



Board of Directors Agenda Quarterly Meeting

Friday, June 18, 2021, 10:00 a.m.

District Board Meeting Room, 8000 NE 52nd Court, Vancouver, WA 98665

The District, as Administrative Lead to the Alliance, is working diligently to address the threat posed by COVID-19 (Novel Coronavirus). The District is following the guidance from state and county public health officials to take all efforts to prevent the spread of this virus. In the interest of the safety and welfare of the public, the community, and our employees and to limit the spread of the virus, ***the Discovery Clean Water Alliance Board of Directors strongly encourages public participation at Board meetings to be in remote form.*** This includes Public Comment. Written comments may be submitted to lmattos@crwwd.com by 5:00 PM the day before this Board meeting. Comments will be compiled and sent to the Board of Directors.

In addition, the Board of Directors will be accepting testimony, under Public Comment, on published agenda items via in-person or virtual attendance during the meeting.

Please Note: Anyone attending the meeting in person will be required to submit a COVID-19 health screen declaration, to wear a mask (unless fully vaccinated or exempt for other medical reasons), and practice social distancing. Audience attendance is limited to no more than 6 people in the Board Meeting Room. There is an overflow room available that will accommodate a total of 4 people as well. **If you are planning to attend the meeting in person, please provide 24 hours advance notice to Leanne Mattos, Board Clerk, at 360-993-8823 or lmattos@crwwd.com, to ensure the room capacity does not exceed the COVID-19 occupancy limits.**

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/630283957>

You can also dial in using your phone: (408) 650-3123; Access Code: 630-283-957

Please call in at least 10 minutes before the meeting begins. Leanne Mattos, Board Clerk, will be available to work through any technical issues.

Regular Meeting

No	Item	Action/Info	Presenter	Time (minutes)
1.	Call To Order			
2.	Flag Salute			
3.	Late Additions to the Agenda			
4.	Public Comment			
INFORMATION				5

This item is to provide an opportunity for citizen comment.

5. Consent Agenda	ACTION	5
a. Board of Directors Meeting Minutes of March 19, 2021		
b. Audit of Accounts		
6. Reports	INFORMATION	
a. Treasurer Report	Andrews	20
b. Operator Report – Clark County – First Quarter 2021	Capson	10
c. Operator Report – District – First Quarter 2021	Ludlow	10
d. Capital Program Report – First Quarter 2021	Krause	15
e. Industrial Pretreatment Delegation Process	Thomas	25
f. Administrative Lead Report	Peterson	20
7. Member Agency Staff Reports	INFORMATION	5
8. Board of Directors Reports	INFORMATION	5
9. Adjourn Meeting		

Next Meeting: Friday, October 1, 2021, 10:00 a.m., Special Business Meeting
District Board Meeting Room, 8000 NE 52nd Court, Vancouver, WA 98665

The Board provides reasonable accommodations to persons with disabilities. Please contact a staff member (by noon Thursday) if we can be of assistance. If you should experience difficulty hearing the proceedings, please bring this to the attention of the Board by raising your hand.



Discovery Clean
Water Alliance

Board of Directors Meeting First Quarter 2021 MINUTES

Friday, March 19, 2021 10:00 a.m.

Remote Meeting via GoToMeeting

District Board Meeting Room, 8000 NE 52nd Court, Vancouver, WA 98665

Present:

City of Battle Ground: Shane Bowman (excused from meeting at 10:30 AM), Philip Johnson, alternate (arrived at 10:30 AM)

Clark County: Excused Absence

City of Ridgefield: Ron Onslow

Clark Regional Wastewater District: Norm Harker

Staff: Clark Regional Wastewater District: John Peterson; City of Battle Ground: Mark Herceg; Clark County: Travis Capson; City of Ridgefield: Bryan Kast.

Audience: Clark Regional Wastewater District: Neil Kimsey, Denny Kiggins, Dale Lough, Ken Andrews, Rich Ludlow, Leanne Mattos, Kim Thur, Kristen Thomas, Britny Carrier; City of Vancouver: Frank Dick; Clark County: Jeff Schnabel; City of Battle Ground: None; City of Ridgefield: Lee Wells; Interested Citizens: Dan Clark, David Morgan; Foster Garvey Legal Counsel: Lee Marchisio; PFM Financial Advisors: Duncan Brown, Maggie Marshall; Guest Speakers: None

Regular Business Meeting

Call to order:

Chair Bowman called the meeting to order at 10:06 a.m.

1. Late Additions/Deletions to the Agenda

None.

2. Public Comment

None.

3. Consent Agenda

Action:

Shane Bowman moved, seconded by Norm Harker, to approve the Consent Agenda, approving the December 18, 2020 meeting minutes; ratifying claim warrants #10480-10483 in the amount of \$2,097,873.02 for December 2020, claim warrants #10484-10488 in the amount of \$2,490,329.25 for January 2021, and claim warrants #10489-10491 in the amount of \$1,399,861.05 for February 2021;

and approving to cancel the September 17, 2021 Board meeting and schedule a special Board meeting on October 1, 2021. Motion carried unanimously.

4. Board of Directors Officer Elections

John Peterson reviewed the Staff Report and Alliance election process. Shane Bowman moved, seconded by Norm Harker, to elect Ron Onslow as the Discovery Clean Water Alliance Board of Directors Chair. Motion carried unanimously. Shane Bowman moved, seconded by Ron Onslow, to elect Norm Harker as Vice Chair. Motion carried unanimously. Shane Bowman moved, seconded by Ron Onslow, to elect Julie Olson as Secretary. Motion carried unanimously.

5. Operator Report Clark County – Fourth Quarter 2020

Travis Capson presented the Operator Report for Clark County covering the Salmon Creek Wastewater Treatment Plant operating performance and budget through December 31, 2020. Mr. Capson highlighted the ongoing progress of operational efforts at the plant, reporting on the status of several repair and replacement projects currently underway, as well as the Phase 5B Package 1 construction project, ongoing at the site. Mr. Capson also reported on the budget status of funds 4580 & 4583. The overall two-year operating budget is currently at 97.2% of actual expenditures through the fourth quarter of 2020.

6. Operator Report Clark Regional Wastewater District – Fourth Quarter 2020

Rich Ludlow presented the Operator Report covering the Ridgefield Treatment Plant and Regional Biofilter operating performance and budget status through December 31, 2020. Mr. Ludlow reviewed the status of R&R Projects for the 2019-2020 biennium. Mr. Ludlow then reviewed the operating budget, noting that the overall two-year budget is currently at 93.7% of actual expenditures through the fourth quarter of 2020.

7. Capital Program Report – Fourth Quarter 2020

Dale Lough presented updates on the capital program and capital project activities. He provided an update on projects in construction (SCTP Phase 5B Package 1, SCTP Phase 5A Package 1, RTP Odor Control), projects in design (SCTP Phase 5A Package 2, SCTP Control System Network Separation, SCTP Fire Alarm System Replacement, and SCTP Fire Pump Controller Replacement), and projects in the planning phase (Phase 5B Package 2). Mr. Lough also provided an update on the easement agreements related to the 5A projects, that the final agreements have been sent to the Meyers and are awaiting signature. Mr. Lough further noted that bids were received for the 5A Package 1 Outfall project, and award of the construction contract is anticipated for the March 23 District Board meeting.

8. Treasurer Report – Fourth Quarter 2020

Financial Management and Reporting Update – Ken Andrews presented the staff report, covering sources (income) and uses (expenses) through the fourth quarter of 2020, or eighth quarter of the 2019-2020 biennium budget. Mr. Andrews noted that a bond resolution would be presented by bond counsel today, following this report. Mr. Andrews also noted that AL staff are preparing the 2020 CAFR, and the SAO audit will begin at the end of March.

9. Resolution No. 2021-01 – Sewer Revenue Bonds, 2021

Action:

Ken Andrews, along with bond counsel, Lee Marchisio with Foster Garvey, presented the staff report and Resolution No. 2021-01 delegating authority to the Executive Director and the Treasurer to issue and sell sewer revenue bonds on behalf of the Alliance to (1) refund the Alliance's outstanding 2015 sewer revenue bond, and (2) fund capital improvements as approved in the adopted 2020 Capital Plan, and to set the final terms of the issuance and sale of the bonds. Duncan Brown, PFM Financial

Advisors, answered questions about the terms and interest rate. Philip Johnson moved, seconded by Norm Harker, to adopt Resolution No. 2021-01, authorizing the issuance and sale of sewer revenue bonds and providing for all matters related to the bond issuance. The motion carried unanimously.

10. Industrial Pretreatment Delegation Process

Kristen Thomas presented the Industrial Pretreatment Delegation Process Staff Report, providing an update on the process. The District, on behalf of the Alliance as Administrative Lead, is continuing to develop the legal, administrative, and technical elements required to support delegation of Ecology's regulatory authority and responsibilities to the Alliance. Ms. Thomas provided an update on the delegation framework, process, and development of the individual program elements. She discussed local program development, the legal framework including the draft amended and restated Resolution, Alliance Pretreatment Regulations and Attorney Statement. Ms. Thomas further explained the local agency endorsement process, administrative framework, and timeline. As documents are developed and vetted, the Board will see additional information in future meetings. Mr. Peterson provided a brief overview of previous presentations on this topic for Mr. Johnson's benefit. He answered questions surrounding the timeline, the current inspection process, and who would administer the fines if needed. Mr. Peterson further explained that to date, the District has not encountered an event that would qualify for the \$10k fine.

11. Administrative Lead Report

John Peterson presented the Administrative Lead (AL) staff report, highlighting the following items, which were included in the agenda packet:

1) Water Quality Regulatory Processes – State and Federal Level – The Alliance continues to monitor relevant water quality regulatory, legislative, and legal processes at the state and federal level. Mr. Peterson noted that the partnership between the Alliance and the City of Vancouver continues to engage Ecology with respect to two current Columbia River listings for dissolved oxygen impairment. AL staff has developed an advocacy strategy for the state and federal processes, in coordination with the City of Vancouver. Mr. Peterson also discussed the Columbia and Snake River Temperature TMDL; Ecology is anticipating EPA will issue an updated TMDL later this year and Ecology is working to develop an implementation plan. The City of Vancouver and AL staff have volunteered to be part of the stakeholder group for Ecology's implementation plan development process. Mr. Peterson also touched on several other water quality regulatory processes such as the Puget Sound Nutrient General Permit, the Proposed withdrawal of certain federal human health criteria in Washington State, the federal lawsuit regarding TMDL processes, PFAS legislation and regulation, and the University of Washington's study of the lower Columbia River.

2) Capacity Update and Ph 5 Expansion Program Overview – Mr. Peterson presented data showing that the Alliance needs to stay focused on delivering the Phase 5 Expansion Program by 2024. In April, the Alliance intends to file a plan with Ecology to maintain capacity of the SCTP facility, after three consecutive months of loading above the 85% level for any single parameter. The Alliance is also developing a contingency capacity management plan, which will be presented at a future Board meeting.

3) Member Agency and Public Engagement Services – Mr. Peterson discussed the ongoing outreach efforts underway to keep the public and Member agency staff updated on the work of the Alliance. The Alliance has joined the Ashley Ridge Neighborhood Association after purchasing a parcel in the neighborhood adjoining the SCTP. The development of a stewardship video and accompanying handout has been completed to help encourage the use of natural products in homes and businesses.

12. Member Agency Staff Reports

None.

13. Board of Directors Reports

No reports.

Discussion:

Mr. Peterson expressed his appreciation for the Board's ongoing support in the advocacy progress for the permitting efforts associated with the Outfall project.

The meeting was adjourned at 12:08 p.m.

Prepared and edited by Alliance Administrative Lead staff. Approved by the
Discovery Clean Water Alliance Board of Directors on:

June 18, 2021

Julie Olson, Secretary

Accounts Payable

Blanket Voucher Approval Document



Discovery Clean
Water Alliance

We, the undersigned Board of Directors of Discovery Clean Water Alliance, Clark County, Washington, do hereby certify that the merchandise and / or services hereinafter specified have been received and approved for payment in the amount of \$600,967.40 this 19th day of March 2021.

Ken Adkins
Treasurer

Director

Director

Director

Director

Line	Claimant	Check No.	Amount
1	CLARK COUNTY AUDITOR	10492	397,809.54
2	CLARK COUNTY TREASURER	10493	4,872.28
3	CLARK REGIONAL WASTEWATER DISTRICT	10494	191,385.08
4	FOSTER GARVEY PLLC	10495	6,900.50
Page Total:			<u>\$600,967.40</u>

Accounts Payable

Blanket Voucher Approval Document



Discovery Clean
Water Alliance

We, the undersigned Board of Directors of Discovery Clean Water Alliance, Clark County, Washington, do hereby certify that the merchandise and / or services hereinafter specified have been received and approved for payment in the amount of \$105,930.00 this 29th day of March 2021.

Ken Andrews
Treasurer

Director

Director

Director

Director

Line	Claimant	Check No.	Amount
1	BNSF RAILWAY COMPANY	10496	9,000.00
2	BNSF RAILWAY COMPANY	10497	95,330.00
3	WASHINGTON DEPARTMENT OF NATURAL RESOURCES	10498	1,600.00
Page Total:			<u>\$105,930.00</u>

Accounts Payable

Blanket Voucher Approval Document



Discovery Clean
Water Alliance

We, the undersigned Board of Directors of Discovery Clean Water Alliance, Clark County, Washington, do hereby certify that the merchandise and / or services hereinafter specified have been received and approved for payment in the amount of \$1,345,978.92 this 23rd day of April 2021.

Ken Adams
Treasurer

Director

Director

Director

Director

Line	Claimant	Check No.	Amount
1	CLARK COUNTY AUDITOR	10499	397,809.54
2	CLARK COUNTY TREASURER	10500	2,360.95
3	CLARK REGIONAL WASTEWATER DISTRICT	10501	932,782.43
4	DIGITAL ASSURANCE CERTIFICATION LLC	10502	2,500.00
5	FOSTER GARVEY PLLC	10503	10,526.00
Page Total:			<u>\$1,345,978.92</u>

Accounts Payable

Blanket Voucher Approval Document



Discovery Clean
Water Alliance

We, the undersigned Board of Directors of Discovery Clean Water Alliance, Clark County, Washington, do hereby certify that the merchandise and / or services hereinafter specified have been received and approved for payment in the amount of \$34,741.00 this 3rd day of May 2021.

Ken Adams

Treasurer

Director

Director

Director

Director

Line	Claimant	Check No.	Amount
1	BNSF RAILWAY COMPANY	10504	12,000.00
2	BNSF RAILWAY COMPANY	10505	12,000.00
3	BNSF RAILWAY COMPANY	10506	10,741.00
Page Total:			<u>\$34,741.00</u>

Accounts Payable

Blanket Voucher Approval Document



Discovery Clean
Water Alliance

We, the undersigned Board of Directors of Discovery Clean Water Alliance, Clark County, Washington, do hereby certify that the merchandise and / or services hereinafter specified have been received and approved for payment in the amount of \$2,384,410.26 this 21st day of May 2021

Ken Andersen

Treasurer

Director

Director

Director

Director

Line	Claimant	Check No.	Amount
1	CLARK COUNTY AUDITOR	10507	397,809.54
2	CLARK REGIONAL WASTEWATER DISTRICT	10508	775,916.85
3	DEPARTMENT OF COMMERCE	10509	1,196,849.89
4	FOSTER GARVEY PLLC	10510	11,592.50
5	RAILROAD MANAGEMENT COMPANY III, LLC	10511	284.85
6	STATE AUDITOR'S OFFICE	10512	1,956.63
Page Total:			<u>\$2,384,410.26</u>



Discovery Clean Water Alliance

Staff Report

Board Meeting of June 18, 2021

6a. Treasurer Report

STAFF CONTACTS	PHONE	EMAIL
Ken Andrews, CPA, Alliance Treasurer David Logan, Alliance Treasurer	360-993-8824 360-993-8802	kandrews@crwwd.com dlogan@crwwd.com

PURPOSE: The Alliance is a regional wastewater transmission and treatment utility, now in its seventh year of full operation in 2021. The goal of the Treasurer Report is to provide a quarterly update for ongoing activities in the financial and treasury areas of responsibility for the Alliance.

Financial and Treasury Activities.

1. *Financial Management/Reporting.*

- First Quarter 2021 Financial Report (Attachment A). The first quarter 2021 financial report reflects the results from operations for the biennial budget 2021-2022 through three months, as well as cash and investment balances at March 31, 2021.

2. *Treasury Services.*

- Sewer Revenue and Refunding Bonds, 2021. On May 26, the Alliance sold \$13.325 million of sewer revenue and refunding bonds at a total interest cost of 1.89%. Approximately \$6.1 million of the proceeds will go toward defeasance of the outstanding 2015 bond, and the remainder will fund construction of the Salmon Creek Treatment Plant Phase 5 Package 1 project, a new outfall and diffuser in the Columbia River, the project scheduled to begin in fourth quarter 2021. The bond close and receipt of the bond funds is scheduled for June 9.
- Municipal Securities Post-Issuance Disclosure Procedure (Attachment B). On March 19 the Board adopted Resolution No. 2021-01, authorizing the Designated Representative (appointed each the Executive Director and the Treasurer) to sell Bonds in 2021 in a manner and with terms deemed most advantageous to the Alliance. The Designated Representative was also authorized to execute a written procedure to provide continuing disclosure for the benefit of holders of the Bonds. This written procedure (attached) will facilitate compliance by the Alliance with the provisions and applicable requirements for ongoing disclosure in the bond resolution.
- S&P Global Ratings Bond Rating (Attachment C). District staff and the Alliance financing team worked to obtain a S&P credit rating for the Alliance. As a new legal entity, this rating on the 2021 revenue/refunding bonds, conducted on April 27, was a first for the Alliance.

Some insights from the S&P rating process include the following:

- Bond rating is “AA-”, with a stable outlook.
- The credit review looks through the Alliance to the underlying credit worthiness of the District (AA stable) and Battle Ground (the City’s sewer utility is not officially rated).
- Stress tests performed by S&P indicates weaker coverage is possible due to (1) dependence on growth related fees (connection charges) and (2) step-up provisions in the Alliance legal structure. Current financial planning and forecasting work does not directly contemplate the implications of reduced development activity or revenues needed to address the step-up requirement.
- Positive comments are made in several locations regarding “forward-looking management” and robust “management practices and policies”.

3. *Budget/CAFR/SAO Audit.*

- 2021/2022 Operating and Capital Budget Amendment Calendar (Attachment D). The 2021-2022 Alliance Operating and Capital Budget was originally adopted in December 2020. Review of the budget and Regional Service Charges (RSCs) will be conducted per the attached calendar in third quarter to determine if a budget and RSCs amendment is necessary going into 2022. The four focus areas to be reviewed are:
 - Administrative Lead, contracted with the District;
 - Operation of the Salmon Creek Treatment Plant, two regional pump stations and two regional force mains, contracted with Clark County;
 - Operation of the Ridgefield Treatment Plant, one regional biofilter, two regional interceptors and one regional force main, contracted with the District; and
 - Any Capital budget updates for repair/restoration projects or new capital projects, to reflect more current cost estimates and/or timing updates to the projects.
- 2020 Comprehensive Annual Financial Report/State Auditor’s Office Audit (Attachments E and F). A 2020 Annual Report was prepared by the Administrative Lead in the first quarter and audited by the Washington State Auditor’s Office (SAO) in second quarter. At an exit conference held May 3, the Alliance received clean audit opinions with no findings and no audit comments to management. Final financial and accountability audit reports are attached for the Board’s information.

ACTION REQUESTED: Policy-level guidance for the various Treasurer activities.

Attachment A



First Quarter 2021 Financial Report

PURPOSE: To report to the Board the financial results from operations through the first quarter of the biennium ending December 31, 2022.

SUMMARY – ALL FUNDS

Category	Adopted Biennial Budget 2021-2022	Budget To Date 12.5%	Actual To Date	Difference Actual vs. Budget To Date (%)
BEGINNING FUND BALANCE	\$ 6,426,000		\$ 7,232,883	
SOURCES				
Regional Service Charges (RSCs)	31,117,782	3,889,723	3,889,723	0.0%
Miscellaneous Income	-	-	4,250	
Investment Interest	-	-	13,746	
Debt Proceeds	16,212,000	2,026,500	673,695	-66.8%
TOTAL SOURCES	\$ 47,329,782	\$ 5,916,223	\$ 4,581,414	-22.6%
USES				
O&M - Administrative Services	\$ (2,395,092)	(299,387)	(312,901)	-4.5%
O&M - Clark County Operator	(9,547,429)	(1,193,429)	(1,193,429)	0.0%
O&M - District Operator	(1,707,500)	(213,438)	(213,437)	0.0%
Debt Service	(10,101,000)	(1,262,625)	(164,565)	87.0%
R&R Capital Expenditures	(4,193,000)	(524,125)	(279,040)	46.8%
CIP Capital Expenditures	(19,238,000)	(2,404,750)	(645,231)	73.2%
TOTAL USES	(47,182,021)	(5,897,753)	(2,808,603)	52.4%
SOURCES OVER (UNDER) USES	147,761	18,470	1,772,811	9498.3%
ENDING FUND BALANCE	\$ 6,573,761		\$ 9,005,694	

SOURCES: \$4.6 million

- **RSC revenues: \$3.9 million.** RSC revenues were in line with budget through the end of the first quarter 2021.
- **Debt proceeds: \$0.7 million.** The Alliance was awarded a Public Works Trust Fund (PWTF) loan to reimburse construction expenditures of the SCTP Phase 5B Package 1 project. Through Q1 2021, \$6.1 million of the awarded \$9.04 million loan has been drawn. Additionally, the Alliance has two debt issuances scheduled for Q2 2021 and later in 2022, with expenditures totaling \$16.2 million.

