824	22,479	23,153	23,848
Backflow Charges ⁽³⁾	40,705	40,807	40,909	41,011	41,114	41,217	41,320	41,423	41,527	41,630	41,734	41,839	41,943
Set-up Fees ⁽³⁾	27,751	27,820	27,890	27,959	28,029	28,099	28,170	28,240	28,311	28,381	28,452	28,524	28,595
Late Fees	252,000	252,000	252,000	252,000	252,000	252,000	252,000	252,000	252,000	252,000	252,000	252,000	252,000
Service installations ⁽³⁾	254,408	255,044	255,682	256,321	256,962	257,604	258,248	258,894	259,541	260,190	260,840	261,492	262,146
Subdivision project income ⁽³⁾	50,882	51,009	51,136	51,264	51,392	51,521	51,650	51,779	51,908	52,038	52,168	52,298	52,429
Other Service income	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Interest													
Rental Income ⁽³⁾	67,082	67,250	67,418	67,587	67,756	67,925	68,095	68,265	68,436	68,607	68,778	68,950	69,123
Scrap metal sales ⁽³⁾	7,632	7,651	7,670	7,690	7,709	7,728	7,747	7,767	7,786	7,806	7,825	7,845	7,864
Other Misc. Income ⁽³⁾	40,705	40,807	40,909	41,011	41,114	41,217	41,320	41,423	41,527	41,630	41,734	41,839	41,943
Other Govt. Agencies	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed Asset Disposition	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Interest ⁽⁴⁾	114,690	109,645	103,056	101,711	102,230	103,499	104,435	104,890	104,740	103,776	101,822	98,639	93,998
SDC Reimbursement fee receipts	171,563	171,563	171,563	171,563	171,563	171,563	171,563	171,563	171,563	171,563	171,563	171,563	171,563
Total Revenues	17,152,899	17,801,803	18,475,948	19,183,220	19,811,603	20,462,568	21,135,790	21,831,915	22,551,628	23,295,567	24,064,428	24,858,874	25,679,613
Operating Expenses													
Personal services ⁽⁵⁾	4,759,278	5,033,173	5,241,794	5,551,639	5,790,773	6,142,463	6,417,708	6,818,242	7,136,323	7,594,028	7,963,544	8,487,817	8,917,461
Material and services ⁽⁶⁾	5,994,841	6,227,027	6,468,272	6,718,931	6,979,375	7,249,988	7,531,166	7,823,329	8,126,905	8,442,344	8,770,112	9,110,691	9,464,588
Total Expenditures	10,754,119	11,260,200	11,710,066	12,270,570	12,770,148	13,392,451	13,948,874	14,641,571	15,263,227	16,036,371	16,733,656	17,598,508	18,382,049
Net Revenues Available for Debt Service	6,398,780	6,541,603	6,765,881	6,912,650	7,041,455	7,070,117	7,186,916	7,190,343	7,288,400	7,259,195	7,330,772	7,260,366	7,297,564
Debt Service													
2011 Water Revenue Obligations ⁽⁷⁾	-	-	-	-	-	-	-	-	-	-	-	-	-
2021 Water Revenue Bonds ⁽⁸⁾	1,436,750	1,436,750	1,435,150	1,431,950	1,077,150	1,074,750	1,076,150	1,074,900	1,077,900	1,075,000	1,076,350	1,076,800	1,076,350
WIFIA Loan ⁽⁹⁾	2,428,329	2,428,329	2,428,329	2,428,329	2,428,329	2,428,329	2,428,329	2,428,329	2,428,329	2,428,329	2,428,329	2,428,329	2,428,329
Future Water Revenue Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	3,865,079	3,865,079	3,863,479	3,860,279	3,505,479	3,503,079	3,504,479	3,503,229	3,506,229	3,503,329	3,504,679	3,505,129	3,504,679
Debt Service Coverage Ratio with SDC Reimbursement Revenues	1.66	1.69	1.75	1.79	2.01	2.02	2.05	2.05	2.08	2.07	2.09	2.07	2.08
Revenues Available after Debt Service	2,533,701	2,676,524	2,902,402	3,052,371	3,535,976	3,567,038	3,682,437	3,687,114	3,782,171	3,755,866	3,826,093	3,755,237	3,792,885
Debt Service Coverage Ratio without SDC Reimbursement Revenues	1.61	1.65	1.71	1.75	1.96	1.97	2.00	2.00	2.03	2.02	2.04	2.02	2.03

Notes: Percentage Increases in Revenues and Expenditures are based on Financial Review & Forecast prepared by HDR Engineering. Forecast based on Annual Revenues and Expenditures and DOES NOT take into account Beginning Cash Balances. The District does maintain a Rate Stabilization Account. However, there is no consideration given within the Financial Review and Forecast nor is there any intent to utilize the Rate Stabilization Account.