USES: \$2.8 million

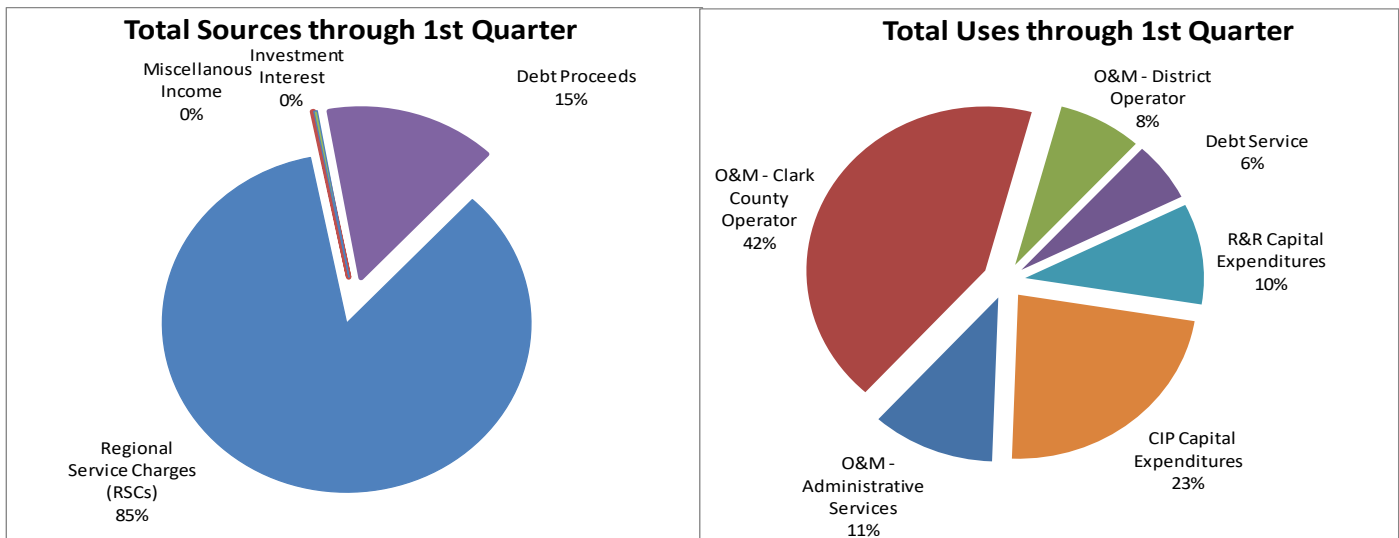
- **Administrative services: \$0.3 million.** Administrative services in the biennium to date through Q1 are tracking near budget. Administrative services include professional engineering services for capital program support and regulatory compliance, as well as other professional services such as legal and audit services.

- **Operating costs: \$1.4 million.** Operating costs paid to contract operators, Clark County and the District, were in line with budget through the end of Q1 2021.
- **Debt service: \$0.2 million.** Debt service costs through the end of Q1 2021 were under budget by 87.0% due to debt payments on a loan budgeted to begin in 2020 being delayed until 2021.
- **Capital expenditures: \$0.9 million.** Capital expenditures through the end of the quarter were under budget due to the timing of work on projects. Project activity is expected to increase throughout 2021.

SOURCES OVER USES: \$2.8 million

- These is a variance of sources over uses for the quarter due to the timing of expenditures.

SOURCES AND USES BY TYPE – ALL FUNDS



Sources:

- Regional Service Charges account for 85% and debt proceeds for 15% of total sources through the first quarter of the 2021-2022 biennium.

Uses:

- R&R and CIP capital expenditures through the first quarter are under budget. Administrative Lead staff anticipates capital activity will increase throughout 2021.

CASH AND INVESTMENTS BY FUND HELD BY THE ALLIANCE

	Cash	Investments	Total
OPERATIONS AND MAINTENANCE	\$ 282,752	\$ 539,777	\$ 822,529
RATE STABILIZATION	481,400	-	481,400
DEBT SERVICE	2,605,544	1,631,441	4,236,985
RESTORATION AND REPLACEMENT	13,139	4,155,896	4,169,035
CONSTRUCTION IN PROGRESS	1,672,128	11,367	1,683,495
	\$ 5,054,963	\$ 6,338,481	\$ 11,393,444

Cash and Investments at January 1, 2021 11,355,922

Change in Cash and Investments \$ 37,522



Quarterly Financial Report
Through the Quarter Ended March 31, 2021
 Unaudited - Intended for Management Purposes Only

The following is a summary of the Alliance's financial results for operating funds. This information is summarized from financial activity for the three months ended March 31, 2021.

OPERATIONS AND MAINTENANCE ACCOUNT

Category	Adopted Biennial Budget 2021-2022	Budget To Date 12.5%	Actual To Date	Difference Actual vs. Budget To Date (%)
Revenues				
Regional Service Charges	\$ 14,038,421	\$ 1,754,803	\$ 1,754,803	0.0%
Miscellaneous Income	-	-	4,250	
Investment Interest	-	-	1,171	
Total Revenues	\$ 14,038,421	\$ 1,754,803	\$ 1,760,224	0.3%
Expenses				
O&M - Administrative Services (1)	\$ 2,395,092	\$ 299,387	\$ 312,901	-4.5%
O&M - Clark County Operator	9,547,429	1,193,429	1,193,429	0.0%
O&M - District Operator	1,707,500	213,438	213,437	0.0%
Total Expenses	\$ 13,650,021	\$ 1,706,253	\$ 1,719,767	-0.8%
Revenues Over (Under) Expenses	\$ 388,400	\$ 48,550	\$ 40,457	

Notes

(1) Administrative services: \$0.3 million. Administrative services in the biennium to date through Q1 are tracking near budget. Administrative services include professional engineering services for capital program support and regulatory compliance, as well as other professional services such as legal and audit services.



Quarterly Financial Report
Through the Quarter Ended March 31, 2021
Unaudited - Intended for Management Purposes Only

The following is a summary of the Alliance's financial results by operating funds. This information is summarized from financial activity for the three months ended March 31, 2021.

EXISTING ASSETS R&R ACCOUNT

ALLIANCE R&R	Adopted Biennial Budget 2021-2022	Budget To Date 12.5%	Actual To Date	Difference Actual vs. Budget To Date (%)
Revenues				
Regional Service Charges	\$ 4,193,305	\$ 524,163	\$ 524,163	0.0%
Investment Interest	-	-	9,013	
Total Revenues	4,193,305	524,163	533,176	1.7%
Expenditures				
Construction Costs (1)	4,193,000	524,125	279,040	46.8%
Total Expenditures	4,193,000	524,125	279,040	46.8%
Revenues Over (Under) Expenditures	\$ 305	\$ 38	\$ 254,136	
Alliance R&R Capital Expenditures	Adopted Biennial Budget 2021-2022	Budget To Date 12.5%	Actual To Date	LTD
Alliance R&R Projects				
SCTP Cake Transfer Screw	-	-	38,283	483,961
SCTP Digester Maintenance and Modifications	-	-	174,079	518,358
SCTP Boiler Digester Gas Booster	-	-	61,800	272,472
SCTP HVAC Systems Replacement	528,000	66,000	4,878	885,276
SCTP Fire Alarm System Replacement	1,409,000	176,125	-	52,490
SCTP Control System Network Separation	1,551,000	193,875	-	-
SCTP Fire Pump Controller Replacement	236,000	29,500	-	-
36th Ave Pump Station Controls Replacement	37,000	4,625	-	-
RTP PLC Replacement	32,000	4,000	-	-
SCTP Sludge Blend Tank Slope Stabilization	42,000	5,250	-	-
SCTP Diesel Fuel Tank (Building #3) Replacement	32,000	4,000	-	-
SCTP Instrumentation Replacements	16,000	2,000	-	-
SCTP SCADA System Platform Update	48,000	6,000	-	-
Annual R&R Allowance	262,000	32,750	-	118,723
Total Alliance R&R Capital Expenditures	\$ 4,193,000	\$ 524,125	\$ 279,040	\$ 2,331,280
Notes				
(1) Construction Costs: \$0.3 million. R&R was under budget due to the timing of work on projects. Project activity is expected to increase throughout 2021.				

NEW ASSETS CIP ACCOUNT

ALLIANCE CIP	Adopted Biennial Budget 2021-2022	Budget To Date 12.5%	Actual To Date	Difference Actual vs. Budget To Date (%)
Revenues				
Regional Service Charges	\$ 3,084,224	\$ 385,528	\$ 385,528	0.0%
Debt Proceeds (1)	16,212,000	2,026,500	673,695	-66.8%
Investment Interest	-	-	25	
Total Revenues	19,296,224	2,412,028	1,059,248	-56.1%
Expenditures				
Construction Costs (2)	19,238,000	2,404,750	645,232	73.2%
Total Expenditures	19,238,000	2,404,750	645,232	73.2%
Revenues Over (Under) Expenditures	\$ 58,224	\$ 7,278	\$ 414,016	
Alliance CIP Capital Expenditures	Adopted Biennial Budget 2021-2022	Budget To Date 12.5%	Actual To Date	LTD
Alliance CIP Projects				
SCTPO Phase 5A Expansion (Outfall/Effluent Pipeline)	\$ 14,781,000	\$ 1,847,625	\$ 150,678	\$ 5,728,557
SCTPO Phase 5B Expansion (Plant)	4,096,000	512,000	491,144	8,549,662
RTP Odor Control	361,000	45,125	3,410	59,270
Total Alliance CIP Capital Expenditures	\$ 19,238,000	\$ 2,404,750	\$ 645,232	\$ 14,337,489
Notes				
(1) Debt Proceeds: \$0.7 million. The Alliance was awarded a Public Works Trust Fund (PWTF) loan to reimburse construction expenditures of the SCTP Phase 5B Package 1 project. Through Q1 2021, \$6.1 million of the awarded \$9.04 million loan has been drawn. Additionally, the Alliance has two debt issuances scheduled for Q2 2021 and later in 2022, with expenditures totaling \$16.2 million.				
(2) Construction Costs: \$0.6 million. CIP was under budget due to the timing of work on projects. Project activity is expected to increase throughout 2021.				

Attachment B

Municipal Securities Post-Issuance Disclosure Procedure

**Discovery Clean Water Alliance,
Washington**

**8000 NE 52 Court
Vancouver, WA 98668-8979**

TABLE OF CONTENTS

A.	Purpose.....	1
B.	Scope.....	1
C.	Responsibility of the Disclosure Working Group.....	1
D.	Continuing Disclosure Agreements and Requirements	2
E.	Event Notice Requirements	2
F.	Voluntary Disclosure Requirements	4
G.	Third Party Information/Quarterly Disclosure Requirements	6
H.	Coordinating Continuing Disclosure with Primary Disclosure	6
I.	Website Disclosure	6
J.	Training for Employees and Issuer Officials	7
K.	Disclosure Dissemination Agent.....	7
L.	Effective Date	7

Appendix A

Continuing Disclosure Agreements and Requirements.

Appendix B

CUSIPs

Appendix C

Digital Assurance Certification (“DAC”) No Action Letter from the Securities and Exchange Commission

A. Purpose

Discovery Clean Water Alliance, Washington (the “Alliance”) is committed to providing timely and consistent dissemination of financial information in accordance with Securities and Exchange Commission (“SEC”) Rule 15c2-12 (the “Rule”) and the Alliance’s continuing disclosure undertakings.

This policy affirms the Alliance’s commitment to fair post-issuance disclosure. The goal is to establish and maintain guidelines for presenting related financial reports, documents and events to interested third parties, financial institutions and the general public in compliance with the Rule and the Alliance’s continuing disclosure undertakings.

B. Scope

This policy covers all Alliance employees and officials of the Alliance. It covers disclosure documents filed with the SEC and the Municipal Rulemaking Board’s Electronic Municipal Market Access service (“EMMA”), statements made in the Alliance’s Audited Financial Statements and in any unaudited interim reports, as well as public statements made by authorized Alliance officials.

C. Responsibility of the Disclosure Working Group

The Alliance has established a Disclosure Working Group (“DWG”) consisting of the Alliance’s Finance Director. The DWG will establish appropriate written policies and procedures, which this document provides, and periodic training regarding continuing disclosure obligations to effect compliance with the federal securities laws. In connection with each primary offering subject to the Rule, as well as annually and periodically when necessary in connection with its continuing disclosure filings required by the Rule and its continuing disclosure undertakings, the DWG will systematically review filings, reports and other public statements to determine compliance and whether any filing, updating or correcting of information is appropriate. The DWG will react to developments and events that affect the Alliance and notify its dissemination agent and others, as and when appropriate.

The Alliance’s official primarily responsible for the Alliance’s financial information, debt and financings, and other financial reports and events is the Alliance’s Finance Director (the “Disclosure Representative”). The Disclosure Representative shall be responsible for ensuring compliance by the Alliance with its continuing disclosure policies and procedures and shall be responsible for implementing and maintaining a record (including attendance) of related training. Others within the Alliance may, from time to time, be designated by the Disclosure Representative as spokespersons on behalf of the Alliance and respond to specific inquiries. It is essential that the DWG be fully apprised of all

material developments of the Alliance in order to evaluate, discuss those events and determine the appropriateness and timing for release.

The Disclosure Representative or its designated agent will provide continuing disclosure documents and related information to EMMA or the SEC, or to bondholders, as appropriate. The continuing disclosure documents, which include annual financial statements, operating data of the Alliance (and any obligated persons, where applicable) and event notices, will be posted to the EMMA website by the Alliance's Disclosure Dissemination Agent, Digital Assurance Certification, LLC ("DAC"), or its successor, or otherwise provided pursuant to the Alliance's continuing disclosure undertakings.

D. Continuing Disclosure Agreements and Requirements

Appendix A contains the Continuing Disclosure Agreements and the disclosure requirements for the public debt issues which are subject to the Rule and the Alliance's other continuing disclosure undertakings. The CUSIP numbers for each of the public debt issues are attached as Appendix B.

E. Event Notice Requirements

1. For any public debt issues (subject to SEC Rule 15c2-12), the following events must be provided to the Alliance's Disclosure Dissemination Agent, for further filing with EMMA, *within ten (10) business days of their occurrence*.

Unless otherwise specified, the Disclosure Representative will be responsible for monitoring the occurrence of these events, determining (if necessary) their materiality upon advice of members of the DWG, and notifying the Dissemination Agent of the occurrence of an event for further filing with EMMA:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on debt service reserves reflecting financial difficulty
- Unscheduled draws on credit enhancements reflecting financial difficulty
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices of determination with respect to the tax status of the security or other material events affecting the tax status of the security
- Modifications to rights of security holders, if material

- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution, or sale of property securing repayment of the securities, if material
- Rating changes
- Bankruptcy, insolvency, receivership or similar event of the obligated person
- The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- Appointment of a successor or additional trustee or the change of name of a trustee, if material
- Incurrence of a financial obligation of the Alliance (and any obligated person, where applicable), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation the Alliance (and any obligated person, where applicable), any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Alliance (and any obligated person, where applicable), any of which reflect financial difficulties.

2. In addition, the Disclosure Representative will be responsible for providing notice, in a timely manner, of a failure to provide any of the Alliance's required annual financial information by the date specified in the continuing disclosure undertaking.

F. Voluntary Disclosure Requirements

In addition to preparing annual reports and event notices, the Alliance may wish to keep investors informed by providing information that is not required to be provided under the Rule or its continuing disclosure undertakings. Examples of such types of information are investments, interim financial information, capital improvement plans, fund balance policies, etc. and financial forecasts.

Because providing this information is voluntary, the Disclosure Representative will monitor for events which may affect the Alliance, so that a determination can be made if the event should be disclosed.

The below list is comprised of events and financial disclosure which the MSRB has suggested issuers may wish to voluntarily disclose. Some of these are not applicable to the Alliance's public debt issues and financial obligations, but the DWG should provide these to the Alliance's Disclosure Dissemination Agent for further filing with EMMA if provided to other investors:

1. "amendment to continuing disclosure undertaking;"
2. "change in obligated person;"
3. "notice to investors pursuant to bond documents;"
4. "certain communications from the Internal Revenue Service;"
5. "secondary market purchases;"
6. "bid for auction rate or other securities;"
7. "capital or other financing plan;"
8. "litigation/enforcement action;"
9. "change of tender agent, remarketing agent, or other on-going party;"
10. "other event-based disclosures;"
11. "quarterly/monthly financial information;"
12. "change in fiscal year/timing of annual disclosure;"
13. "change in accounting standard;"
14. "interim/additional financial information/operating data;"
15. "budget;"
16. "investment/debt/financial policy;"
17. "information provided to rating agency, credit/liquidity provider or other third party;"
18. "consultant reports;" and
19. "other financial/operating data."

Also, if the Alliance maintains an “Investor Relations” website, or routinely posts Alliance member packages, including interim financial information, capital improvement plans, etc. on its website, the Alliance’s Disclosure Representative should review and, in some cases, the DWG should “reissue” the posted material with an explanatory note (e.g., the interim financial information is presented on a cash, as opposed to accrual basis).

G. Third Party Information/Interim Disclosure Requirements

The Disclosure Representative is responsible for determining whether any person other than the Alliance is (i) an “obligated person” within the meaning of the Rule with respect to the Alliance’s Continuing Disclosure Agreements subject to the Rule or (ii) a third party from which information is required to be provided pursuant to the Alliance’s continuing disclosure undertakings. The Disclosure Representative will obtain from such persons (i) any annual financial information, notice of listed events and other information for that person required under the Rule or the Alliance’s continuing disclosure undertakings or (ii) an undertaking to provide such information to EMMA or the SEC, or to bondholders, as appropriate.

Currently, the Alliance is not required to file interim financial information. In the future, if such filings are required in continuing disclosure undertakings, the Alliance’s Disclosure Representative will notify the Disclosure Dissemination Agent for assistance when these filings become necessary.

H. Coordinating Continuing Disclosure with Primary Disclosure

It is expected that the DWG will be responsible for collecting and reviewing information set forth in official statements prepared in connection with new bond offerings.

The “Management’s Discussion and Analysis” from the prior year’s audited financial statements will be reviewed to ensure that the unaudited information which was provided in that portion of the financial statements is updated to include added public debt and material financial obligations. Coordination with the Alliance’s auditors will be essential.

Careful review of the long-term debt notes in the financial statements and the checking of all bond ratings before each EMMA filing should be made. Measures should be taken to assure information publicly available to investors is accurate.

Further coordination between the DWG and the Alliance’s website manager is essential before posting of any financial information is made.

I. Website Disclosure

It is expected that the Alliance will be responsible for monitoring website content and reviewing the information set forth on such website. Appropriate “disclaimer” language on the website will be considered in order to educate the viewer regarding information intended for investors can be found and the investor’s acknowledgement of the limitations of such reliance. Coordination between the DWG and Alliance officials will occur before the release of any public statements about any financial condition of the Alliance.

J. Training for Employees and Issuer Officials

For Alliance officials, compliance with federal securities law should be considered as important as compliance with local public meetings and records laws. To further this goal, the Disclosure Representative shall call a meeting for an annual review or, if necessary, an interim review, of the continuing disclosure policies of the Alliance; which all members of the DWG and additional invited officials and employees are expected to attend. The Disclosure Representative shall be responsible for keeping a record of attendance. Furthermore, the members of the DWG and such invited officials and employees are expected to attend training sessions, at least annually, called by the Disclosure Representative. Again, the Disclosure Representative will be responsible for retaining a record of such sessions including attendance.

It is anticipated that on-going education will involve guest speakers, webinars and conference attendance, as well as continuing legal and accounting education courses. Note that DAC offers 15-20 hours of CPE credit annually on topics related to municipal securities, in which the Alliance’s employees and officials may participate. Updated schedules of webinars are available on www.dacbond.com.

Applicable policies and procedures will be updated by the Alliance to reflect required changes on an as-needed basis.

K. Disclosure Dissemination Agent

The SEC has recognized Digital Assurance Certification as a source of information that may be relied on with the issuance of a “No Action” Letter. A copy of this SEC letter is posted to DAC’s website at www.dacbond.com and is included as Appendix D.

L. Effective Date

This Policy shall become effective immediately.

Appendix A

Continuing Disclosure Agreements and Requirements

(Refer to the CDA link below the Policies and Procedures icon.)

Appendix B

CUSIPs

(Refer to the CUSIPs link below the Policies and Procedures icon.)

Appendix C
Digital Assurance Certification
Securities and Exchange Commission
No Action Letter
Dated: September 21, 2001



DIVISION OF
MARKET REGULATION

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

September 21, 2001

Monty Humble, Esq.
Vinson & Elkins LLP
3700 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201-7700

Re: Digital Assurance Certification L.L.C.