Revenues:

- (1) - Water rates assumed to adjust at annual average rate of 4.19% per year. No consideration given for customer or consumption growth. (2) Utility Tax assumed to increase an annual average of 3.35% per year and is offset by a corresponding expenditure in Operation & Maintenance.
- (3) - Projected to increase at an annual rate of 0.25%. (4) Includes estimated Interest earnings only from the General Fund and Debt Service & Reserve Fund.
- (5) - Projections only include System Development Charges only from the the SDC Reimbursement Fund which are accounted for in a separate account from the General Fund. The System Development Fund - Reimbursement accounts for the resources designated for water distribution system extensions and improvements. The principal revenue source is system development charges. SDC Reimbursement is projected to remain flat with no projected increase or decrease in the SDC revenues to be received.

Expenditures:

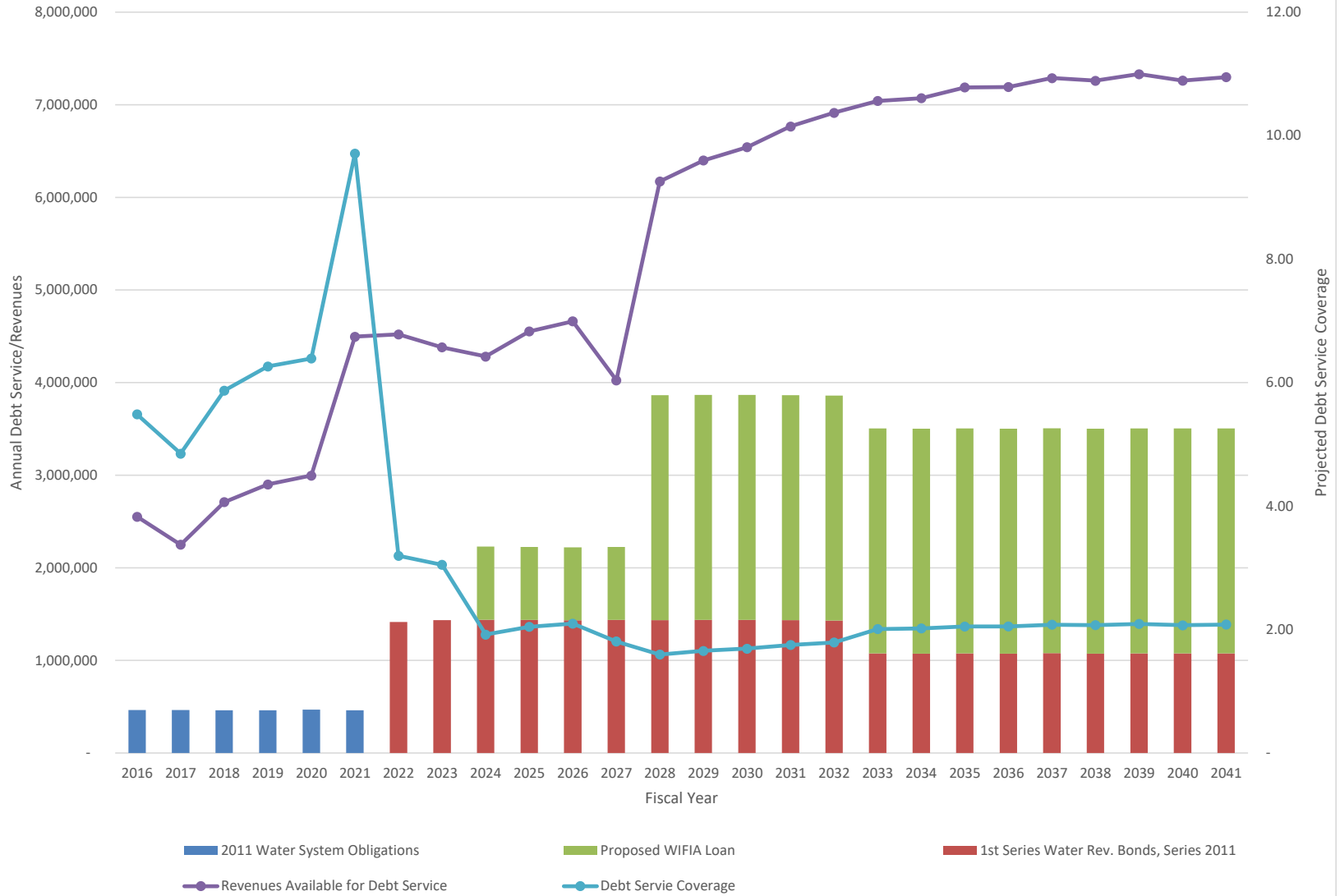
- (5) Personal Services, which includes salaries, wages and benefits, are estimated to increase at an annual rate of 3.0% per with the exception of Employee Insurance, 10%/year, and variable increases for retirement system contributions.
- (6) Materials and Services are projected to increase 4.0% per year. Material and Services also includes Utility Tax which is offset by a corresponding offset in Revenues. Additionally, Material and Services includes Water Purchases from other sources until FY 2027 when the Groundwater Development Program is full implemented. Beginning in FY 2027, O&M is projected increase \$2,960,000 for additional Future Water Source expenditures and increas 4.0%/year thereafter.