Based on your representations and the facts presented in your letter dated September 7, 2001 (the "Request"), the Division of Market Regulation will not recommend any enforcement action to the Commission against any broker, dealer, or municipal securities dealer (each, a "dealer") for violation of Subsection (c) of Rule 15c2-12 of the Securities Exchange Act of 1934 because the dealer uses the DAC Database as its source of Information in the procedures it establishes in order to have reasonable assurance that it will receive prompt notice of any event disclosed pursuant to paragraph (b)(5)(i)(C), paragraph (b)(5)(i)(D), and paragraph (d)(2)(ii)(B) of Rule 15c2-12 for DAC Bonds.

For purposes of this letter, the "DAC Database" is an Internet-accessible database maintained by Digital Assurance Certification L.L.C. ("DAC") and a municipal security included in the DAC Database is a "DAC Bond." "Information" refers to the Annual Financial Information, Audited Financial Statements, Notice Event notices, and Voluntary Reports, as such terms are used in the Request.

In reaching this position, we note in particular that:

1. Pursuant to a Continuing Disclosure Agreement for a DAC Bond, the issuer or obligated person will name DAC as its exclusive dissemination agent. The issuer or obligated person will agree to provide DAC with the Annual Financial Information and Audited Financial Statements (certified by a designated representative of the issuer or obligated party) by deadlines described in the Agreement and with all Notice Events notices and Voluntary Reports (each certified by a designated representative of the issuer or obligated party) for filing with nationally recognized municipal securities information repositories, state information depositories and/or the Municipal Securities Rulemaking Board (collectively, "Repositories") as required by Rule 15c2-12. DAC will agree to make such filings promptly upon its receipt of the Information.

2. DAC will be irrevocably instructed by the issuer or obligated person to file Notice Event notices of failure to file annual financial information with the appropriate Repositories at the times and under the circumstances which you have described in the Request.
3. Information in the DAC Database, including Notice Event notices, will be identical to the information DAC files with the Repositories.
4. Whenever DAC enters into a Continuing Disclosure Agreement with respect to an issue of municipal securities that is already outstanding, it will use its best efforts to obtain all Information with respect to that issue from the Repositories and include that Information in the DAC Database.

This no-action position is expressly conditioned on the current and continuing accuracy of the facts and representations contained in the Request; any different facts or conditions might require a different response. This position is based on current laws, rules, and regulations governing participants in, and the markets for, municipal securities. Any changes in such laws, rules, or regulations may supersede this no-action position or require the Division to reevaluate its position. In addition, DAC shall advise the Division of any material change in its standard form of Continuing Disclosure Agreement or the operations and procedures described in the Request, and, if possible, shall provide such information 30 days prior to any contemplated change, to enable the Division to reevaluate this no-action position in light of such change.

This no-action position is subject to modification or revocation at any time the Division determines that such action is necessary or appropriate. The Division may, from time to time, request that DAC provide it with additional information concerning the DAC Database and the DAC System referred to in the Request.

The position expressed herein is the Division's position on enforcement action only; it does not represent a legal conclusion on the question presented.

Sincerely,



Martha Mahan Haines, Chief
Office of Municipal Securities

Digital Assurance Certification ("DAC") Securities and
Exchange Commission No Action Letter

Attachment C

RatingsDirect®

Summary:

Discovery Clean Water Alliance, Washington; Water/Sewer

Primary Credit Analyst:

Alexandra Rozgonyi, Centennial + 1 (303) 721 4824; alexandra.rozgonyi@spglobal.com

Secondary Contact:

Doug Snider, Centennial + 1 (303) 721 4709; doug.snider@spglobal.com

Table Of Contents

Rating Action

Stable Outlook

Credit Opinion

Related Research

Summary:

Discovery Clean Water Alliance, Washington; Water/Sewer

Credit Profile

US\$13.5 mil swr rev bnds ser 2021 dtd 06/09/2021 due 12/01/2041

Long Term Rating

AA-/Stable

New

Rating Action

S&P Global Ratings assigned its 'AA-' long-term rating to Discovery Clean Water Alliance, Wash.'s sewer revenue and refunding bonds, series 2021. The outlook is stable.

The par amount of the bonds is approximately \$13.5 million. The bonds will be used to refund the alliance's outstanding series 2015 obligations and to fund the Salmon Creek Treatment Plant Phase 5A (Outfall/Effluent) project. As of April 2021, the alliance supported about \$6.9 million of outstanding senior-lien series 2015 obligations and \$16.7 million of subordinate-lien loan obligations.

We view bond provisions as credit neutral. The bonds are secured by net revenues from contractual payments attributable to its members' allocation of flows and capital, consisting primarily of regional service charges (RSCs) of the alliance members. The rate covenant and additional bonds test are set at the maintenance of RSCs to equal 1.1x annual debt service. The bonds will not be secured by a debt service reserve account, which, given the robust cash position of \$11.4 million, would be sufficient to cover maximum annual debt service and still have over a year of operating expenses; we do not see this as a credit risk.

Credit overview

The alliance is a regional wholesale wastewater transmission and treatment provider in southern Washington, serving customers in the Portland-Vancouver-Hillsboro, Ore.-Wash., metropolitan statistical area. The rating reflects our view of the alliance's two members that are using its assets: Clark Regional Wastewater District (AA/Stable; the district) and the city of Battle Ground (unrated). The obligation of the members to make payments is a joint obligation, and although the structure would suggest a strong link approach, in our opinion, based on our stress test, which includes a 100% step-up and exclusion of one-time growth-related fees, all-in coverage would be weaker. Accordingly, we also look at the credit quality of Battle Ground and its ability to service obligations to the alliance.

The rating reflects our view of:

- The alliance's participation in the diverse and growing Portland-Vancouver-Hillsboro metropolitan area with above-average income indicators;
- The alliance's forward-looking management team represented by long-range financial and capital planning to ensure the regional system can support continued growth in the service area; and

- The district's robust historical financial performance (78% of RSCs), demonstrated by all-in coverage above 3.0x in fiscal 2019 (with one-time growth-related fees) and about \$40 million of unrestricted cash, representing 660 days of operating expenses.

In our view, these strengths are partially offset by the alliance's sizable capital plan at about \$60.8 million, which includes a series of capacity expansions to provide additional capacity for the district and Battle Ground. The alliance has future debt plans of about \$37 million during the next six years, which we believe is manageable given the debt structure; however, this will depend on continued increases to the RSCs to cover these costs. Finally, the city of Battle Ground's financial profile in our view is sound, though highly reliant on one-time growth-related revenues to reach projected coverage metrics, that we would view as strong if achieved.

The stable outlook reflects our expectation that the alliance will continue to work through its expansion projects during the next six years while maintaining stable coverage and cash. The district's credit quality provides additional stability at the current rating level. We could consider raising or lowering the rating in the future based on any change in the members' credit quality.

Environmental, social, and governance (ESG) factors

In our opinion, the alliance has ESG risks in line with peers. In our opinion, future environmental risks would include more stringent regulations with effluent discharge into the Columbia River. We understand the current National Pollutant Discharge Elimination System (NPDES) expired in 2017 and the alliance is in the process of having the permit renewed. Currently under discussion, which could come into effect during the next 10-20 years, requirements could include temperature regulations of effluent into the Columbia River. We understand management performs a risk-based assessment every two years and is in compliance with its current NPDES, which is under renewal.

The alliance has no employees. The day-to-day operations of the alliance are performed by the administrative lead (the district), and in our opinion the district has robust management practices and policies. The board has four members, including elected officials from the district and Battle Ground; per the alliance agreement, certain major decisions require dual majority or dual super-majority vote; and the board meets quarterly to discuss policy, governance, budgets, capital plans and the establishment of RSCs, which in our view is credit supportive.

From a social perspective, we understand regional members were not late or delinquent on payments to the alliance and the service area economy benefits from strong income indicators. However, S&P Global Ratings believes there remains high, albeit moderating, uncertainty about the evolution of the coronavirus pandemic and its economic effects. Vaccine production is ramping up and rollouts are gathering pace around the world. Widespread immunization, which will help pave the way for a return to more normal levels of social and economic activity, looks to be achievable by most developed economies by the end of the third quarter. However, some emerging markets may only be able to achieve widespread immunization by year-end or later. We use these assumptions about vaccine timing in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

Stable Outlook

Upside scenario

We could raise the rating if alliance members can sustain robust financial metrics despite the planned additional debt and rise in RSCs. Additionally, we could raise the rating if the district's financial performance excluding growth-related fees and cash is sustained at levels consistent with the higher rating level.

Downside scenario

We could lower the rating if the alliance experiences financial deterioration whether because it fails to pass through sufficient revenue requirements to its members or other reasons. Additionally, we could lower the rating if the district's financial metrics deteriorate due to higher RSC payments to the alliance or if direct debt or capital needs increase without these costs being passed through to the customer base.

Credit Opinion

The alliance provides wholesale wastewater treatment to a population of over 140,000 primarily residential customers within the district and the city of Battle Ground's service areas. Both members have income indicators above 120% of the national average, and unemployment in the county is down to 6% for March 2021 from a peak of 14% in April 2020. Both the district and Battle Ground have experienced continued growth, but growth is greater in the district's service area. This is driving the alliance's expansion plans.

The alliance has four members, but only two of them (the district and Battle Ground) are currently utilizing the alliance's assets, which is why we base our credit rating on the credit fundamentals of the district and Battle Ground. The county does not operate a wastewater collection system, and Ridgefield transferred its entire wastewater system to the district in 2014. Therefore, only two of the members operate wastewater collection systems that use the alliance's transmission and treatment services. The district is the largest member, representing 78% of RSCs, with Battle Ground accounting for 22% of RSCs.

Each member, under the alliance agreement, agrees to establish, maintain, and collect rates, fees, and other charges for wastewater service sufficient to pay their respective RSC. If a member defaults and RSCs are unpaid, the other members also served by the regional assets are obligated to promptly pay the alliance the defaulting member's RSCs in proportion to those members' allocated capacities. Given that only two members are currently paying RSCs, in the event of default, we would expect the nondefaulting member to step up and pay the defaulting member's RSCs. The alliance board adopts the RSC on a biennial basis within its two-year operating and capital budgets. Members can withdraw, but the withdrawing member is responsible for the full cost of withdrawal to the alliance, including the allocable cost of bonds issued.

Alliance

The alliance's financial position has improved in recent years after a large increase in RSCs in 2018 (approximately 20% for the district and 11% for Battle Ground). All-in coverage was over 2.0x in 2020 with cash at \$11 million, representing 659 days of operating expenses. The higher RSC revenue will be used to pay for debt and renewal and

replacements of the system's assets. We expect coverage will be lower but consistent with the current rating level, as the alliance has future debt plans.

The alliance's capital plan consists of growth-related projects and renewal and replacements. Approximately 60% of the capital projects will be funded from the series 2021 issuance and future debt plans. The Salmon Creek Treatment Plant (SCTP) has a current capacity of 14.95 million gallons per day (mgd) compared to the average flow at about 70% of the treatment plant's capacity. We understand there is a planned expansion to increase capacity to 17.5 mgd. The Ridgefield treatment plant is much smaller, with a capacity of 0.7 mgd, and by 2036 all flows will be sent to the SCTP.

Clark Regional Wastewater District

In our opinion, the district's all-in coverage metrics are extremely strong, though they rely on growth-related revenue to remain so. Our all-in coverage metric is our internally adjusted debt service metric that incorporates fixed costs associated with the district's proportionate share of the alliance's debt obligations. In fiscal 2019, all-in coverage was about 3.6x (extremely strong), and excluding growth-related fees about 1.3x (good). Unrestricted cash and investments are a credit strength, and we anticipate they will decline but stay at an extremely strong level. In fiscal 2019, unrestricted cash and investments were about \$40 million, equivalent to about 660 days of operating expenses. The district has a low debt-to-capitalization ratio for direct debt only at below 10%. As of Dec. 31, 2020, the district had about \$10 million of outstanding sewer revenue bonds and \$13.5 million of outstanding state loans that are also secured by revenue from the district's wastewater utility.

Battle Ground

Battle Ground has sound financial metrics but is more reliant on growth-related fees to meet what we consider robust all-in coverage. During the past three fiscal years, all-in coverage was above 4.0x; however, without these one-time fees it was 1.24x in fiscal 2019 and below 1.0x in 2018 and 2017. If growth does not materialize or net revenues do not continue to exceed expenses and RSCs, we would expect much weaker all-in coverage metrics. Unrestricted cash is a credit strength and has risen during the past three fiscal years, to \$12 million in fiscal 2019, equivalent to over two years of operating expenses. Battle Ground has a manageable debt-to-capitalization ratio including direct debt only at about 14%. As of Dec. 31, 2020, Battle Ground had about \$6 million of outstanding revenue bonds, which are secured by net revenues from the Battle Ground sewer utility.

Related Research

Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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Attachment D

Discovery Clean Water Alliance

2021-2022 Budget Amendment Calendar

FAC Meeting
Due to Treasurer

Alliance Board Meeting

District RSC Review
BG RSC Review

MAY						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31 MEMORIAL DAY					

JUNE						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11 FAC/MIC Budget Kickoff Meeting	12
13	14	15	16	17	18 BOD Mtg - Review Budget Calendar	19
20	21	22	23	24	25	26
27	28	29	30			

JULY						
S	M	T	W	T	F	S
				1	2	3
4	5 FOURTH OF JULY	6	7	8	9 FAC/MIC Budget Meetings	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30 BDPs due to Treasurer	31

AUGUST						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13 FAC/MIC Budget Meetings	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30 BG/Dist Staff RSC Review (Affordability)	31				

SEPTEMBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6 LABOR DAY	7	8	9	10 FAC/MIC Budget Meetings	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

OCTOBER						
S	M	T	W	T	F	S
					1 BOD Mtg - Draft Budget #1 Review	2
3	4 BG Council RSC Review	5	6	7	8 FAC/MIC Budget Meetings	9
10	11	12 District Board RSC Review	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

(over)

Discovery Clean Water Alliance
2021-2022 Budget Amendment Calendar

(continued)

NOVEMBER						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11 VETERANS DAY	12 FAC/MIC Budget Meetings	13
14	15	16	17	18	19	20
21	22	23	24	25 THANKSGIVING	26 THANKSGIVING	27
28	29	30				

DECEMBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10 FAC/MIC Budget Meetings	11
12	13	14	15	16	17 BOD Mtg - Amended Budget Adopt	18
19	20	21	22	23	24 CHRISTMAS	25
26	27	28	29	30	31	

Budget Preparation Tasks

6/11/2021	FAC/MIC Meetings - Budget Kickoff
6/18/2021	Board Meeting - Review Amended Budget Calendar
7/9/2021	FAC/MIC Meetings - Review Draft Amended Capital Budgets
7/30/2021	Budget Decision Packages and Contracted Services Budgets (Administrative Lead, Contract Operator - Clark County Funds 4580 & 4583, and Contract Operator - District) Due to Treasurer
8/13/2021	FAC/MIC Meetings - Review Draft Amended Operating Budget & Amended Total Budget Draft #1
8/30/2021	Battle Ground/District Staff Review of Budget (RSC Affordability)
9/10/2021	FAC/MIC Meetings - Review Amended Total Budget Draft #1
10/1/2021	Board Meeting - Review Amended Total Budget Draft #1 - Full Package (w/Staff Report, Resolution)
10/4/2021	Battle Ground Council Review Amended RSCs for 2022 (RSC Affordability) (if necessary)
10/8/2021	FAC/MIC Meetings - Review Amended Total Budget Draft #2
10/12/2021	District Board Review Amended RSCs for 2022 (RSC Affordability) (if necessary)
11/12/2021	FAC/MIC Meetings - Review Amended Total Budget Draft #3
12/10/2021	FAC/MIC Meetings - Final Review of 2021-2022 Amended Budget/Resolution
12/17/2021	PUBLIC HEARING: Amended 2021-2022 Budget
12/17/2021	Board Meeting - Adopt Amended 2021-2022 Operating & Capital Budget and RSCs

Attachment E



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Discovery Clean Water Alliance

For the period January 1, 2020 through December 31, 2020

Published May 10, 2021

Report No. 1028250



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**Office of the Washington State Auditor
Pat McCarthy**

May 10, 2021

Board of Directors
Discovery Clean Water Alliance
Vancouver, Washington

Report on Financial Statements

Please find attached our report on the Discovery Clean Water Alliance's financial statements.

We are issuing this report in order to provide information on the Alliance's financial condition.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

TABLE OF CONTENTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	4
Independent Auditor's Report on the Financial Statements	6
Financial Section.....	9
About the State Auditor's Office.....	34

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Discovery Clean Water Alliance January 1, 2020 through December 31, 2020

Board of Directors
Discovery Clean Water Alliance
Vancouver, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Discovery Clean Water Alliance, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Alliance's basic financial statements, and have issued our report thereon dated April 30, 2021.

As discussed in Note 9 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the Alliance is unknown.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Alliance's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of the Alliance's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Alliance's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of

deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Alliance's financial statements are free from material misstatement, we performed tests of the Alliance's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Alliance's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Alliance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy

State Auditor

Olympia, WA

April 30, 2021

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Discovery Clean Water Alliance January 1, 2020 through December 31, 2020

Board of Directors
Discovery Clean Water Alliance
Vancouver, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Discovery Clean Water Alliance, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Alliance's basic financial statements as listed on page 9.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control

relevant to the Alliance's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Alliance's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Discovery Clean Water Alliance, as of December 31, 2020, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 9 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the Alliance is unknown. Our opinion is not modified with respect to this matter.


Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2021 on our consideration of the Alliance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Alliance's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy
State Auditor
Olympia, WA

April 30, 2021

FINANCIAL SECTION

Discovery Clean Water Alliance January 1, 2020 through December 31, 2020

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2020

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2020

Statement of Revenues, Expenses and Changes in Net Position – 2020

Statement of Cash Flows – 2020

Notes to Financial Statements – 2020

**DISCOVERY CLEAN WATER ALLIANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

INTRODUCTION

Management of Discovery Clean Water Alliance (Alliance) and readers of the Alliance's financial statements are provided this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2020.

The Alliance is a municipal corporation established under the Joint Municipal Utility Services Act (RCW 39.106.010). The Alliance contracts with Clark Regional Wastewater District (District) for Administrative Lead services. Administrative Lead services include executive and administrative services, such as agency coordination, clerk to the Board, public outreach and risk management services; financial and treasury services including preparation of operating and capital budgets, financial reporting, creation and compliance of financial policies, debt and investment management, and accounts payable processing; and capital program management services including preparation of the capital plan, capital management policies, capital project delivery and treatment capacity monitoring.

The following Management's Discussion and Analysis is intended to serve as an introduction to the Alliance's basic financial statements, the notes to the financial statements and, if applicable, any other supplementary information required as part of the basic financial statements.

The Alliance is legally required to adopt a budget per RCW 39.106.05. The Board of Directors adopts a biennial operating and capital budget. Budgets are increased or decreased as deemed necessary through Board-adopted budget amendments.

The Alliance's financial statements present a Special Purpose Government organized under the laws of the State of Washington, Revised Code of Washington (RCW) Chapter 39.106 – the Joint Municipal Utility Services Act (JMUSA). The Alliance is not a segment of any other local government, nor is it a component unit thereof. The financial statements are presented in a manner similar to a private-sector business.

The Alliance uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities (i.e. wastewater treatment service). The Alliance reports its activities as an enterprise fund, which is a type of proprietary fund.

The *Statement of Net Position* presents information on all of the Alliance's assets, liabilities and deferred outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Alliance is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Fund Net Position* displays the change in the Alliance's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of related cash flows.

**DISCOVERY CLEAN WATER ALLIANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

The *Statement of Cash Flows* presents the cash flow from operations, non-capital financing and from capital and related financing, as well as from investing activities.

Financial Highlights

- For 2020, the assets of the Alliance exceeded its liabilities by \$111.2 million. Of this amount, \$11.8 million is classified as unrestricted and may be used to meet the Alliance's ongoing obligations. This constitutes a total increase of \$3.8 million in net position from 2019, due to 2020 operating income.
- Regional Service Charges (RSCs) of \$14.2 million were billed to the City of Battle Ground and the District in 2020. This constitutes most operating revenues of the Alliance.
- The Alliance was charged \$4.6 million by other governments for treatment plant operator services.

Assets, Deferred Outflows, Liabilities and Net Position

December 31	2020	2019	2020 to 2019 Change	%
<i>Assets</i>				
Current and other assets	\$ 13,127,072	\$ 10,397,445	\$ 2,729,627	26%
Capital assets	124,414,140	119,515,534	4,898,606	4%
Total assets	137,541,212	129,912,978	7,628,234	6%
Deferred Outflows	3,000,744	3,031,570	(30,826)	100%
<i>Liabilities</i>				
Long-term liabilities	27,039,672	24,704,911	2,334,761	9%
Other liabilities	2,289,218	811,434	1,477,784	182%
Total liabilities	29,328,890	25,516,345	3,812,545	15%
<i>Net position</i>				
Net investment in capital assets	99,447,344	98,799,602	647,742	1%
Unrestricted	11,765,722	8,628,601	3,137,121	36%
Total net position	\$ 111,213,066	\$ 107,428,203	\$ 3,784,861	

- The Alliance's structure results in a planned increase in total net position. RSCs are based on budget and are designed to cover (on a cash basis) operating expenses, debt service payments, and capital expenditures. Because capital expenditures exceeded depreciation expense in 2020, the Alliance's net position increased.

**DISCOVERY CLEAN WATER ALLIANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Investment in capital assets includes construction work in progress, land, buildings, pump stations, transmission lines, machinery and equipment. The Alliance's total net capital assets as of December 31, 2020 were \$124.4 million, an increase of \$4.9 million. Major capital asset additions include costs of \$7.5 million in 2020, for capital improvements to the Salmon Creek Wastewater Treatment Plant. For further explanations of the capital asset activity of the Alliance, please refer to Note 3, Capital Assets (page 29).

Long-Term Liabilities

- On September 2, 2015, the Alliance issued \$12.0 million in new revenue bonds to finance the defeasance of the District's 2005 revenue bonds (\$8.7 million) and for reconstruction and repair of existing systems (\$3.3 million). The outstanding balance owed at December 31, 2020, is \$6.7 million.
- In 2019, the Alliance was awarded a \$9.0 million Public Works Board (PWB) loan. Through December 31, 2020, \$5.5 million has been drawn on the loan. Payments on this loan are scheduled to begin in 2021.
- In 2020, long-term liabilities increased by \$2.3 million from 2019, due to scheduled debt service payments of \$3.3 million and the new PWB loan.
- Loans payable of \$16.1 million at year end include the following:
 - ❑ \$9.9 million for PWB loans granted for the Phase IV construction of the Salmon Creek Treatment Plant
 - ❑ \$5.5 million for PWB loan granted for the Phase V construction of the Salmon Creek Treatment Plant
 - ❑ \$0.4 million on the State Revolving Fund (SRF) loan used for Phase IV construction of the Salmon Creek Wastewater Management System
 - ❑ \$0.3 million on the SRF loan used for the Ridgefield Treatment Plant upgrade
- Please refer to Note 5, Long-Term Liabilities on pages 33-35, for more detailed information regarding long-term debt activity.
- The Alliance recognizes an ARO related to the Ridgefield Treatment Plant of \$4.2 million. See Note 7, Asset Retirement Obligations, on page 37 for further detail.

**DISCOVERY CLEAN WATER ALLIANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

Revenues and Expenses

	2020	2019	2020 to 2019 Change	%
REVENUES				
Regional Service Charges	\$ 14,229,825	\$ 14,229,825	\$ 0	0%
Operating revenue - miscellaneous	12,873	-	12,873	0%
Non-operating - interest earnings	126,422	169,039	(42,617)	-25%
Non-operating - miscellaneous	-	262,023	(262,023)	-100%
Total revenue	<u>14,369,120</u>	<u>14,660,887</u>	<u>(291,767)</u>	-2%
EXPENSES				
Operating expenses	10,137,055	10,251,948	(114,893)	-1%
Non-operating - interest expense	300,107	323,291	(23,184)	-7%
Non-operating - miscellaneous	147,095	-	147,095	
Total expenses	<u>10,584,257</u>	<u>10,575,239</u>	<u>9,018</u>	0%
CHANGE IN NET POSITION	3,784,863	4,085,648	(300,785)	-7%
NET POSITION, January 1	<u>107,428,203</u>	<u>103,342,555</u>	<u>4,085,648</u>	4%
NET POSITION, December 31	<u>\$ 111,213,066</u>	<u>\$ 107,428,203</u>	<u>\$ 3,784,863</u>	4%

- The Alliance received \$14.2 million in Regional Service Charge (RSC) revenues from two Members, the District and Battle Ground. These RSCs represented 99.9% of the Alliance's operating revenues in 2020. RSCs remained unchanged in 2020 from 2019 as RSCs are based on budget and the Alliance budgets on a biennial basis.
- Operating expenses in 2020 totaled \$10.1 million, a decrease of \$0.1 million (or 1.2%) from 2019. Treatment plant operations expenses decreased by \$0.2 million (or 4.0%) as a result of operational efficiencies. Treatment plant operations represent 45.7% of total operating expenses, while depreciation represents 37.7% of total operating expenses.

Economic Factors and 2021/2022 Budget

Following federal declaration of a public health emergency on February 29, 2020, Governor Inslee proclaimed a State of Emergency (Proclamation 20-05) for all counties throughout the state of Washington as a result of the coronavirus disease 2019 (COVID-19) outbreak, which has been classified by the World Health Organization as a worldwide pandemic. While economic uncertainties persisted through 2020, and continue into 2021, the Alliance continued to experience positive operating income while building reserves per the operational framework between Member agencies. At the same time, the Alliance has continued to formulate long-range financial forecasts and adopted biennial budgets to fund all Regional Asset operations, service debt outstanding on those assets, repair or replace existing wastewater collection/treatment infrastructure and construct new infrastructure when necessary. The Alliance has budgeted \$18.9 million in 2021-2022, for capital improvements to the Salmon Creek Wastewater Treatment Plant to meet the growing demand for wastewater treatment services in the region.

**DISCOVERY CLEAN WATER ALLIANCE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

Requests for Information

This financial report is designed and intended to provide a general overview of the Alliance's financial position. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Discovery Clean Water Alliance, Treasurer, PO Box 8979, Vancouver, WA 98668-8979 or www.discoverycwa.org.

DISCOVERY CLEAN WATER ALLIANCE
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	2020
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 11,412,337
Prepaid expenses	165,085
Due from other governments	53,093
Total current assets	<u>11,630,515</u>
NONCURRENT ASSETS	
Contracts receivable	1,496,557
Capital assets not being depreciated:	
Land	336,301
Construction work in progress	14,708,043
Total capital assets, not being depreciated	<u>15,044,344</u>
Capital assets being depreciated:	
Infrastructure	129,871,974
Equipment	80,670
Less: accumulated depreciation	<u>(20,582,848)</u>
Total capital assets being depreciated	109,369,796
Total noncurrent assets	<u>125,910,697</u>
Total assets	<u>137,541,212</u>
DEFERRED OUTFLOWS of RESOURCES	
Amounts related to asset retirement obligation	<u>3,000,744</u>
TOTAL DEFERRED OUTFLOWS of RESOURCES	<u>3,000,744</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 2,217,826
Interest payable	71,392
Sewer revenue bonds, current	1,280,000
Loans payable, current	2,302,268
Total current liabilities	<u>5,871,486</u>
NONCURRENT LIABILITIES	
Sewer revenue bonds, long term	5,445,000
Loans payable, long term	13,812,404
Asset retirement obligation	4,200,000
Total noncurrent liabilities	<u>23,457,404</u>
Total liabilities	<u>29,328,890</u>
NET POSITION	
Net investment in capital assets	99,447,344
Unrestricted	11,765,722
Total net position	<u>\$ 111,213,066</u>

The notes to the financial statements are an integral part of this statement.

**DISCOVERY CLEAN WATER ALLIANCE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
YEAR ENDED DECEMBER 31, 2020**

	<u>2020</u>
OPERATING REVENUES	
Regional Service Charges	\$ 14,229,825
Other operating revenue	<u>12,873</u>
Total utility operating revenues	<u>14,242,698</u>
OPERATING EXPENSES	
Administrative Lead services	679,667
Professional services	82,734
Treatment plant operations	4,630,680
Repairs and maintenance	747,518
Insurance	175,457
Miscellaneous	2,222
Depreciation	<u>3,818,777</u>
Total operating expenses	<u>10,137,055</u>
OPERATING INCOME	<u>4,105,643</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest and investment revenue	126,422
Loss on disposal of capital assets	(147,095)
Interest expense	<u>(300,107)</u>
Total non-operating revenues (expenses)	<u>(320,780)</u>
CHANGE IN NET POSITION	3,784,863
TOTAL NET POSITION, January 1	<u>107,428,203</u>
TOTAL NET POSITION, December 31	<u>\$ 111,213,066</u>

The notes to the financial statements are an integral part of this statement.

DISCOVERY CLEAN WATER ALLIANCE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 14,276,003
Payments to suppliers	(6,179,277)
Receipts from other operating activities	<u>12,873</u>
Net cash from operating activities	<u>8,109,599</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt	5,465,700
Principal paid on capital debt	(3,330,939)
Interest paid on capital debt	(286,091)
Purchase and construction of capital assets	<u>(7,328,301)</u>
Net cash from capital and related financing	<u>(5,479,631)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>126,422</u>
Net cash from investing activities	<u>126,422</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,756,390
 CASH AND CASH EQUIVALENTS, January 1	<u>8,655,947</u>
CASH AND CASH EQUIVALENTS, December 31	<u><u>\$ 11,412,337</u></u>

The notes to the financial statements are an integral part of this statement.

DISCOVERY CLEAN WATER ALLIANCE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES	
Utility operating income (loss)	\$ 4,105,643
Adjustments to reconcile operating income to net cash flows from operating activities	
Depreciation expense	3,818,777
Amortization of deferred outflow	230,826
(Increase) decrease in prepaid expenses	(19,416)
Increase (decrease) in accounts payable	(72,408)
(Increase) decrease in contracts receivable	(68,698)
(Increase) decrease in due from other governments	114,875
Total adjustments	<u>4,003,956</u>
Net cash from operating activities	<u><u>\$ 8,109,599</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Noncash capital financing	\$ (11,021)

The notes to the financial statements are an integral part of this statement.

Note 1 – General Description of the Alliance and Summary of Significant Accounting Policies

The financial statements of the Alliance have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

Reporting Entity - Discovery Clean Water Alliance (Alliance) was incorporated January 4, 2013 under the empowerment of RCW 39.106 – the Joint Municipal Utility Services Act (JMUSA). In 2012, Clark County (County), Clark Regional Wastewater District (District), City of Battle Ground (Battle Ground) and City of Ridgefield (Ridgefield) reached agreement on the appropriate form of a regional wastewater partnership to meet the needs of the community for the next generation. An Interlocal Formation Agreement (IFA) was signed on September 27, 2012, representing the culmination of five years of study and providing the foundation for the creation of the Alliance.

As required by GAAP, management has considered all potential component units in defining the reporting entity. Utilizing the criteria set forth by GASB for component units, the Alliance has evaluated all legal entities that would potentially qualify as a component unit and be included in the financial statements of the Alliance. The Alliance concludes it has no component units. The Alliance's financial statements include the financial position and results of operation of a single enterprise that the Alliance manages and has custodial responsibility over the assets and liabilities therein.

Basis of Accounting and Presentation - The accounting records of the Alliance are maintained in accordance with methods prescribed by the State Auditor under authority chapter 43.09. The Alliance uses the Uniform Chart of Accounts as prescribed within the Budgeting, Accounting and Reporting System (BARS) Manual for Special Purpose Districts reporting in conformity with GAAP.

The statements of the Alliance are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows.

The Alliance distinguishes between operating and non-operating revenues and expenses. Operating revenues are derived from the regional wastewater treatment services provided to the Members and ratepayers of the Members. Operating expenses include the cost of providing wastewater treatment services (i.e. maintenance, engineering and administration), as well as depreciation and amortization of capital assets. All revenues and expenses not meeting the above criteria are reported as non-operating revenues and expenses, such as interest income and expense.

Cash & Cash Equivalents - The Alliance acts as its own Treasurer. The Alliance currently invests funds in excess of the operating reserve in the Clark County Investment Pool (CCIP) per resolutions and an investment policy adopted by the Alliance Board. Other allowable investments include the Local Government Investment Pool (LGIP) and investments authorized by the Revised Code of Washington (RCW) Chapters 39.58 and 39.59. All amounts invested in the CCIP are considered cash equivalents.

For purposes of the Statements of Net Position and Cash Flows, the Alliance considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. See Note 2 on page 27-28 for detailed information about the Alliance's cash and cash equivalents.

**Note 1 – General Description of the Alliance and Summary of Significant Accounting Policies
(Continued)**

Prepaid Expenses – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The Alliance recognized expenses in the period services are provided.

Due from Other Governments – Due from Other Governments represent Member Regional Service Charges for treatment services, which are recognized as earned.

Contracts Receivable – Contracts receivable represent operating and repair and replacement reserves held by Clark County, who provides treatment plant operation services for the Alliance.

Capital Assets – Capital assets, which include property, plant, equipment and infrastructure assets (e.g., treatment plants, pump stations, and transmission lines), are reported in a single enterprise fund. Capital assets are defined by the Alliance as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. The costs for normal maintenance and repairs are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The Alliance records project costs in a construction work-in-progress account (CWIP) until final completion. Depreciation is computed on capital assets when the assets are placed into service. Capital assets of the Alliance are depreciated using the straight-line method over the following estimated useful lives:

Treatment plant components	15-50 years
Pump station components	10-50 years
Collection and transmission system	75 years
Machinery, furniture and equipment	5-10 years

See Note 3, Capital Assets (page 29) for further information.

Deferred Outflows of Resources – The Alliance recognized a deferred outflow of resources related to an Asset Retirement Obligation. See Note 7, Asset Retirement Obligations (page 37).

Payables – Accounts payable and other current liabilities consist of amounts owed to private individuals or organizations for goods and services for amounts for which checks have not yet been prepared.

Long-Term Debt – See Note 5, Long-Term Liabilities (pages 33-35).

Note 2 – Deposits & Investments

Deposits – The Alliance is legally authorized to invest in the types of investments included in the Revised Code of Washington (RCW) 36.29.020. All investments and deposits held at December 31, 2020, comply with the provisions of that code section and the Alliance’s investment policy adopted under Resolution 2019-01. Cash on hand at December 31, 2020, was \$5,031,190, held entirely in a checking account.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Alliance would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Alliance’s deposits are covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

The Alliance does not have a deposit policy for custodial credit risk. No bank balances are exposed to custodial credit risk.

Investments – It is the Alliance’s policy to invest funds to provide maximum security at the highest market investment return, while maintaining the ability to meet daily cash flow demands and conforming to state statutes governing the investment of public funds.

Investments are subject to the following risks:

Interest Rate Risk: Interest rate risk is the risk the Alliance may face should interest rate variances affect the fair value of investments. The Alliance’s investment policy (authorized under Resolution 2019-01) assists in limiting interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The investment policy limits investing in operating funds primarily to shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio not to exceed two and one-half years.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Alliance’s investment policy limits credit risk by establishing investment portfolio diversification requirements so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Custodial Credit Risk: Custodial credit risk is the risk that in event of a failure of the counterparty, the Alliance would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Alliance’s investment policy mitigates credit risk by establishing prequalifying requirements for the financial institutions, broker/dealers, intermediaries, and advisers with which the Alliance will do business. Alliance deposits and investments are either insured or held by an agent in the Alliance’s name.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributable to the magnitude of an investment in a single issuer. The Alliance’s investment policy establishes diversification constraints on the investment portfolio by defining maximum per issuer limits as a percentage of total investment of funds.

Note 2 – Deposits & Investments (Continued)

Investments in Clark County Investment Pool (CCIP) – The Alliance is a participant in the Clark County Investment Pool (CCIP), an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the Clark County Finance Committee in accordance with RCW 36.48.070. The Alliance reports its investments in the Pool at the fair value amount, which is the same as the value of the Pool per share.

The weighted average maturity of the CCIP is approximately one (1) year, with cash available to the Alliance on demand. The on-demand availability of these funds defines them as cash equivalent liquid investments. Cash investments are not subject to interest rate risk reporting requirement as defined by GASB 31.

Investments Measured at Fair Value – The Alliance measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1: Quoted prices in active markets for identical assets.
- Level 2: These are quoted market prices for similar assets, quoted prices for identical or similar assets in markets that are not active, or other than quoted prices that are not observable.
- Level 3: Unobservable inputs for an asset.

At December 31, 2020, the Alliance had the following investments measures at fair value:

		Fair Value Measurement Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level	Total			
Clark County Investment Pool*	\$ 6,381,147			
Total Investments by Fair Value Level	\$ 6,381,147	\$ -	\$ -	\$ -

*The Alliance's investment in the Clark County Investment Pool is not required to be categorized within the fair value hierarchy.

Note 3 – Capital Assets

Capital assets activity for the year ended December 31, 2020, was as follows:

	Balance Jan. 1, 2020	Additions & Transfers	Retirements & Transfers	Balance Dec. 31, 2020
CAPITAL ASSETS - NONDEPRECIABLE:				
Land and land rights	\$ 135,131	\$ 201,170	\$ -	\$ 336,301
Construction work-in-progress	7,098,000	8,663,307	1,053,264	14,708,043
Total capital assets - nondepreciable	7,233,131	8,864,477	1,053,264	15,044,344
CAPITAL ASSETS - DEPRECIABLE:				
Collection and transmission system	30,101,579	-	-	30,101,579
Treatment plants	77,996,615	1,051,782	170,835	78,877,562
Pump stations	20,891,351	1,482	-	20,892,833
Machinery, furniture and equipment	80,670	-	-	80,670
Total capital assets - depreciable	129,070,215	1,053,264	170,835	129,952,644
LESS ACCUMULATED DEPRECIATION:				
Collection and transmission system	(3,326,442)	(401,354)	-	(3,727,796)
Treatment plants	(10,549,984)	(2,245,998)	(23,740)	(12,772,242)
Pump stations	(2,881,409)	(1,165,434)	-	(4,046,843)
Machinery, furniture and equipment	(29,976)	(5,991)	-	(35,967)
Total accumulated depreciation	(16,787,811)	(3,818,777)	(23,740)	(20,582,848)
Total capital assets - depreciable, Net	112,282,404	(2,765,513)	147,095	109,369,796
Total capital assets, Net	\$ 119,515,535	\$ 6,098,964	\$ 1,200,359	\$ 124,414,140

Note 4 – Risk Management

The Alliance is a member of the Water and Sewer Risk Management Pool (Pool). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insurance, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in November 1987, when water and sewer districts in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. The Pool currently has 70 members. The Pool's fiscal year is November 1 through October 31.

The Pool allows members to jointly purchase insurance coverage, establish a plan of self-insurance coverage, and provide related services, such as risk management and loss prevention. The Pool provides the following forms of group purchased insurance coverage for its members: All-Risk Property (including Building, Electronic Data Processing, Boiler and Machinery, and Mobile Equipment); General Liability; Automotive Liability; Excess Liability, Crime; Public Officials Liability; Employment Practices Liability, Cyber Liability, Identity Fraud Reimbursement Program; Deadly Weapon/Active Shooter Response Program; and bonds of various types. Most coverages are on an "occurrence" basis.

Members make an annual contribution to fund the Pool. The Pool purchases insurance policies from unrelated underwriters as follows:

Note 4 – Risk Management (Continued)

TYPE OF COVERAGE	MEMBER DEDUCTIBLE	SELF-INSURED RETENTION/GROUP	EXCESS LIMITS
Property Loss:			
Buildings and Contents	\$1,000 - \$25,000 and See (C) below	\$25,000	\$275,000,000
Flood	See (A) below	See (A) below	\$50,000,000
Earthquake	See (B) below	See (B) below	\$110,000,000 (\$75,000,000 shared by all members and \$25,000,000 dedicated to Alderwood, \$10,000,000 dedicated to Sammamish Plateau)
Terrorism	\$1,000 - \$25,000	\$25,000 Primary layer	\$700,000,000 Primary layer
Boiler & Machinery	\$1,000 - \$350,000 depending on object	\$25,000 - \$350,000 depending on object	\$100,000,000
Auto - Physical Damage	\$1,000 - \$25,000	\$25,000	Replacement Value Coverage
Liability:			
Commercial General Liability	\$1,000 - \$25,000	\$300,000, subject to \$150,000 Corridor Deductible	\$15,000,000
Auto Liability	\$1,000 - \$25,000	Same as above	\$15,000,000
Public Officials Errors and Omissions	\$1,000 - \$25,000	Same as above	\$15,000,000
Employment Practices	\$1,000 - \$25,000	Same as above	\$15,000,000
Other:			
Cyber Liability	\$50,000	N/A	\$2,000,000
Deadly Weapon/Active Shooter	\$10,000	N/A	\$500,000
Public Officials Bonds	Various	N/A	Various
Crime	\$1,000 - \$25,000	\$25,000	\$2,000,000
Identity Fraud	\$0	\$0	\$25,000
A. \$100,000 member deductibles, per occurrence, in Flood zones except Zones A&V; \$250,000 member deductible per occurrence, in Flood Zones A&V.			
B. Member deductible for earthquakes is 5% subject to \$100,000 minimum Earthquake Shock. The deductible will apply per occurrence on a per unit basis, as defined in the policy form, subject to the stated minimum.			
C. Member deductible for Cyber liability is \$50,000 and where applicable the dollar amount of the business interruption loss during the policy's required 8 hour waiting period.			

Note 4 – Risk Management (Continued)

Pool members are responsible for a deductible on each coverage and the Pool is responsible for the remainder of the self-insured retention listed in the table above except where noted as follows. The insurance carriers then cover the loss to the maximum limit of the policy. Each member is responsible for the full deductible applicable to the perils of earthquake and flood (the Pool is not responsible for any deductible or self-insured retention for earthquake and flood claims). Each member is also responsible for the full deductible applicable to the Cyber Liability, and that part of a Boiler & Machinery deductible, which exceeds \$25,000.

Upon joining, the members contract to remain in the Pool for one full policy period. Following completion of one full policy period, members must give six months' notice before terminating participation (e.g. to withdraw from the Pool on November 1, 2021, written notice must be in possession of the Pool by April 30, 2021). The Interlocal Governmental Agreement is renewed automatically each year. Even after termination of relationship with the Pool, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in process claims, for the period that the Alliance was a signatory to the Interlocal Governmental Agreement.