Debt Service:

- (7) To be refunded by the Series 2021 Water Revenue Bonds.
- (8) True Interest Costs of 1.671%.
- (9) Projected. It is anticipated that the WIFIA Loan will close in the 1st quarter of 2022 with debt service to commence in Fiscal Year 2024.

Source: Rockwood Water PUD/HDR Engineering - Audited Financial Statements, Budgets and Engineering Report.

Proposed Revenues, Debt Service and Coverage



General Project Information

Project Component Name	Project Component Description	Project Component Location	Contract Name/Number	Contract Scope of Work	Design Criteria/Useful Life	Project Delivery Method
GDMP - Package 1: Cascade Reservoirs Improvements	Cascade Reservoir 1 structural rehab, New Cascade Reservoir 2, New Cascade Well 7 Wellhouse & Transmission Main, Portion of New Cascade to Bella Vista/Grant Butte Transmission main (Package 2B), New Distribution Piping in area of transmission mains	19601 NE Halsey Street, Portland, OR (Cascade Site, also the District Office)	Contract 1a: Professional Services Contract for Groundwater Development Project Package No. 1 Cascade Reservoir Improvements, Contract 1b: Construction Contract for Groundwater Development Package No 1 Cascade Reservoir Improvements Contract 1c: Construction Management Services for Groundwater Development Package 1 Improvements	Contract 1a: Design and Permitting for Package 1 Improvements Contract 1b: Construction for Package 1 Improvements, Contract 1c: Construction Management Services for Package 1 Improvements	50 Years	Design-Bid-Build
GDMP - Package 2A: Transmission Main	Glendoveer Transmission Main - approximately 9,000 lf of 30" diameter pipe	from NE 172nd Avenue and NE Glisan Street to the 311 NE 141st Avenue, Portland, OR (141st Ave PS & Reservoir site)	Contract 2 (future)		50 Years	Design-Bid-Build
GDMP - Package 2B: Transmission Main	Cascade to Bella Vista/Grant Butte Reservoirs transmission main - approximately 19,000 lf of 36" diameter pipe	from 19601 NE Halsey Street to the City's North Meter Station and the District's 202nd and Division Street Master Meter	Contract 3 (future)		50 Years	Design-Bid-Build
GDMP - Package 3: 141st Avenue Site Improvements	New Cascade Well 8 wellhouse, seismic retrofit of existing 2.2 MG concrete reservoir, new 2 mgd water treatment facility, upgrade internals of existing pump station, install new prv at NW corner of PZ	311 Ne 141st Avenue, Portland OR (141st Ave PS & Reservoir site)	Contract 4 (future)		50 Years	Design-Bid-Build
GDMP - Package 4: Cascade Site Improvements	New 20-30 mgd Cascade Water Treatment Facility, Expand existing Cascade Pump Station	19601 NE Halsey Street, Portland, OR (Cascade Site, also the District Office)	Contract 5 (future)		50 Years	Design-Bid-Build or Design-Bui
GDMP - Package 5: Cascade Well No. 6 Site Improvements	New 5 mgd Water Treatment Facility, new Cascade Well 6 Wellhouse, new onsite piping	SE 223rd Ave and SE Stark Street	Contract 6 (future)		50 Years	Design-Bid-Build
GDMP - Package 6: Cascade Well No. 9 Site Improvements	New Cascade Well 9 Wellhouse, New Cascade Well 9 transmission main - approximately 5,000 lf of 18" diameter pipe	1087 NE 188th Avenue, Portland, OR (City of Gresham's Kirk Park)	Contract 7 (future)		50 Years	Design-Bid-Build
GDMP - Package 7: Cascade Well No. 10 Site Improvements	New 2 mgd Water Treatment Facility, New Cascade Well 10 Wellhouse, New Cascade Well 10 transmission main.	TBD	Contract 8 (future)		50 Years	Design-Bid-Build
GDMP - Package 8: North Meter Station Improvements	Improvements at the existing North Meter Station in order to transmit the full groundwater supply from the Cascade site to the City's Grant Butte pressure zone. New North Meter transmission main approx. 2,300 lf of 24" diameter pipe.	3180 NW Division Street, Gresham, OR (NE Corner of Mountain Knolls apartment site)	Contract 9 (future)		50 Years	Design-Bid-Build
GDMP - Package 9: Columbia South Shore Improvements	New City of Gresham distribution piping connected to RWPUD master metered connection to provide groundwater service to existing customers served by City of Portland owned waterline. Approx. 7,200 lf of 16" and 12" diameter pipe.	NE Sandy Blvd. between NE 165th Ave and NE 181st Ave.	Contract 10 (future)		50 Years	Design-Bid-Build