The Pool is fully funded by its member participants. Claims are filed by members with the Pool, who determines coverage and performs claims adjustment in consultation with various independent public adjusters.

The Pool is governed by a Board of Directors, which is comprised of one designated representative from each participating member. An Executive Committee is elected at the annual meeting and is responsible for overseeing the business affairs of the Pool and providing policy direction to the Pool's Executive Director.

As of December 31, 2020, there were no outstanding claims filed with the pool that exceeded the Alliance deductible of \$25,000. The Alliance recognizes no potential liability for any additional settlements for outstanding future claims. The amount of settlements did not exceed insurance coverage in the last three years.

Note 5 – Long-Term Liabilities

Direct Placement Revenue Bonds – In September 2015, the Alliance issued \$8,655,000 in revenue bonds to refund the District’s 2005 revenue bonds used to finance Phase IV construction costs of the Salmon Creek Wastewater Management System, and \$3,300,000 to finance system repairs and restoration, for a total of \$11,955,000 in new bonds. Regional Service Charge revenues provide the security for repayment of the bonds. The new bonds have an interest rate of 2.44%. Principal installments range from \$770,000 to \$1,410,000, with a final maturity date of December 1, 2025. In the event the Alliance defaults on a payment, a penalty of 4.0% per annum will be assessed. In 2020, the Alliance paid \$1,439,468 (\$1,245,000 principal and \$194,468 interest) on these bonds.

The following is a schedule of bonds containing a description of each bond, its use, and outstanding balance as of December 31, 2020:

Sewer Revenue Bonds	Bond Description	Notice of Completion	Maturity Date	Approved Bond Amount	Balance	Interest Rate
2015 Bond Issuance	Refunding 2005 Bond	September 2015	12/1/2025	\$ 8,655,000	\$ 4,590,000	2.4%
2015 Bond Issuance	R&R projects	September 2015	12/1/2025	3,300,000	2,135,000	2.4%
					<u>\$ 6,725,000</u>	

The annual debt service requirements for these 2015 sewer revenue bonds are as follows:

2015 Sewer Revenue Bonds - from direct placement			
Year Ending December 31	Principal	Interest	Total Debt Service
2021	\$ 1,280,000	\$ 164,090	\$ 1,444,090
2022	1,310,000	132,858	1,442,858
2023	1,345,000	100,894	1,445,894
2024	1,380,000	68,076	1,448,076
2025	1,410,000	34,404	1,444,404
Total	<u>\$ 6,725,000</u>	<u>\$ 500,322</u>	<u>\$ 7,225,322</u>

The Alliance is required by bond covenants to maintain debt service coverage of its revenue bonded debt of a minimum of 1.10 times the annual debt service on all outstanding bonds during the fiscal year. Debt service coverage requirements for the year ended December 31, 2020, were met.

Direct Borrowings – The State of Washington has a low-cost financing program that allows public entities in the state to finance public works (i.e. collection transmission facilities). This program is administered by the State of Washington Public Works Board (PWB). On January 1, 2015, six of these loans were transferred to the Alliance from the District and the City of Battle Ground. The loans from the state PWB will be repaid over a period not to exceed 20 years at the stated interest rates. The loans totaling \$34,000,000 were used to fund construction on the Salmon Creek Wastewater Treatment Plant and capacity expansion. In the event the Alliance defaults on a payment, a monthly penalty of 1% (12% per annum) will be assessed.

Note 5 – Long-Term Liabilities (Continued)

On August 2, 2019, the Alliance was awarded a \$9,040,000 PWB loan (#PC20-96103-043) to fund odor control and other improvements to the Salmon Creek Treatment Plant. The term of the loan is 20 years with an interest rate of 1.58%. In the event the Alliance defaults on a payment, a monthly penalty of 1% (12% per annum) will be assessed. The Alliance received loan proceeds of \$5,465,700 as of December 31, 2020.

The following is a schedule of PWB loans containing a description of each loan, its use, and outstanding balance as of December 31, 2020:

	Loan Number	Notice of Completion	Maturity Date	Approved Loan Amount	Balance	Interest Rate
Salmon Creek Treatment Plant - Preconstruction (Phase IV)	PW-03-691-PRE-107	2003	7/1/2023	\$ 1,000,000	\$ 157,895	0.5%
Salmon Creek Treatment Plant - Construction (Phase IV)	PW-04-691-033	2004	7/1/2024	10,000,000	2,146,886	0.5%
Salmon Creek Treatment Plant - Preconstruction (Phase IV)	PW-05-691-PRE-116	2005	7/1/2025	1,000,000	263,158	0.5%
Salmon Creek Treatment Plant - Construction (Phase IV)	PC-08-951-009	2008	7/1/2028	8,000,000	3,368,421	0.5%
Salmon Creek Treatment Plant - Construction (Phase IV)	PW-05-691-003	2005	6/1/2025	10,000,000	2,756,708	0.5%
Salmon Creek Treatment Plant - Construction (Phase IV)	PW-06-962-005	2006	6/1/2026	4,000,000	1,266,667	0.5%
Salmon Creek Treatment Plant - Construction (Phase V)	PC-20-96103-043	N/A	6/1/2040	9,040,000	5,465,700	1.58%
					<u>\$ 15,425,435</u>	

In 2020, the Alliance paid \$1,885,416 (\$1,825,490 principal and \$59,926 interest) on PWB loans. The annual debt service requirements for the PWB loans payable are as follows:

State of Washington - Public Works Board Loans Summary - from direct borrowing

Year Ending December 31	Principal	Interest	Total Payments
2021	\$ 2,059,858	\$ 135,232	\$ 2,195,090
2022	2,063,575	122,391	2,185,966
2023	2,067,352	109,485	2,176,837
2024	2,018,557	96,522	2,115,079
2025	1,485,733	83,761	1,569,494
2026-2030	2,782,907	304,068	3,086,975
2031-2035	1,415,773	183,244	1,599,017
2035-2040	1,531,680	67,337	1,599,017
Total	<u>\$ 15,425,435</u>	<u>\$ 1,102,040</u>	<u>\$ 16,527,474</u>

Note 5 – Long-Term Liabilities (Continued)

In 2006, the District was granted a \$1,003,676 Washington State Revolving Fund (SRF) loan which was fully drawn and expended in 2007 on construction at the Salmon Creek Treatment Plant. This loan was transferred to the Alliance on January 1, 2015. Also transferred to the Alliance on that date was an SRF loan from the City of Ridgefield, fully drawn in 2002 for \$2,972,860 at the City's treatment plant upgrade. In the event the Alliance defaults on a payment, a monthly penalty of 1% (12% per annum) will be assessed.

The following is a schedule of SRF loans containing a description of each loan, its use, and outstanding balance as of December 31, 2020:

	Loan Number	Notice of Completion	Maturity Date	Approved Loan Amount	Balance	Interest Rate
Salmon Creek Treatment Plant - Construction (Phase IV)	L0700014	March 2007	1/1/2027	\$ 1,003,636	\$ 364,449	2.6%
Ridgefield Treatment Plant - Upgrade	L9800042	November 2002	1/1/2022	2,972,860	324,788	4.4%
					<u>\$ 689,237</u>	

Debt service on SRF loans in 2020 was \$292,146 (\$260,449 principal and \$31,697 interest). The annual debt service requirements for these SRF loans payable are as follows:

Year Ending December 31	State Revolving Fund - from direct borrowing						
	Salmon Creek Treatment Plant Construction		Ridgefield Treatment Plant Upgrade		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total Payments
2021	\$ 28,249	\$ 4,763	\$ 214,161	\$ 11,961	\$ 242,410	\$ 16,724	\$ 259,134
2022	57,610	8,415	110,627	2,434	168,237	10,849	179,086
2023	59,126	6,899	-	-	59,126	6,899	66,025
2024	60,682	5,343	-	-	60,682	5,343	66,025
2025	62,278	3,746	-	-	62,278	3,746	66,025
2026-2027	96,504	2,534	-	-	96,504	2,534	99,037
Total	<u>\$364,449</u>	<u>\$ 31,700</u>	<u>\$ 324,788</u>	<u>\$ 14,395</u>	<u>\$ 689,237</u>	<u>\$ 46,095</u>	<u>\$ 735,332</u>

Changes in long-term liabilities as a summary for the year ended December 31, 2020:

	Balance Jan. 1, 2020	Additions	Reductions	Balance Dec. 31, 2020	Due Within One Year
Revenue bonds payable - direct placement	\$ 7,970,000	\$ -	\$ 1,245,000	\$ 6,725,000	\$ 1,280,000
Loans payable - direct borrowing	12,734,911	5,465,700	2,085,939	16,114,672	2,302,268
Asset retirement obligation	4,000,000	200,000	-	4,200,000	-
Total long-term liabilities	<u>\$ 24,704,911</u>	<u>\$ 5,665,700</u>	<u>\$ 3,330,939</u>	<u>\$ 27,039,672</u>	<u>\$ 3,582,268</u>

Note 6 – Related Party Transactions

Discovery Clean Water Alliance and its Member Agencies - The Alliance has four Member agencies, the County, the District, Battle Ground and Ridgefield, each providing one elected representative for the Board of Directors. In 2020, two of the Member agencies, the District and Battle Ground, paid monthly Regional Service Charges (RSCs) to the Alliance. RSCs paid in 2020 funded Alliance wastewater treatment operations. These RSCs were based on the 2021-2022 biennial budget, where budgeted revenues equal expenditures for the two-year period.

The Alliance has contracted with the District to perform Administrative Lead functions for the Alliance. Through the Administrative Lead Agreement, the Alliance has been incorporated in the State of Washington as a new municipal entity, registered with the Internal Revenue Service and Washington State Department of Revenue, and has had debt, investment and financial policies adopted, as well as the preparation and adoption of the Alliance’s 2021-2022 biennial budgets and Operator Agreements between the Alliance and County, and the Alliance and District.

During 2020, the Alliance received, by Member, the following in RSCs:

	2020
Clark Regional Wastewater District	\$ 11,099,983
City of Battle Ground	3,129,842
Total Regional Service Charges	<u>\$ 14,229,825</u>

The Alliance was billed \$965,230 in 2020, from the District for administrative oversight. This amount represents \$582,070 for Administrative Lead services (staff time) provided, as well as expenses of \$383,160 for professional consulting, IT support and various utilities expenses incurred by the District on behalf of the Alliance.

The Alliance contracts with two of its Members for Regional Asset operations services. In 2020, the Alliance was billed \$3,999,891 by Clark County and \$699,486 by the District as contract operators.

The County, the District, Battle Ground and Ridgefield receive financial and accountability audits from the Washington State Auditor’s Office annually.

More information about the Members can be found at the following websites: the County at <http://www.clark.wa.gov>, the District at <http://www.crwwd.com>, Battle Ground at <http://www.cityofbg.org> and Ridgefield at <http://www.ridgefieldwa.us>.

Note 7 - Asset Retirement Obligations

The District implemented GASB 83, *Certain Asset Retirement Obligations*, which provides reporting guidance on asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset that has a substantial cost to a government.

An ARO is recognized when the liability is incurred and reasonably estimable. Incurrence of a liability requires both an internal obligating event and an external obligating event resulting from normal operations. An internal obligating event includes acquiring or placing a capital asset into operation. An external obligating event requires federal, state, or local laws or regulations, a binding contract, or issuance of a court judgement requiring specific actions to retire an asset. An ARO has a related deferred outflow of resources, which represents the unamortized balance of the ARO.

The Alliance owns and operates the Ridgefield Wastewater Treatment plant (RTP) and the Salmon Creek Wastewater Treatment Plant (SCTP), both of which are within the scope of GASB 83. The Alliance is responsible for 100% of the decommissioning costs of both plants. Prior to decommissioning a wastewater treatment plant, the Washington State Department of Ecology (Ecology) would require an update to the wastewater collection system General Sewer Plan consistent with WAC 173-240-050 to indicate how the collection system would be modified to deliver flow to another treatment facility. Ecology would further require that capacity be identified in the receiving treatment facility through an Engineering Report consistent with WAC 173-240-060.

The City of Ridgefield transferred ownership of the RTP to the Alliance on January 1, 2015. The City of Ridgefield and Discovery Clean Water Alliance Ridgefield Treatment and Outfall Transfer Agreement requires the Alliance to remediate any ground contamination caused by the Alliance to then-current federal and state environmental standards and restore the premises to cleared street level surface upon decommissioning of the plant.

Therefore, the acquiring of the RTP and the required decommissioning activities as determined by the Transfer Agreement results in an ARO. As a result, the Alliance has recognized an ARO of \$4,200,000 as of December 31, 2020 for the RTP. The Alliance obtained an estimate of project construction costs from an engineering consultant in 2016. Construction estimates have been adjusted by an annual escalation rate of 5%. The ARO includes construction, project delivery and contingency costs. Decommissioning of the plant is estimated to occur by 2034. Funding is expected from a combination of Regional Service Charges collected from Clark Regional Wastewater District and Alliance reserves previously received from the City of Ridgefield. Flows to the RTP will be redirected to the SCTP.

Clark County transferred ownership of the SCTP to the Alliance on January 1, 2015. The Alliance has an ARO for the plant, however, is not reporting an ARO on the Statement of Net Position for the SCTP as the time frame for decommission and extent of the obligation was considered indeterminate. An estimated 120,000 residents living in unincorporated Clark County and the cities of Battle Ground and Ridgefield rely on this important facility every day. The SCTP is the last part of the wastewater conveyance system. All sewer pipes and pump stations are designed with one purpose: to reliably carry wastewater from homes and businesses to the treatment plant. Plant expansion and flow projections have been estimated through 2070. The maximum treatment capacity of the SCTP site is estimated to occur in 2065. At that time, excess flows will be directed to the City of Vancouver's Westside Water Reclamation Facility. An ARO will be reported if future events warrant a change.

Note 8 – Construction Commitments

Capital Projects – The Alliance has construction commitments resulting from active consultant and construction projects, including restoration and replacement projects, as of December 31, 2020, exceeding \$100,000 as follows:

Project	Total Awarded Contract Commitment	Spent to Date	Remaining on Contract
Salmon Creek Treatment Plant HVAC Replacements	\$ 1,061,548	\$ 879,956	\$ 181,592
Salmon Creek Treatment Plant Boiler Gas Boosters	223,304	136,584	86,720
Salmon Creek Treatment Plant Phase 5B	10,127,535	7,659,832	2,467,703
	<u>\$ 11,412,387</u>	<u>\$ 8,676,372</u>	<u>\$ 2,736,015</u>

Of the committed balance of \$2,736,015, the Alliance will use proceeds of \$2,324,651 from the existing PWB loan.

Note 9 – COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The Alliance's operating revenues come entirely from Regional Service Charges paid by the District and Battle Ground. To date, neither entity has reported significant financial or operational impacts.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the Alliance is unknown at this time.

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Attachment F



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Discovery Clean Water Alliance

For the period January 1, 2020 through December 31, 2020

Published May 10, 2021

Report No. 1028281



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**Office of the Washington State Auditor
Pat McCarthy**

May 10, 2021

Board of Directors
Discovery Clean Water Alliance
Vancouver, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Alliance operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

Attached is our independent audit report on the Alliance's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and value your cooperation during the audit.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

TABLE OF CONTENTS

Audit Results.....	4
Related Reports.....	5
Information about the District.....	6
About the State Auditor's Office.....	7

AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In those selected areas, Alliance operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over the safeguarding of public resources.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of the Discovery Clean Water Alliance from January 1, 2020 through December 31, 2020.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the Alliance's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the year ended December 31, 2020, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – general disbursements and electronic funds transfers
- Compliance with contractual provisions for regional service charges
- Compliance with operator agreements
- Financial condition

RELATED REPORTS

Financial

Our opinion on the Alliance's financial statements is provided in a separate report, which includes the Alliance's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE ALLIANCE

The Discovery Clean Water Alliance was officially formed in 2013, and began full operations in 2015, to provide regional wastewater transmission and treatment services to Clark County, Clark Regional Wastewater Alliance and the cities of Battle Ground and Ridgefield. These four governments jointly own and manage the Alliance through an interlocal framework established under the Joint Municipal Utility Services Act (RCW 39.106).

The Alliance has no employees and contracts with Clark Regional Wastewater Alliance to perform administrative responsibilities and with Clark County and the Alliance to operate Alliance assets. During 2020, the Alliance had annual operating revenues of approximately \$14 million.

Contact information related to this report	
Address:	Discovery Clean Water Alliance P.O. Box 8979 Vancouver, WA 98668
Contact:	Brian Wolf, Accounting Manager
Telephone:	(360) 993-8852
Website:	www.discoverycwa.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Discovery Clean Water Alliance at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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Discovery Clean
Water Alliance

Staff Report

Board Meeting of June 18th, 2021

6b. Operator Report - Clark County First Quarter 2021

STAFF CONTACTS	PHONE	EMAIL
Ahmad Qayoumi, P.E., CCPW Director Travis Capson, SCTP Operations Manager	564-397-4358 564-397-1713	Ahmad.Qayoumi@clark.wa.gov Travis.Capson@clark.wa.gov

PURPOSE: This report covers the Salmon Creek Wastewater Treatment Plant operations through March 31, 2021. Several Alliance capital projects are nearing completion at the plant. Construction activities are wrapping up and final punch list is being developed. Specific status on these projects is provided at this meeting under a separate report. Plant Operations and Maintenance staff continue to be engaged in our internal operational repair and restoration projects. Below is a summary of the operational activities contracted through Clark County, followed by R&R project updates.

OPERATIONS UPDATE (CLARK COUNTY FUND 4580)

The County continues to work on the primary clarifier pumping system. One of the key components evaluated was the air dryer system; this system removes particulates and moisture from the system. Roger's Machinery Inc. provided a report on the equipment's overall condition and future support, which showed that the equipment was past life expectancy and parts were becoming obsolete. This new information supported the recent purchase of replacement air dryer assemblies. The new air dryers should be arriving soon. We hope to have them installed and functional by the end of June. Once these are operational, this will trigger other support which will include evaluating the primary pumps and a training session to provide additional information on the equipment's current condition and pass along new technical knowledge to County staff to enhance support of the primary clarifier solids pumping systems.

There was a PLC output card failure which controls the output signal to blowers that support the secondary biological treatment system. Once the signal was lost, the blowers dropped down to a low to no air flow condition, which caused a high heat condition in the blower cavity, which damaged the blower's operating capacity. This required immediate action to resolve the condition and rebuild the damaged blower equipment. The County procured a temporary back up blower which satisfied the requirement of system redundancy, while the first of the 2 damaged

blowers were being evaluated and rebuilt. That blower has returned, has been installed and is currently in operation. There is more detail on this situation in a later report.

The County has been working through the multiple operational anomalies with the micro-aeration system trial run. The team has made a good number of improvements to the equipment supporting this project but are still falling short of our system stability goals. Rather than stopping the trial, we have recently developed a new strategy to rent additional equipment more suited for this project. We hope to have it in place and operating soon, as there have been indications that with stable operation the system appears to provide the results we are looking for.

As part of the Energy Smart Industrial power conservation program, The County operations and maintenance staff continue to strive for energy savings wherever possible. The results of their engagement are being seen in the energy reductions within the facility and regional pump stations. The program has recently received an \$18,000.00 energy incentive check from CPU for the incline auger replacement project. The County will continue to develop and support operational strategies that promote energy conservation within reason of equipment and process stability.

REPAIR AND REPLACEMENT UPDATE (CLARK COUNTY FUND 4583)

Clark County Operations – Fund 4583 R&R Allowance

Project	Schedule	Status	Expenditures
Misc. Repair and Replacement Projects	Q1 2021	Several underway	\$33,153.52
ALLOWANCE PROJECT EXPENDITURES			\$33,153.52
ALLOWANCE 2021-2022 BUDGET			\$603,000.00
ALLOWANCE BUDGET REMAINING			\$569,846.48

Misc. Repair and Replacement Projects:

Primary Pump Room: The work done to seal the below grade primary pump room ceiling has been successful. The room has had no visible leaks or new moisture pockets developing since the sealants were installed. We have removed all the caution signage and you can pass through the area safely.

117th Fire Hydrant Removal: The removal of the fire hydrant at the 117th pump station will be underway soon. This hydrant is located at the toe of a very steep slope and there is an outside chance that it could be damaged during a natural disaster which could destabilize the slope and bring it down on the hydrant. This will take place at the tail end of our construction events at the treatment plant and Tapani Underground will be the contractor assisting with this project. The hydrant removal was reviewed by Fire District 6, and it was deemed unnecessary as an actual fire support hydrant and they had no issue with its removal.

Digester Recirculation Pumps: The County run the pumps for several months now and have been experiencing some ragging in the pump discharge check valves and heat exchangers above a normal amount. We have worked with engineers at the pump manufacturer, and they suggested that we increase the impeller size of our pumps which will gain a bit of velocity to keep the newly shredded slurry from depositing in areas that may have a low velocity which allows the slurry to begin to separate or deposit. They also indicated that we may want to evaluate our pump discharge check valve assemblies and possibly update them to a ball check that would allow slurries to pass through more efficiently.