Note: Add more components as applicable

Note: Add more contracts as applicable

		Schedule								
Names of Technical Reports/Design Documentation	Names of Environmental Reports/ Documentation	Planning Start	Planning End	Design Start	Design End	Construction Start	Construction End Date	Schedule Notes	Planning Cost	Design Cost
GDMP, Geotech Report, a copule of memos from Murraysmith regarding the sizing of the tranmission main and and PS capabilities		10/30/2018	10/30/2020	6/1/2020	4/1/2021	5/17/2021	5/3/2023		\$ 391,877.00	\$1.2M
GDMP, MP 2013		10/30/2018	10/30/2020	3/1/2021	12/31/2021	1/1/2022	9/30/2022			\$0.7M
GDMP, Tech Memo from Murraysmith		10/30/2018	10/30/2020							\$1.54M
GDMP		10/30/2018	10/30/2020	1/1/2022	10/31/2022	1/1/2023	12/31/2023			\$0.995M
GDMP, Tech Memo from Murraysmith		10/30/2018	10/30/2020	1/1/2023	12/31/2023	3/1/2024	5/31/2025			\$3.105M
GDMP		10/30/2018	10/30/2020	7/1/2022	4/30/2023	7/1/2023	12/31/2024	Well Drilling to be completed prior to site design.		\$1.365M
GDMP		10/30/2018	10/30/2020	7/1/2021	1/31/2022	4/1/2022	4/30/2023			\$0.525M
GDMP		10/30/2018	10/30/2020	10/1/2023	4/30/2024	7/1/2024	6/30/2024	Well Drilling to be completed prior to site design.		\$0.58M
GDMP		10/30/2018	10/30/2020	10/1/2022	4/30/2024	7/1/2023	3/30/2024			\$0.4M
GDMP		10/30/2018	10/30/2020	1/1/2024	9/30/2024	11/1/2024	4/30/2024			\$0.3M

Cost Information						
Construction Cost	Other Cost	Names of Attached Cost Documents	Previously Incurred Costs	Project Management	Cost Notes	Operations and Maintenance Plan
\$22M		RWPUD GDMP - Package 1 Bid Documents		\$0.97M (Program Administration = 5%)		A new O&M plan will be developed to include requirements for the project
\$6.05M(Includes Program Administration)		GDMP		\$0.24M		
\$14.58M		GDMP		\$0.51M		
\$8.415M		GDMP		\$0.325M		
\$29.035M		GDMP		\$1.035M		
12.350M	\$1.938M	GDMP		\$0.455M	Well drilling costs not included in GDMP	
\$4.935M		GDMP		\$0.175M		
\$5.61M	\$2.540M	GDMP		\$0.2M	Well drilling costs not included in GDMP	
\$3.02M		GDMP		\$0.1M		
\$3.05M		GDMP		\$0.1M		

Other Project Information				Bid Specifications	
Operations and Maintenance Contracts	Risk Mitigation Plan	Agency Reviews	Notes	Federal Requirements	Federal Requirement Compliance Awareness
N/A - O&M manual development is included in the design scope of services. Murraysmith is contracted to provide O&M documentation that will reflect the new processes included in the project. The facility will be operated and maintained by the City and District.	Risk Mitigation Plan and/or Project Mgmt Plan has been developed				Yes. The applicant has previously incorporated federal requirement language in bid specifications for other projects.
N/A	Risk Mitigation Plan and/or Project Mgmt Plan has been developed				
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Memorandum

Date: July 26, 2021

Project: Rockwood and Gresham Groundwater Development Program

To: Kari Duncan
Mike Whiteley

From: Zak Toledo

Reviewed By: Brian Ginter

Re: Risk Mitigation Plan Development

Introduction

The purpose of this memorandum is to document the Risk Mitigation Plan for the Groundwater Development Program (GWDP) jointly managed by Rockwood Water People's Utility District (District) and the City of Gresham (City). MurraySmith facilitated District and City personnel through a Risk Mitigation Plan development session for the Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) Loan Application. The session took place at the District's board room and included risk identification, impact assessment, and strategy assignment. Individual strategies will be further refined by the District and City.

Methods

The following section outlines the process employed to develop the Risk Mitigation Plan and the participants from each party agency.

Risk Mitigation Plan Development Process

The Risk Mitigation Plan was developed following a three-step process:

1. Risk Identification
2. Impact Assessment
3. Strategy Development

Implementation and Adaptive Management will be conducted in collaboration by the two partner agencies (the District and the City) throughout program delivery.

Risk Identification

Risk identification involved identifying factors and pathways that could jeopardize the scope, schedule, budget, or relationships necessary for a successful program. Risk Identification was guided by two spectrums of risk: source and scale.

1. Source: Participants explored potential pathways for risk to the program.
 - **Internal**: people, policies, processes, etc. from within each partner agency. These risks may include communication challenges, process conflicts, knowledge transfer management (e.g., staff turnover), shifting political support, insufficient staffing to execute and administer contracts, and others.
 - **External**: stakeholders, regulators, media, and other pathways from outside each partner agency. These risks may include public opinion, stakeholder or partner relationships, natural disasters, cyber-attack, material cost or availability, permitting approvals and compliance, site suitability, property access, and others.
2. Scale: Participants explored the specificity of risk that might occur at a local or regional scale.
 - **Project**: isolated to a specific location or project type. These risks may include site suitability, adjacent landowner conflicts, or other risks.
 - **Program**: potential to disrupt the entire program. These risks may include response to regional or national trends, such as equipment or labor shortages, or others.

Impact Assessment

Impact Assessment involved assessing the severity of the risk, which is a product of both the likelihood of the risk occurring and the impact, should the risk occur.

1. Likelihood: Participants relied on their experience and background with their respective programs and region to assign one of three probability levels (i.e., likelihood) to each risk.
 - High
 - Medium
 - Low
2. Impact: Participants identified the significance to the program if a risk were to occur. This impact could affect cost, schedule, or other elements such as a service failure or reduction of a valuable stakeholder trust relationship. Impact was also assigned one of three levels.
 - High
 - Medium
 - Low

Each identified risk was assigned a color-coded prioritization based on the likelihood and impact ranking, as shown in the table below.

		Impact		
Likelihood		High	Medium	Low
High	High-High	High-Medium	High-Low	
Medium	High-Medium	Med-Med	Medium-Low	
Low	High-Low	Medium-Low	Low-Low	

The color coding allows the District and the City to prioritize their risk management strategies and elevate the Implementation and Adaptive Management effort.

Strategy Development

Each risk identified and assessed was assigned a strategy. Risk mitigation strategies are typically developed and implemented for risks categorized as high or medium likelihood. Low likelihood risks may be tracked or monitored for impact. Low impact risks may be more burdensome to mitigate than to allow and monitor.

The four types of risk mitigating strategies considered in this effort were:

1. Avoid: Risks should be avoided that involve a significant impact with high probability.
2. Accept: When the cost to mitigate the risk is more than the cost of tolerating the risk: accept and monitor.
3. Transfer: Risks with low probability but large impact should be mitigated by being shared or transferred.
4. Limit: Action to address a perceived risk and regulate exposure.