36TH Ave. Flow Meter: The replacement flow meter has arrived on site and the new flow isolation knife gate is in the process of being ordered, it should arrive near the end of July. Once we've got all the equipment together Tapani will install this updated instrumentation to monitor flow variables more accurately between the systems the convey flow to the plant, which will provide useful information to future sewage conveyance and pump station planning efforts.

Alliance Tract J Fence: The Alliance Tract J fence was installed by Able Fence Company. During the initial phase of that project, there was some initial concern from the residents adjacent to property. Those concerns were vetted through a meeting with those individuals at the treatment plant; once that was done and all the concerns were addressed, the fencing project was successfully completed. This new parcel has been added to the quarterly weed control efforts that are done at the treatment plant.

BUDGET STATUS SUMMARY

The 4583 Repair and Replacement fund is 5.5% expended through the quarter ending March 31, 2021, of the 2021-2022 biennium budget cycle.

The attached financial documents include first quarter 2021 revenue and expense summaries for the operating Fund 4580. Graphs of Fund 4580 budget versus actuals are also included.

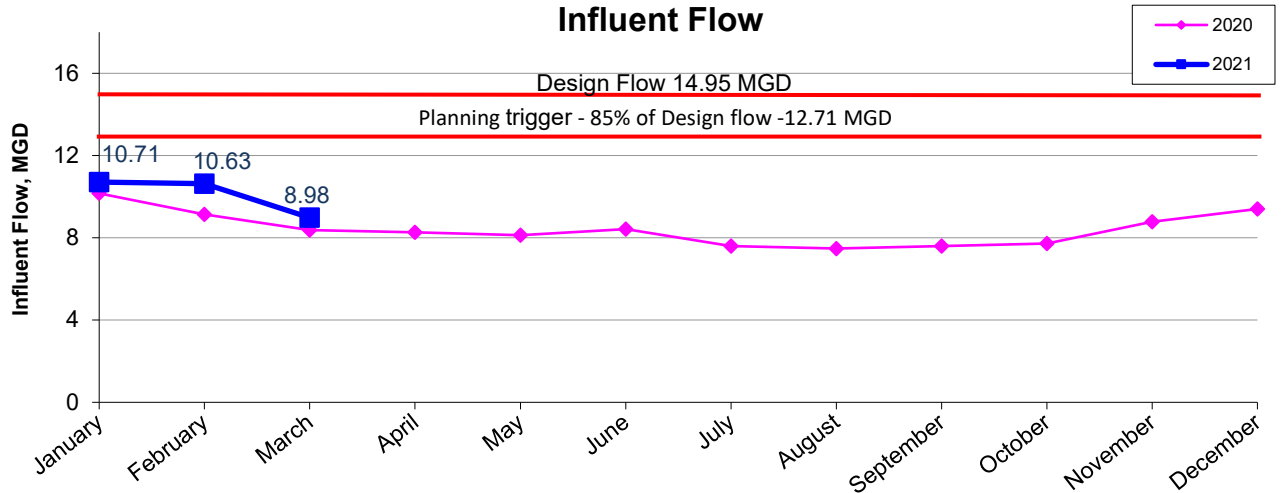
The overall operating fund is currently at 8.6% of actual expenditures versus budget through the first quarter of 2021 of the 2021-2022 biennium. As of March 31, 2021, the biennium is 12.5% complete. The breakdown of expenditures to budget by area is as follows:

Lab	11.6% spent
Maintenance	9.3% spent
Biosolids	6.7% spent
Operations	13.4% spent
General Administration	5.3% spent

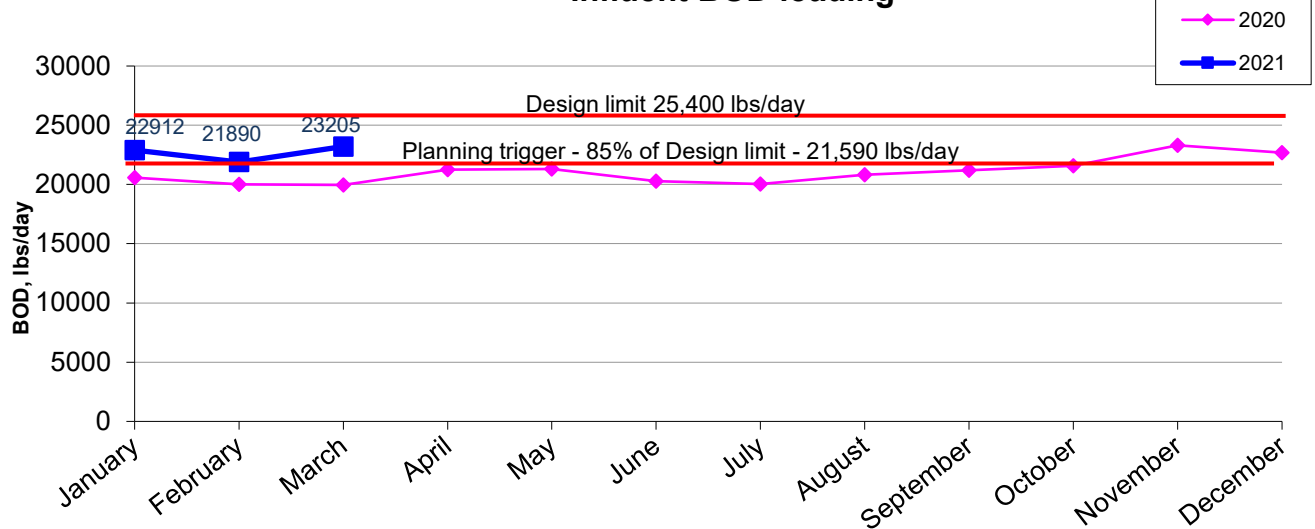
ACTION REQUESTED: None, information item.

Salmon Creek WWTP

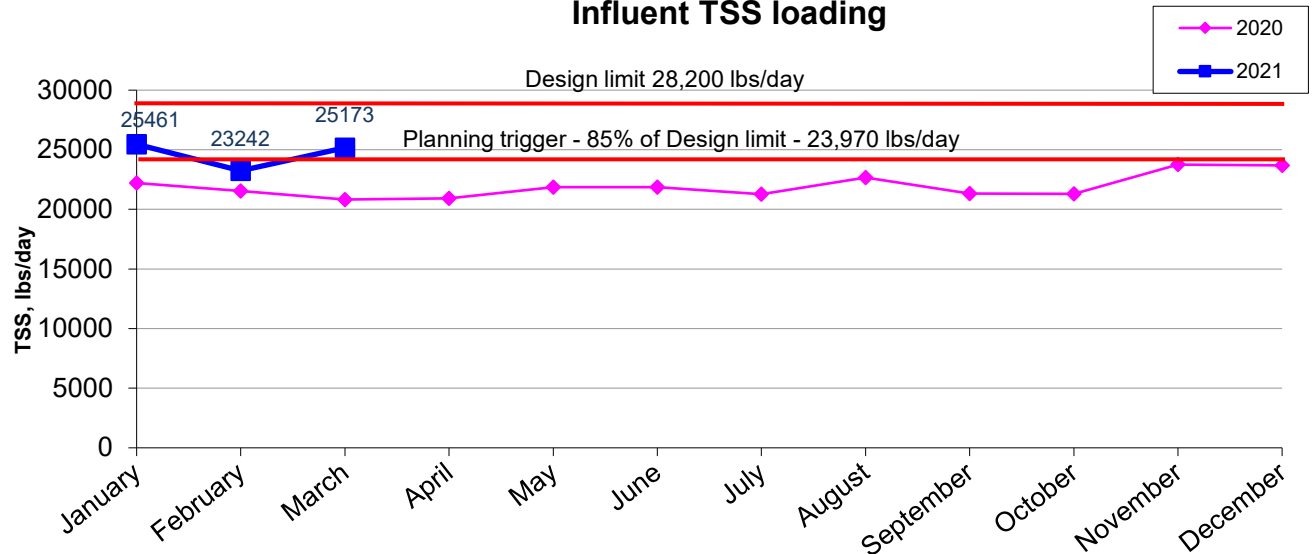
Influent Flow

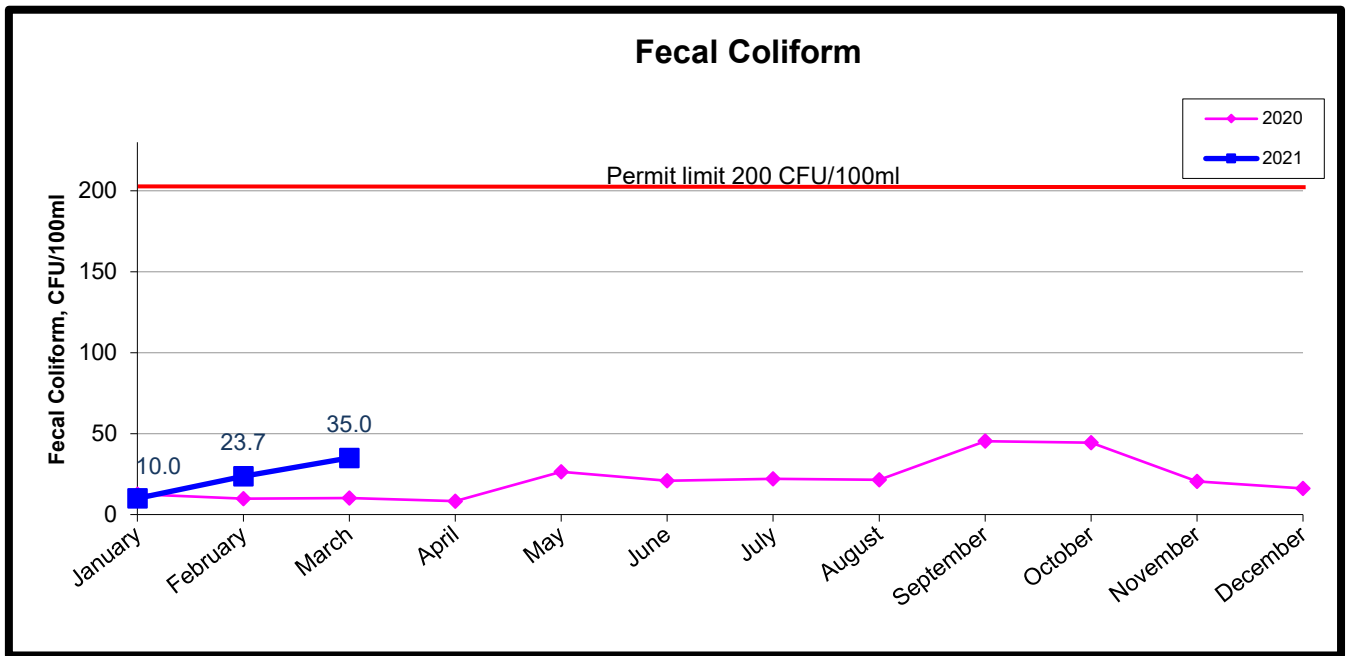


Influent BOD loading



Influent TSS loading

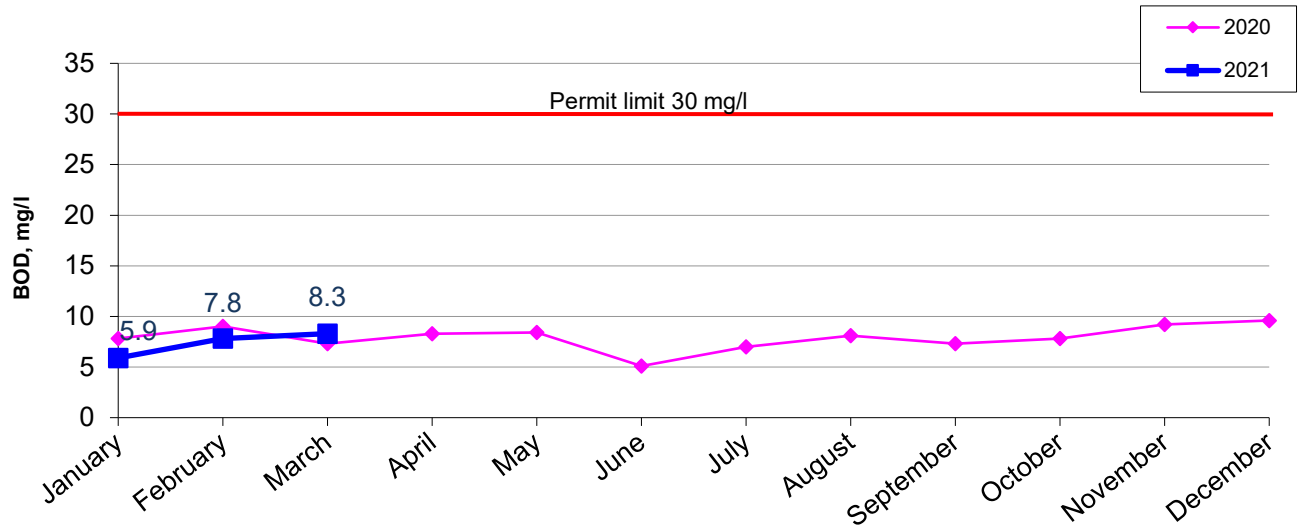




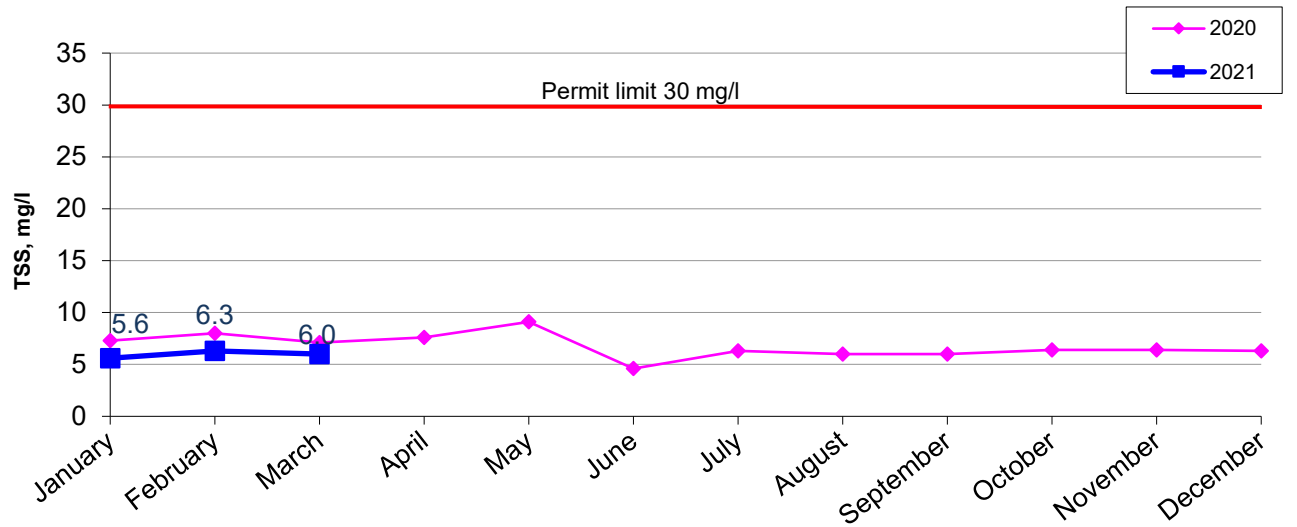
	Influent Flow, MGD		Influent BOD ₅ Monthly average, lbs/day		Influent TSS Monthly average, lbs/day		Effluent BOD ₅ Monthly average, mg/l	
	2020	2021	2020	2021	2020	2021	2020	2021
January	10.16	10.71	20565	22912	22221	25461	7.8	5.9
February	9.14	10.63	20007	21890	21540	23242	9.0	7.8
March	8.37	8.98	19961	23205	20826	25173	7.3	8.3
April	8.26		21254		20917		8.3	
May	8.12		21310		21852		8.4	
June	8.42		20268		21860		5.1	
July	7.60		20036		21275		7.0	
August	7.48		20816		22679		8.1	
September	7.60		21200		21329		7.3	
October	7.72		21583		21312		7.8	
November	8.78		23305		23756		9.2	
December	9.41		22673		23684		9.6	

	Effluent TSS Monthly average, mg/l		Fecal Coliform Monthly average, CFU/100ml		Total Ammonia Monthly average, mg/l	
	2020	2021	2020	2021	2020	2021
January	7.3	5.6	12.6	10.0	2.6	1.2
February	8.0	6.3	9.9	23.7	4.0	1.5
March	7.1	6.0	10.3	35.0	3.6	5.8
April	7.6		8.3		3.9	
May	9.1		26.4		2.2	
June	4.6		20.9		0.6	
July	6.3		22.0		2.9	
August	6.0		21.5		3.9	
September	6.0		45.3		5.5	
October	6.4		44.5		5.4	
November	6.4		20.4		7.2	
December	6.3		16.2		5.7	

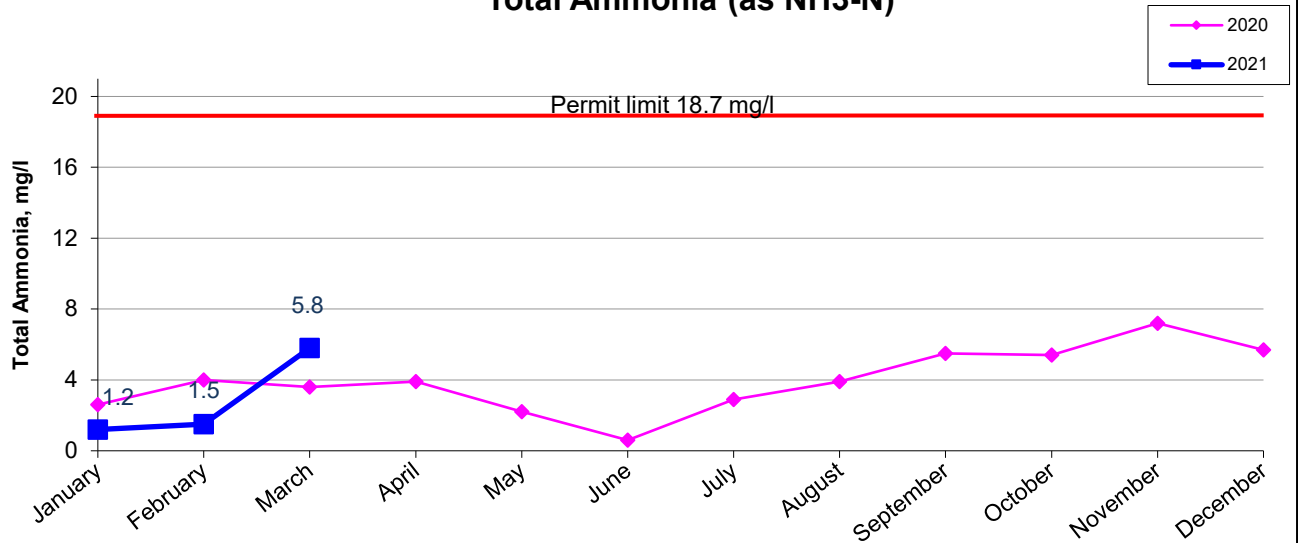
Effluent BOD



Effluent TSS



Total Ammonia (as NH₃-N)





**CLARK COUNTY PUBLIC WORKS
SALMON CREEK TREATMENT PLANT
OPERATIONS AND MAINTENANCE - FUND 4580
REVENUE**

January 1, 2021 through December 31, 2022

DESCRIPTION	BUDGET	REVENUE	REMAINING BUDGET
Sale Of Merchandise		\$ 0	\$ (0)
Sewer Flow Charges	\$ 9,466,362	\$ 1,595,983	\$ 7,870,379
Sewer- City of Ridgefield	\$ 100,000	\$ -	\$ 100,000
Other Jurisdictions - Repair Services	\$ 30,000	\$ -	\$ 30,000
Interest	\$ 55,000	\$ 3,216	\$ 51,784
Unrealized Gain/Loss on Investments	\$ -	\$ (8,271)	\$ 8,271
Insurance Proceeds	\$ -	\$ -	\$ -
TOTAL	\$9,651,362	\$1,590,928	\$8,060,434

Note: The Unrealized Gain/Loss entry is done by the Treasurer's Office each month, then reversed out the following month, for financial statement presentation purposes. It's not actual 'revenue', but rather a 'fair market value' adjustment on the investments in that fund.



**CLARK COUNTY PUBLIC WORKS
SALMON CREEK TREATMENT PLANT
OPERATIONS AND MAINTENANCE - FUND 4580
EXPENSES**

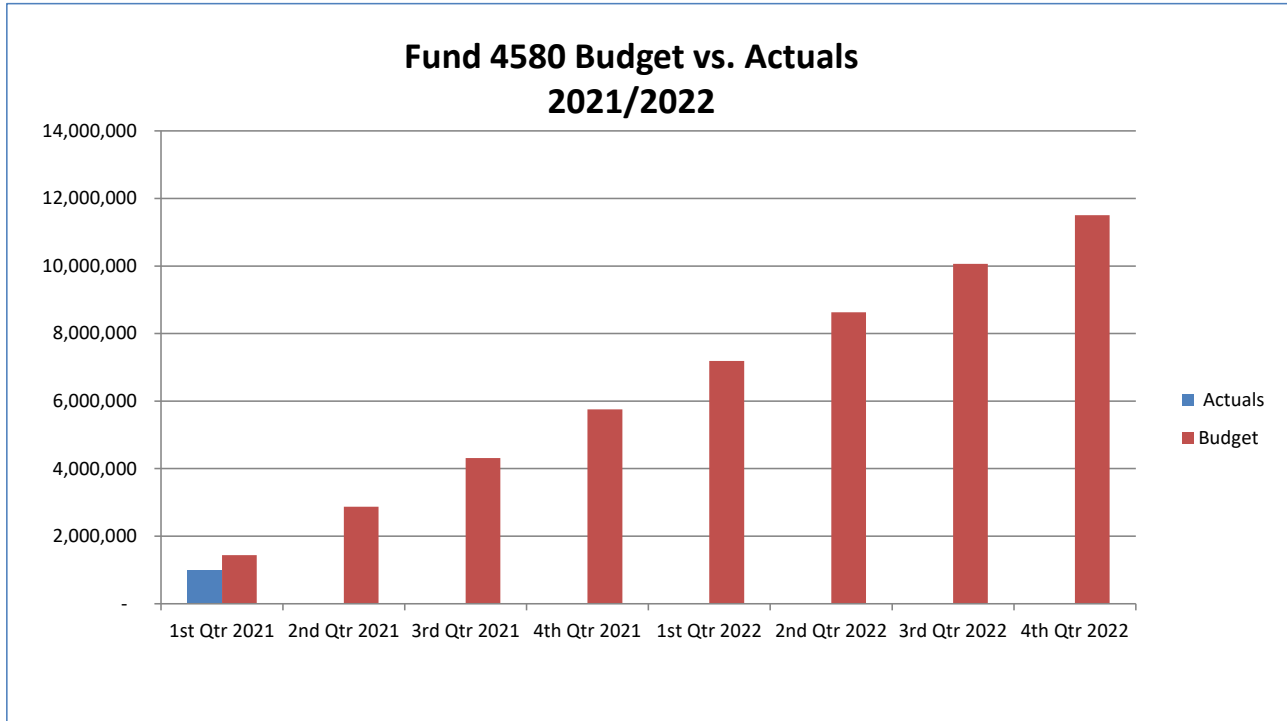
January 1, 2021 through December 31, 2022

BUDGET EXPENSES % SPENT REMAINING BUDGET					BUDGET EXPENSES % SPENT REMAINING BUDGET				
Consolidated Fund 4580 by Controllables					Consolidated Fund 4580 by Category				
Salaries and Benefits	\$ 3,565,899	\$ 382,118.61	10.7%	\$ 3,183,780	PG0657 Wastewater Laboratory	\$ 319,954	\$ 36,975	11.6%	\$ 282,979
Supplies	\$ 1,263,250	\$ 127,156.64	10.1%	\$ 1,136,093	PG0658 Wastewater Maintenance	\$ 2,740,252	\$ 256,180	9.3%	\$ 2,484,072
Services	\$ 6,675,042	\$ 477,779	7.2%	\$ 6,197,263	PG9100 Transfers to Fund 4583	\$ 685,000	\$ -	0.0%	\$ 685,000
					PG0659 Wastewater Solids Process	\$ 2,326,816	\$ 156,657	6.7%	\$ 2,170,159
					PG0660 Wastewater Operations	\$ 3,072,630	\$ 412,394	13.4%	\$ 2,660,236
					PG0412 Wastewater Administration	\$ 2,359,539	\$ 124,849	5.3%	\$ 2,234,690
Total	\$11,504,191	\$ 987,054	8.6%	\$ 10,517,137	Total	\$11,504,191	\$987,054	8.6%	\$10,517,137
PG0657 Wastewater Laboratory					PG0659 Wastewater Solids Process				
Salaries and Benefits	\$ 251,368	\$ 33,270	13.2%	\$ 218,098	Salaries and Benefits	\$ -	\$ -		\$ -
Supplies	\$ 40,446	\$ 2,531	6.3%	\$ 37,915	Supplies	\$ 602,148	\$ 68,962	11.5%	\$ 533,186
Services	\$ 28,140	\$ 1,175	4.2%	\$ 26,965	Services	\$ 1,724,668	\$ 87,695	5.1%	\$ 1,636,973
Total	\$319,954	\$36,975	11.6%	\$282,979	Total	\$2,326,816	\$156,657	6.7%	\$2,170,159
PG0658 Wastewater Maintenance					PG0660 Wastewater Operations				
Salaries and Benefits	\$ 1,366,954	\$ 136,288	10.0%	\$ 1,230,666	Salaries and Benefits	\$ 1,223,641	\$ 158,387	12.9%	\$ 1,065,254
Supplies	\$ 322,442	\$ 51,005	15.8%	\$ 271,437	Supplies	\$ 171,300	\$ 2,582	1.5%	\$ 168,718
Services	\$ 1,050,856	\$ 68,887	6.6%	\$ 981,969	Services	\$ 1,677,689	\$ 251,425	15.0%	\$ 1,426,264
					Capital	\$ -	\$ -		\$ -
Total	\$2,740,252	\$256,180	9.3%	2,484,072	Total	\$3,072,630	\$412,394	13.4%	\$2,660,236
PG9100 Transfers to Fund 4583					PG0412 Wastewater Administration				
Salaries and Benefits	\$ -	\$ -	0.0%	\$ -	Salaries and Benefits	\$ 723,936	\$ 54,174	7.5%	\$ 669,762
Supplies	\$ -	\$ -	0.0%	\$ -	Supplies	\$ 126,914	\$ 2,077	1.6%	\$ 124,837
Services	\$ 685,000	\$ -	0.0%	\$ 685,000	Services	\$ 1,508,689	\$ 68,597	4.5%	\$ 1,440,092
Total	\$685,000	\$0	0.0%	685,000	Total	\$2,359,539	\$124,849	5.3%	\$2,234,690

CLARK COUNTY PUBLIC WORKS
Salmon Creek Wastewater Treatment Plant

Operations and Maintenance Fund 4580
January 1, 2021 - December 31, 2022

March 31, 2021





Discovery Clean
Water Alliance

Staff Report

Board Meeting of June 18, 2021

6c. Operator Report Clark Regional Wastewater District – First Quarter 2021

STAFF CONTACTS	PHONE	EMAIL
Rich Ludlow, District Operations Manager	360-993-8851	rludlow@crwwd.com

PURPOSE: This report covers details regarding operations of the Ridgefield Wastewater Treatment Plant (RTP), the Regional Biofilter (Biofilter), the Battle Ground Forcemain and the Kline Line and Salmon Creek Interceptors through March 31, 2021.

DISTRICT OPERATOR ACTIVITIES – RIDGEFIELD TREATMENT PLANT (RTP):

District Operator Repair and Replacement (R&R) Projects:

Plant staff is engaged in operational repair and restoration projects and regular maintenance services at the RTP on an ongoing basis. Table 1 has a summary of the activities contracted through District Operations during the 2021 – 2022 Biennium with project status updates. Following the table is a brief description of each project.

Table 1

Project	Schedule	Status	Expenditures
Aeration Diffuser Replacement, AB1	July, 2021	Planned	\$7,500
Aeration Basin Asphalt Repair			\$11,000
Aeration Blower Replacement	July, 2021	Planned	\$10,000
Headworks Concrete Repair			\$9,000
MLR Pump VFD Installation		Planning	\$6,000
UV Lamp Replacement	June, 2021	Parts on order	\$11,000
R&R PROJECT EXPENDITURES			\$54,500

Explanation of Projects:

- **Aeration Diffuser Replacement:** Aeration basin (AB) #2 diffusers were replaced in 2020 with successful efficiency improvements. AB #1 is scheduled for diffuser replacement in summer 2021 and staff are working with CPU to incentivize the costs based on increased efficiency in AB #2 work.
- **Aeration Basin Asphalt Repair:** During the Alliance condition assessment of the RTP, open voids under the asphalt at the concrete wall of the aeration basin were identified.

This project will open the asphalt, add and compact fill, and repave the surface to eliminate the voids.

- **Aeration Blower Replacement:** Blower #2 was replaced in 2019. During the summer of 2020 while AB #2 was offline for diffuser replacement, it was noted that Blower #2 was running more efficiently than Blower #1. This project will explore efficient options for Blower #1 as the existing blower has more than 120,000 hours of runtime on it and is at the end of its useful life.
- **Headworks Concrete Repair:** The influent pump station pumps to a concrete box on the headworks. This box has seeping joints on the concrete and the operators must periodically clean and hose off the buildup from leaking sewage. This project will seal the leaks.
- **MLR Pump VFD Installation:** The aeration basins are equipped with mixed liquor return (MLR) pumps that have the potential to improve nitrification/denitrification in the aeration basins. The pumps were sized to large to provide appropriate return rates. Variable frequency drives (VFD) will provide the ability to adjust pump rate so the pumps can be utilized. Improving nitrification/denitrification will improve biological oxidation of ammonia to reduce chemical use and improve water quality.
- **UV Lamp Replacement:** The treatment plant uses ultraviolet (UV) light for final disinfection before discharging treated water to Lake River. The UV lamps have a finite life and need to be replaced periodically. This project replaces the lamps in one of the three UV banks at the RTP.

Alliance Capital Improvement Projects:

Table 2 has a summary of CIP work scheduled at the RTP during the 2020 – 2021 Biennium, followed by a brief description of the project.

Table 2

<i>Project</i>	<i>Schedule</i>	<i>Status</i>	<i>Expenditures</i>
Odor Control Installation	July 2021	Contractor Selected	\$360,000
PLC Replacement	Design 2022	Planning	\$150,000
CAPITAL PROJECT EXPENDITURES			\$510,000

Explanation of Projects:

- **Odor Control Installation:** This capital improvement project is an example of benefiting from the Alliance relationship. An existing activated carbon odor control vessel is being decommissioned from the Salmon Creek treatment plant as part of the plant expansion project. Ridgefield has experienced intermittent odor issues and has no odor control system. Engineering feasibility analysis was done and this project to relocate and repurpose the decommissioned vessel became a reality.
- **PLC Replacement:** The functioning Programmable Logic Controller (PLC) running plant automation is obsolete. It still operates correctly, and staff has a preprogrammed shelf-spares in case of failure, but the manufacturer recommendation is to upgrade to a supported version. Design will begin in 2022, the bulk of the project will be executed in the 2023-24 biennium.

District Operator Water Energy Coaching Participation

District treatment operations staff continue working with CPU and Energy Smart Industrial in a wastewater energy coaching cohort to find energy-savings opportunities within the treatment plant. The program is intended to sunset in June 2021 and has been successful.

Process Control Update

The Ridgefield Treatment Plant continues to produce high quality effluent flows exceeding discharge permit requirements. The District had challenges with influent loadings approaching and exceeding design limits between November and February which has prompted dialog with the Department of Ecology and investigation of the collection system for potential sources. Coordination with the Alliance Pretreatment Coordinator and District construction management have ruled out several potential point sources while several potential sources are being addressed through increased line cleaning and piping configuration changes. Effective management of influent loadings and further development of the District system to redirect flow from the RTP to the SCTP will prevent capacity expansion requirements and support the Alliance's future vision.

DISTRICT OPERATOR ACTIVITIES – REGIONAL BIOFILTER:

Maintenance activities for the Regional Biofilter consists of weekly site visits to verify proper operation of process equipment, perform preventive maintenance, security checks, and verification that biofilter media is free of weeds and debris. There have been no recorded odor complaints associated with this facility in 2021-2022 Q1.

DISTRICT OPERATOR ACTIVITIES – SALMON CREEK AND KLINELINE INTERCEPTORS, BATTLE GROUND FORCEMAIN:

District Operator Activities:

The District has developed an ongoing maintenance plans for the Salmon Creek and Kline Line Interceptors on a 3-year CCTV inspection cycle (critical lines). The lower portion of the Salmon Creek Interceptor was inspected via CCTV and was determined to be in good condition in late 2019. The upper portion was inspected in 2020. The Kline Line Interceptor is scheduled for inspection in 2021. Inspection will be scheduled after returning to the pre-COVID-19 work schedule due to the extra staffing needed for traffic control associated with the work.

The Battle Ground Forcemain has preventive maintenance schedules built including checking air release valves for proper operation or leaks and checking the chemical feed system. Staff has installed odor monitoring devices at two locations along the forcemain where odor complaints had been received. The devices will send alarm messages to the Maintenance Supervisor's phone if thresholds are met. This will indicate the need for investigation and possible chemical dosing which would be optimized by only using chemical as needed.

Clark Regional Wastewater District Operator Report
June 18, 2021

Project	Schedule	Status	Expenditures
Odor Canister Replacement			\$61,000
Chemical Tank Replacement		Cancelled – tank was repaired in house	\$15,000
R&R PROJECT EXPENDITURES			\$76,500

DISTRICT OPERATOR BUDGET – 2021-2022 BIENNIUM

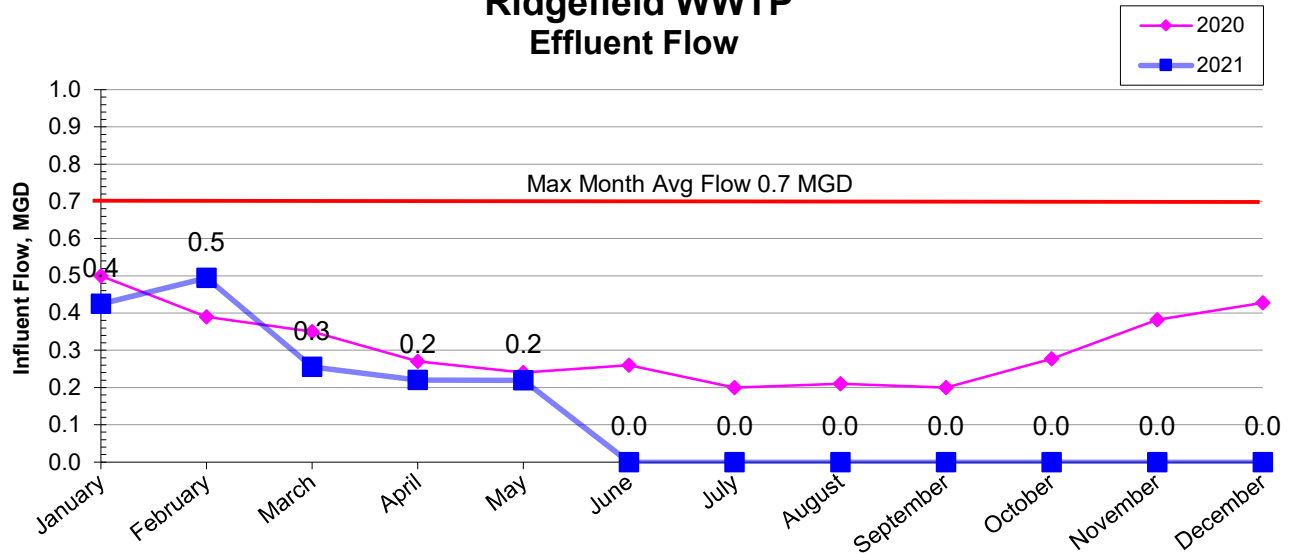
The attached financial documents include the first quarter in 2021-2022 Biennium (and first quarter 2021) expense summaries for the RTP and Biofilter operating funds. The RTP operating fund closed the first quarter budget period with 10.2% of the biennium budgeted amount as actual expenditures with 12.5% of the budget allocated to the quarter.

2021 started tracking the Battle Ground Forcemain maintenance expenses as actuals time and materials and tracked 1.0% of the biennium budget for the period. This percentage is low due to work being limited to periodic inspections of air valve vaults which was incorporated with Meadow Glade inspections for efficiency. The budget also includes contingency for performing repairs or pothole locates as needed.

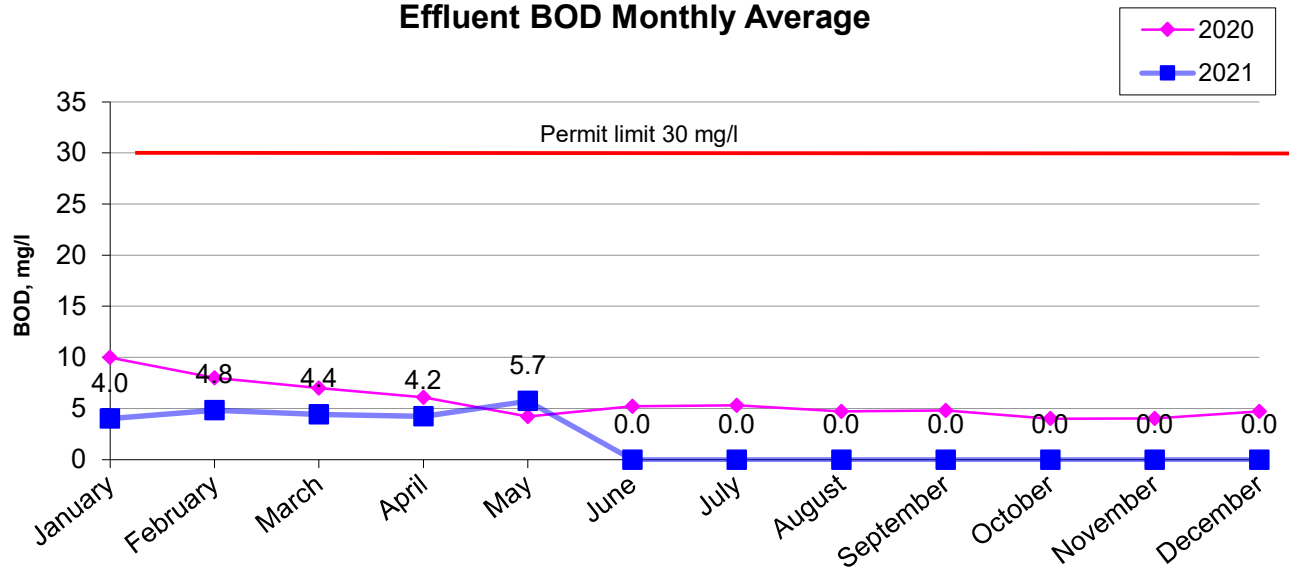
The Biofilter operating fund, Salmon Creek Interceptor operating fund, and Kline Interceptor operating fund all finished the period at 100% of budgeted amount as actual expenditures.

ACTION REQUESTED: None, information item.