One additional step in strategy development included pseudo-reverse engineering. Participants assessed what actions they were currently taking as they plan and implement the program. These actions might include meetings, committees, operating procedures, contracts, and others. This effort helps support the existing actions, so they are not abandoned in the future. A sample of these actions include:

- Construction Meetings (weekly) with general contractor, construction manager, and District/City project management staff
- GWDP Overall Project Management Meetings (biweekly) to discuss progress of engineering and construction projects

- WIFIA Application meetings (weekly to biweekly, based on phase of work) to coordinate materials and actions remaining
- General Staff Meeting (monthly) with both City and District to provide updates to design and construction projects, operations coordination, public outreach, and other topics
- Public Outreach Meeting (varied schedule) to coordinate and discuss outreach efforts

Workshop Participants

Participants were engaged from throughout the partner agencies, from operations to purchasing to engineering. This robust and comprehensive engagement promotes inclusion of the myriad aspects of successful program planning, construction, and long-term management. Participants involved include (shown in alphabetical order by last name):

Rockwood Water PUD:

Jay Breen, Water Operations Specialist
 Andy Crocker, District Superintendent
 Kari Duncan, General Manager
 Jeremy Hansen, Associate Engineer
 Jeremy Hudson, District Engineer
 Joey Schlosser, Assistant Superintendent
 Catherine Middleton, Office Supervisor
 Daniel Zimmerman, District Accountant

City of Gresham:

Jason Branstetter, Senior Engineer
 Scott Jury, Purchasing Agent
 Silas Richardson, Water Superintendent
 Mike Whiteley, Water Resources Engineering Manager

Summary

The initial Risk Mitigation Plan matrix is shown in the subsequent pages. Responsibility assignments were limited to three core teams. Restricting the responsible parties was selected to improve risk management efficiency. The three Implementation and Adaptive Management teams responsible for the risk mitigation actions are:

1. Executive Team: Kari Duncan (District) and Mike Whiteley (City)
2. Engineering Team: Jeremy Hudson (District) and Jason Branstetter (City)
3. Operations Team: Andy Crocker (District) and Silas Richardson (City)

Primary actions that drive the plan are include the following.

- Structured Outreach to:
 - Public
 - Elected Officials
 - Designers (i.e., consultants)
 - Builders (i.e., contractors)
 - Operators (i.e., internal team members)

- Master Program Schedule for:
 - Bidding
 - Permitting
 - Public Disturbance (noise, water use, planned events, etc.)
 - Operational Integration
 - Finances
 - WIFIA requirements

- Recurring Joint Management Meetings focused on:
 - Program Management
 - Construction
 - WIFIA Compliance
 - Staff Awareness
 - Public outreach

- Staff Planning to address:
 - Training and Certifications
 - Succession and Replacement Planning
 - Knowledge Transfer

- Monitoring for:
 - Regulation updates that affect water (e.g., lead and copper, groundwater)
 - Construction (e.g., materials pricing and availability, bidding market)
 - Third party programs (e.g., power utilities, Portland Water Bureau)
 - Cyber security and SCADA

Risk Mitigation Plan Matrix

Risk	Source	Likelihood	Impact	Strategy	Action	Owner (District)	Owner (City)
Cyber-attack (SCADA)	External	Medium	High	Transfer	Identify contingency plans (S&B)	Andy Crocker	Silas Richardson
Utility interdependency (power)	External	High	High	Limit	Maintain backup generator system, contingency plans, and redundancy with fuel storage	Andy Crocker	Silas Richardson
New Regulations (drinking water, environmental)	External	High	Medium	Limit	Preparing treatment and testing, monitor	Andy Crocker	Silas Richardson
Operational management changes	Internal	High	Medium	Accept	Training and recruitment	Andy Crocker	Silas Richardson
New treatment operations	Internal	High	Medium	Accept	Training and recruitment	Andy Crocker	Silas Richardson
Compatibility with emergency Portland Water	External	Low	High	Accept	Monitor transition zone and communication	Andy Crocker	Silas Richardson
Lead and copper rule compliance	External	High	Low	Accept	Studies and monitoring	Andy Crocker	Silas Richardson
Power consistency and dependency	External	Medium	Medium	Limit	Outreach to PGE for assigned representative	Andy Crocker	Silas Richardson
Internal staffing (treatment certification)	Internal	Low	Medium	Limit	Outreach to training programs and internal training	Andy Crocker	Silas Richardson
Material cost / availability	External	Medium	Medium	Limit	Monitor and Schedule favorable bids	Jeremy Hudson	Jason Branstetter
Permitting approvals	External	Medium	Medium	Limit	Build in permitting time to schedule	Jeremy Hudson	Jason Branstetter
Changed site conditions	External	High	Low	Limit	Known sites with pre-screening; contingency budget	Jeremy Hudson	Jason Branstetter
Work restrictions (seasonal/permitting)	External	Medium	Low	Limit	Schedule program of work, funding management	Jeremy Hudson	Jason Branstetter
Construction costs over budget	External	Medium	Medium	Limit	Scheduling, pre bid meetings, and consider alternative contracting	Jeremy Hudson	Jason Branstetter
Design consultant availability	External	Medium	Low	Limit	Pre-selected and contracted design firms	Jeremy Hudson	Jason Branstetter
Lower Groundwater Yields	External	Medium	High	Limit	Additional modeling, tracking of groundwater use, and exploring and developing additional resources	Jeremy Hudson	Jason Branstetter
Schedule Delay	External	High	Medium	Limit	Schedule allows for float time and highest risk projects first, master program schedule	Jeremy Hudson	Jason Branstetter
Contractor selection/quality	External	Medium	Medium	Limit	Pre-qualification and staff supplementation	Jeremy Hudson	Jason Branstetter
Construction disruption	External	Low	Low	Limit	Proactive public outreach	Jeremy Hudson	Jason Branstetter
Product availability (Federal procurement requirements)	External	Medium	Low	Accept	Monitor market; owner-procured materials	Jeremy Hudson	Jason Branstetter

Risk	Source	Likelihood	Impact	Strategy	Action	Owner (District)	Owner (City)
Purchasing timelines and restrictions	Internal	Medium	Medium	Limit	Recurring meetings and coordination	Jeremy Hudson	Jason Branstetter
Land use process and local regulations	External	High	Medium	Limit	Build in time to schedule for permitting	Jeremy Hudson	Jason Branstetter
Project sequencing for operations/commissioning	Internal	Medium	High	Limit	Coordinate with O&M team for sequencing	Jeremy Hudson and Andy Crocker	Jason Branstetter and Silas Richardson
Incompatible water chemistry	Internal	Low	High	Limit	Conduct water chemistry study	Jeremy Hudson and Andy Crocker	Jason Branstetter and Silas Richardson
Ineffective partner relationships	External	Low	Medium	Limit	Recurring team and elected official meetings	Kari Duncan	Mike Whiteley
Property access	External	Low	Medium	Limit	Sites are owned/purchased by applicants	Kari Duncan	Mike Whiteley
Contractor availability	External	Medium	High	Accept	Monitor and respond to need; explore alternative delivery	Kari Duncan and Jeremy Hudson	Mike Whiteley and Jason Branstetter
WIFIA Loan Funding Shortfall	External	Low	High	Limit	Recurring meetings and alternative funding	Kari Duncan	Mike Whiteley
Leadership Turnover	Internal	Low	Medium	Accept	Succession planning	Kari Duncan	Mike Whiteley
Elected official turnover	External	Medium	Medium	Accept	Tours and meetings with both elected officials	Kari Duncan	Mike Whiteley
Change in water quality	External	High	Medium	Limit	Studies, treatment, and education	Kari Duncan	Mike Whiteley
Contract management	Internal	Medium	Medium	Limit	Evaluate staff workloads	Kari Duncan	Mike Whiteley
Public perception and outreach	External	Medium	High	Limit	Proactive public outreach	Kari Duncan	Mike Whiteley
Water quality perception	External	Medium	Medium	Limit	Proactive public outreach	Kari Duncan	Mike Whiteley
Under/Over projected demand	Internal	Low	Medium	Accept	Building and phased for future demand	Kari Duncan	Mike Whiteley
Schedule co-management	Internal	Medium	High	Limit	Recurring meetings and coordination	Kari Duncan	Mike Whiteley
WIFIA compliance	External	Low	High	Avoid	Recurring management meetings	Kari Duncan	Mike Whiteley
Council/board alignment	Internal	Low	Medium	Limit	Shared meetings and maintain awareness	Kari Duncan	Mike Whiteley
Rates and affordability messaging	External	Medium	Medium	Limit	Continue messaging and rate planning	Kari Duncan	Mike Whiteley
Cyber-attack (business system)	External	Medium	High	Transfer	Identify contingency plans	Kerry Aden and Cathy Middleton	IT