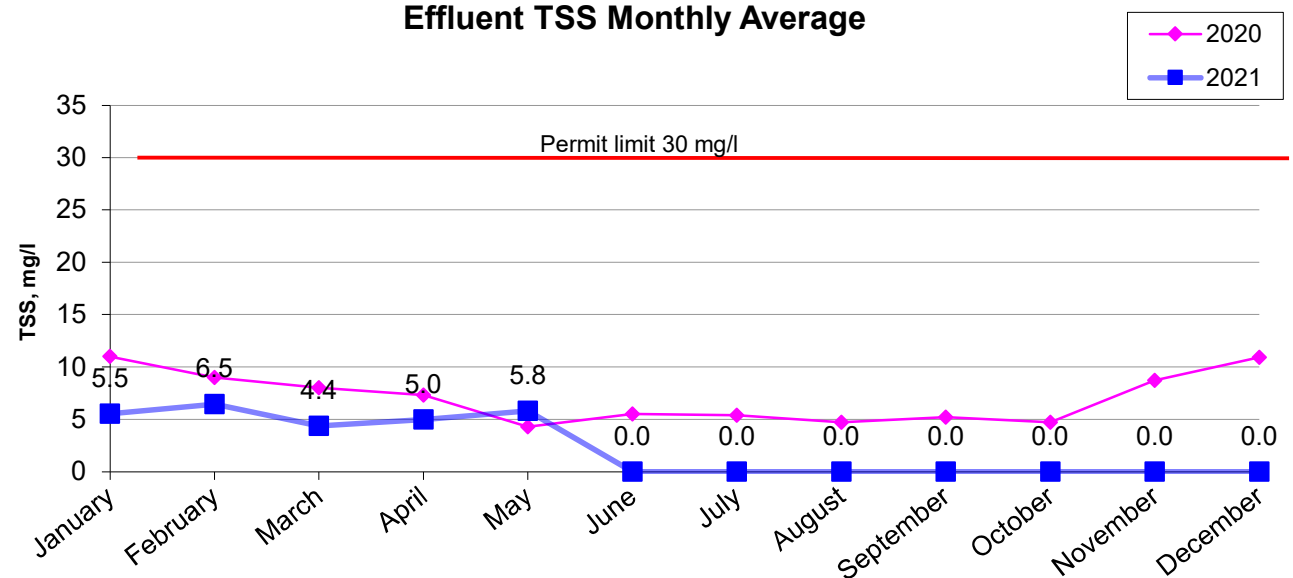
Ridgefield WWTP Effluent Flow



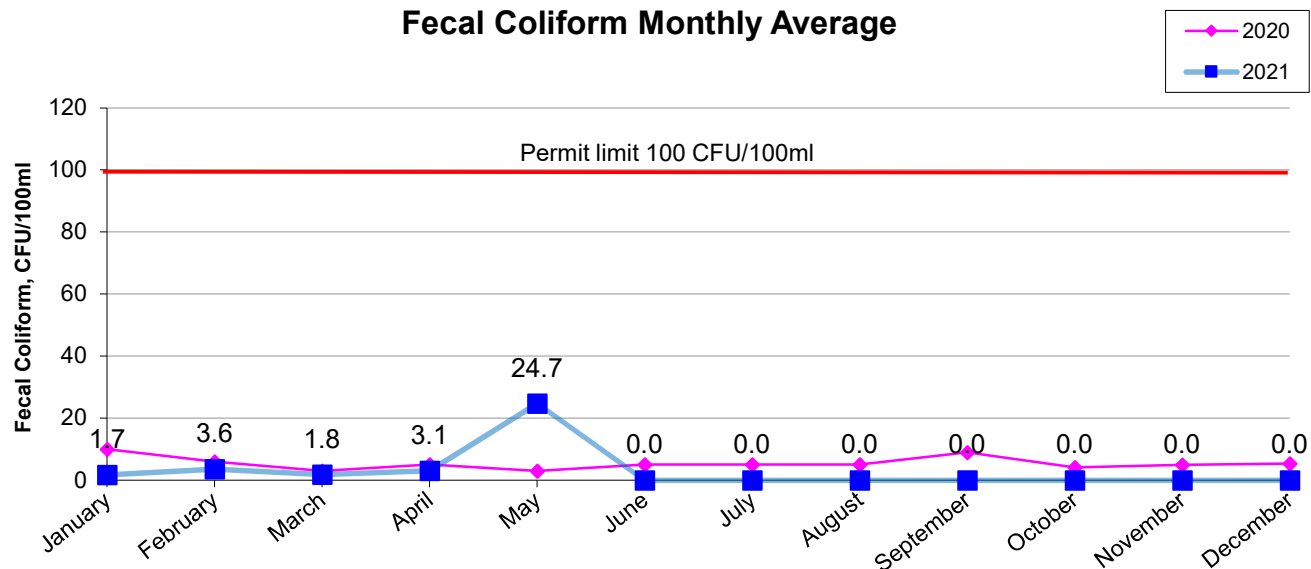
Effluent BOD Monthly Average



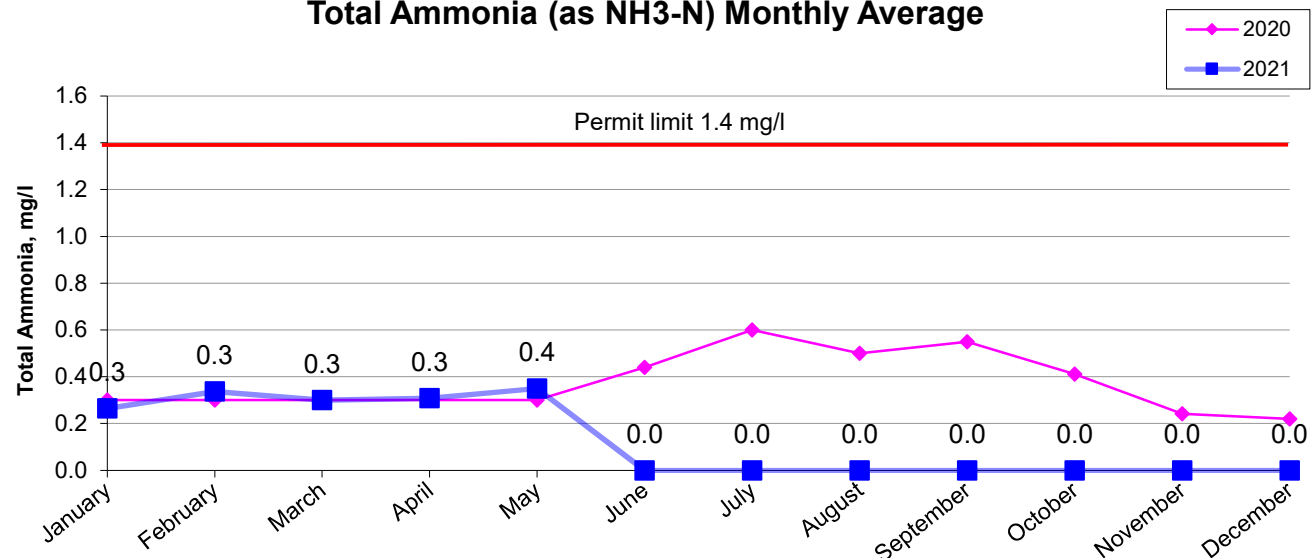
Effluent TSS Monthly Average



Fecal Coliform Monthly Average



Total Ammonia (as NH3-N) Monthly Average



	Effluent MGD		Effluent BOD ₅ Monthly average, mg/l		Effluent TSS Monthly average, mg/l		Fecal Coliform Monthly average, CFU/100ml		Total Ammonia Monthly average, mg/l	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
January	0.5	0.4	10.0	4.0	11.0	5.5	10.0	1.7	0.3	0.3
February	0.4	0.5	8.0	4.8	9.0	6.5	6.0	3.6	0.3	0.3
March	0.4	0.3	7.0	4.4	8.0	4.4	3.0	1.8	0.3	0.3
April	0.3	0.2	6.1	4.2	7.3	5.0	5.0	3.1	0.3	0.3
May	0.2	0.2	4.2	5.7	4.3	5.8	3.0	24.7	0.3	0.4
June	0.3	0.0	5.2	0.0	5.5	0.0	5.0	0.0	0.4	0.0
July	0.2	0.0	5.3	0.0	5.4	0.0	5.0	0.0	0.6	0.0
August	0.2	0.0	4.7	0.0	4.7	0.0	5.0	0.0	0.5	0.0
September	0.2	0.0	4.8	0.0	5.2	0.0	9.0	0.0	0.6	0.0
October	0.3	0.0	4.0	0.0	4.7	0.0	4.1	0.0	0.4	0.0
November	0.4	0.0	4.0	0.0	8.7	0.0	5.0	0.0	0.2	0.0
December	0.4	0.0	4.7	0.0	10.9	0.0	5.3	0.0	0.2	0.0

BOD₅ = Biochemical Oxygen Demand (5-Day)

TSS = Total Suspended Solids

District Operator
Ridgefield Wastewater Treatment Plant / Regional Biofilter
First Quarter 2021 Annual Operator Budget and Expense Summary

	Budget	% Budget Term	Actual Expenses	% Spent	Remaining Budget
Salaries and Benefits	\$ 358,500	25%	\$ 90,856	25.3%	\$ 267,644
Supplies	\$ 42,500	25%	\$ 6,646	15.6%	\$ 35,854
Utilities	\$ 47,500	25%	\$ 10,123	21.3%	\$ 37,377
Operations and Maintenance	\$ 30,500	25%	\$ 735	2.4%	\$ 29,765
Professional Services	\$ 52,500	25%	\$ 17,399	33.1%	\$ 35,102
Intergovernmental	\$ 169,000	25%	\$ 27,737	16.4%	\$ 141,263
Capital Outlays	\$ 53,500	25%	\$ -	0.0%	\$ 53,500
RTP Total	\$ 754,000	25%	\$ 153,496	20.4%	\$ 600,504
BGFM Operations	\$ 87,000	25%	\$ 1,655	1.9%	\$ 85,345
RB Operations	\$ 7,500	25%	\$ 1,875	25.0%	\$ 5,625
SCI/KI Operations	\$ 5,500	25%	\$ 1,375	25.0%	\$ 4,125
Operator Total	\$ 761,500	25%	\$ 156,746	20.6%	\$ 604,754

District Operator
Ridgefield Wastewater Treatment Plant / Regional Biofilter
First Quarter 2021-2022 Biennial Operator Budget and Expense Summary

	Budget	% Budget Term	Actual Expenses	% Spent	Remaining Budget
Salaries and Benefits	\$ 717,000	12.5%	\$ 90,856	12.7%	\$ 626,144
Supplies	\$ 85,000	12.5%	\$ 6,646	7.8%	\$ 78,354
Utilities	\$ 95,000	12.5%	\$ 10,123	10.7%	\$ 84,877
Operations and Maintenance	\$ 61,000	12.5%	\$ 735	1.2%	\$ 60,265
Professional Services	\$ 105,000	12.5%	\$ 17,399	16.6%	\$ 87,602
Intergovernmental	\$ 338,000	12.5%	\$ 27,737	8.2%	\$ 310,263
Capital Outlays	\$ 107,000	12.5%	\$ -	0.0%	\$ 107,000
RTP Total	\$ 1,508,000	12.5%	\$ 153,496	10.2%	\$ 1,354,504
BGFM Operations	\$ 174,000	12.5%	\$ 1,655	1.0%	\$ 172,345
RB Operations	\$ 15,000	12.5%	\$ 1,875	12.5%	\$ 13,125
SCI/KI Operations	\$ 11,000	12.5%	\$ 1,375	12.5%	\$ 9,625
Operator Total	\$ 1,534,000	12.5%	\$ 156,746	10.2%	\$ 1,377,254



Discovery Clean
Water Alliance

Staff Report

Board Meeting of June 18, 2021

6d. Capital Program Report – First Quarter 2021

STAFF CONTACTS	PHONE	EMAIL
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PURPOSE: This staff report provides an update on the ongoing capital program and capital project activities for the Regional Assets (RAs) under Alliance responsibility. The capital program and capital project responsibilities are assigned to Members according to the following three elements:

Period	Capital Program and Capital Project Responsibility	SCTP & Outfall and Pump Stations, RAs 3-7	Gravity Interceptors, RTP & Outfall, and Battle Ground Force Main, RAs 1-2 and 8-9
2021-2022 Alliance Full Operations	1. Overall Capital Program – Administrative Lead/ Members	District/Members	District/Members
	2. Capital projects less than \$64,000 – Operators	Clark County	District
	3. Capital projects greater than \$64,000 – Administrative Lead	District	District

Following is a summary of ongoing activities for each of these elements:

- Overall Capital Program.** The 2020 Alliance Capital Plan was adopted at the December 2020 Board meeting based on all known needs at that time. The District is charged with tracking project needs that may result in future capital projects. Projects arise from the regulatory environment, from Regional Asset condition assessments initiated through a developing asset management program or because of more detailed design work as projects are developed. The Members evaluate new projects for incorporation in the next Capital Plan or implementation within contingency funding provided in the current capital and operating budgets.

2022 Capital Plan Development

The Condition and Criticality Assessment process was initially developed to inform the 2018 Capital Plan and was continued with the 2020 Capital Plan. The 2022 Capital Plan will be further expanded to include condition and criticality evaluation of additional components such as the following:

- Generator systems at treatment plants and pump stations
- Buildings and building systems at treatment plants and pump stations
- Control panel wiring, fusing, and interconnections at Salmon Creek Treatment Plant (SCTP)
- Gates and actuators at treatment plants and pump stations
- Regional transmission systems (redundancy and spare parts assessment)
- Upper Salmon Creek Interceptor CCTV inspection
- Kline Interceptor CCTV inspection
- Other components as determined through the condition and criticality assessment

Any deficiencies noted will be developed into future repair and replacement projects. These projects will then be reviewed as part of the ongoing asset management program development process. As a reminder, the following steps are being taken to build a fully sustaining program:

- 2021 – Complete new condition assessments.
- 2021 – Update asset condition and criticality scoring with new information. Define highest-need items based on a risk score (Condition x Consequence).
- 2021-2022 – Define projects to address highest score items.
- 2022 – Update programming (sequence and schedule) to make highest-value investments within defined affordability framework.
- 2022 – Present 2023-2024 capital program budget recommendations to Alliance Committees and Board.

2. **Capital Projects Less Than \$64,000.** The adopted Operating Budget includes funding for repair and replacement projects to be completed by the Operators. The Operators will continue to report on their respective capital project work elements as part of the quarterly Operator reports.
3. **Capital Projects Greater Than \$64,000.** A Capital Program Summary status report for the District-led capital projects included in the 2021-2022 budget period is attached for the Board's information (Attachment A). This report reflects the 2021-2022 biennium Capital Improvement Project (CIP) Program work, Repair and Replacement (R&R) Program work, and R&R Allowance work.

Projects in Construction

Projects that are currently under construction include:

- **Salmon Creek Treatment Plant Phase 5B Project: Package 1 – Odor Control and Existing Facilities Improvements.** Construction is well underway, and the project is anticipated to be complete in Fall 2021. The Contractor has completed RAS pump station improvements,

upgrades to Aeration Basin 5, the new oil/lubricant storage building, new covers over UV disinfection and the waste gas burner, and the solids area odor control system. Current work involves performance testing of the preliminary/primary area odor control system, upgrades to Aeration Basin 6, installation of launder covers on Secondary Clarifiers 3 and 4, and replacement of the plant entrance gate with a more secure and mechanized system. District staff is working with the Washington State Department of Commerce on the reimbursement process for the Public Works Board loan for construction. Fourteen reimbursements have been submitted to date totaling \$6,897,424 and all have been paid by (or are in the process of being paid by) the State.

- **Salmon Creek Treatment Plant Phase 5A Project: Package 1 – Columbia River Outfall:** The construction contract has been awarded to Advanced American Construction, and the contractor is working on initial submittals. The contractor plans to begin work in late September. In-water work will begin in October, in accordance with environmental permits, and continue through the end of February 2022. Other work will continue through March 2022, and the existing effluent outfall (diffuser) will be removed from the river in October 2022. To buy down schedule risk, the District pre-purchased long-lead materials for the project.
- **Ridgefield Treatment Plant Odor Control:** This project adds an odor control system to the Ridgefield Treatment Plant by repurposing a system at the Salmon Creek Treatment Plant (SCTP) that will be redundant when the new odor control system at that location is finished. The construction contract has been awarded to Jeffries Construction LLC, and the contractor is working on initial submittals. Physical work is anticipated to begin in June and be complete by late summer. To buy down schedule risk, the District pre-purchased the cover system for the project.
- **Salmon Creek Treatment Plant Blower 3 and 4 Emergency Repair:** On April 4, 2021, Blowers 3 and 4 that supply air to Aeration Basins 1 through 4 at SCTP were damaged when they were called to run in an unstable condition by a failure of a control system component. As this equipment is critical to the operation of the secondary treatment process at SCTP and essential for meeting the requirements of the NPDES permit for the facility, the District General Manager declared an emergency to facilitate a quick response and return to service. Staff continues to work diligently on the repair project and a temporary rental blower has been brought to the site, installed, and put into service. This unit will remain in place until permanent blower function is restored. The failed blowers were both sent to a repair facility in Seattle. Blower 4 has been returned to the plant and put back into service. Blower 3 has been diagnosed, deemed repairable, and is expected to be back in service at the plant in July. Staff is waiting on results of a forensic report on the failure to determine if insurance will cover the repairs.

Projects in Design

Projects that are currently in design include:

- **Salmon Creek Treatment Plant Phase 5A Project: Package 2 – Effluent Pipeline:** The team is advancing design, permitting, and property acquisition for this package of work. **Design** - The team is moving forward with final design in 2021 with the goal to have bid-ready documents by the end of the year. **Permitting** – All environmental permits have been received and coordination with BNSF Railway is ongoing to get the needed at-grade crossing

improvements constructed this year. **Property** – The Brown and Meyer agreements are complete. This package of work is planned for construction in 2022-2023 pending negotiations with BNSF and staff is currently assessing construction marketplace material cost escalations to separate short-term spikes from long-term sustained inflation to better understand total project cost.

- **Salmon Creek Treatment Plant Phase 5B Project: Package 2 – Secondary Treatment Process Improvements.** Final design and permitting has started in parallel with the Washington State Department of Ecology (Ecology) approval process (described below) to maintain project schedule. Construction is currently planned for 2023-2024, and staff is currently assessing construction marketplace material cost escalations to separate short term spikes from long term sustained inflation to better understand total project cost.
- **SCTP Control System Network Separation, SCTP Fire Alarm System Replacement, and SCTP Fire Pump Controller Replacement.** These projects scored as the highest priorities through the 2020 Condition and Criticality Assessment process. Design activities for these projects have begun and construction will take place in 2021 and 2022. Initial work for the Control System Network Separation project includes a disaster recovery planning effort, e.g. if the administration building were to become compromised and/or inaccessible. Through that exercise the design team recognized that the existing fiber optic network configuration relies on the administration building being in service. Replacing and reconfiguring the physical fiber optic network would allow the treatment plant to continue to operate in the event of such a disaster. The existing fiber network is also at capacity in terms of available connections. Replacing the fiber network would also streamline and minimize risk during construction and installation of the new systems, upgrade the 25-plus year-old fiber, optimize the fire alarm replacement project, and provide increased fiber capacity for future improvements. This will result in the lowest total cost rather than replacing the components as a separate future project when additional capacity is required, or the fiber begin to fail due to age. The design team is currently working to understand the overall cost for this added work.

Projects in Planning

Projects that are currently in the planning phase include:

- **Salmon Creek Treatment Plant Phase 5B Project: Package 2 – Secondary Treatment Process Improvements.** An Engineering Report for this package of work was delivered to Ecology on April 16, 2021 and staff met with Ecology on June 3, 2021 to discuss the project. A pilot test for digester gas H₂S management is ongoing.

R&R Allowance

Staff continues to assess Regional Asset operations on an ongoing basis to recognize and address needs not identified in the currently adopted budget. An R&R Allowance is established for the 2021-2022 biennium budget period to fund these projects. Staff is currently using a portion of the allowance to fund the emergency blower repair described above. The fund will be restored if insurance is able to cover the work. This work has been vetted by the MIC.


Another potential use for the allowance could be replacing the SCTP fiber network as discussed above. Scope and cost impacts are under development and will be reviewed with the MIC prior to implementation.

4. **Parcel Adjacent to Salmon Creek Treatment Plant.** The purchase of the 1.2-acre lot in the immediate vicinity of the Salmon Creek Treatment Plant was completed in April 2020 and County staff facilitated construction of a fence around the property in coordination with the neighbors to the south of the plant. District staff is working to develop the feasibility of options for use of the property and have also coordinated this effort with the neighbors to the south of the plant.

ACTION REQUESTED: Information and discussion on the current Alliance capital project work activities.

Attachment A – Capital Program Summary – Current 2021-2022 Spent

Attachment A

<div><div></div><div>Discovery Clean Water Alliance</div></div>						TOTAL PROJECT COST ADOPTED (2020 DOLLARS)	TOTAL PROJECT COST CURRENT ESTIMATE	CURRENT ESTIMATE BASIS	SPENT PRIOR YEARS	2021-2022 BUDGET ADOPTED	2021-2022 SPENT	2021-2022 BUDGET CURRENT ESTIMATE	COST TO COMPLETE FUTURE YEARS	2021-2022 Capital Program Summary First Quarter 2021 Update
PROJECT	PROJECT NAME	DESCRIPTION	TEAM	PROJECT NO.	STATUS									
Capital Improvement Projects														
1	Phase 5A Columbia River Outfall and Effluent Pipeline	Replacement of existing effluent pipeline and Columbia River outfall. Project extents include corridor between SCTP and Columbia River.	Krause/Sanguinetti, Jacobs, AAC (P1)	92-2015-0023	Const P1 60% P2	\$26,400,000	\$29,570,000	Bid P1 60% P2	\$5,574,958	\$14,078,000	\$156,385	\$16,957,749	\$7,041,825	Project has been split into two packages (1-Outfall and 2-Effluent Pipeline). Package 1 construction anticipated to be complete in Q2 2022 and Package 2 construction anticipated to take place in 2022-2023.
2	Phase 5B Salmon Creek Treatment Plant Improvements	Improvements at SCTP that include a new aeration basin and secondary clarifier; secondary process upgrades; and odor control.	Krause/Lebo, Jacobs, Tapani (P1)	92-2017-0053	Const P1 60% P2	\$28,700,000	\$27,000,000	Bid P1 30% P2	\$8,558,627	\$3,941,000	\$493,766	\$2,791,634	\$15,657,000	Project has been split into two packages (1-Existing Facilities/Odor Control and 2-Secondary Treatment Process Improvements). Construction of Package 1 to be complete in 2021 and construction of Package 2 is anticipated to take place in 2023-2024.
3	Ridgefield Treatment Plant Odor Control	This project installs an odor control system to treat odorous air from the influent channel and solids holding tank at the Ridgefield Treatment Plant.	Kruase, BC, Jeffries	92-2020-0056	Construction	\$350,000	\$282,032	Bid	\$55,861	\$350,000	\$3,410	\$226,172	\$0	Construction contract awarded to Jeffries Construction and project is anticipated to be complete in late summer 2021.
Restoration and Replacement Projects														
4	Salmon Creek Treatment Plant Control System Network Separation	This project will bring the SCTP control system network up to industry standards as defined by the Department of Homeland Security and EPA.	Krause, Jacobs	93-2020-0081	Design	\$1,475,000	\$1,475,000	Pre-Design	\$0	\$1,475,000	\$0	\$1,475,000	\$0	Pre-design work to validate project scope and cost has been completed and detailed design is underway.
5	Salmon Creek Treatment Plant Fire Alarm System Replacement	The project will replace the existing 20-year-old fire alarm system at SCTP with a new system in line with current fire alarm technology.	Krause, Jacobs	93-2020-0055	Design	\$1,420,000	\$1,412,490	Pre-Design	\$52,490	\$1,360,000	\$1,377	\$1,360,000	\$0	Pre-design work to validate project scope and cost has been completed and detailed design is underway.
6	Salmon Creek Treatment Plant Fire Pump Controller Replacement	This project replace the existing fire pump controllers at SCTP that are now approaching the end of their useful life.	Krause, BC	93-2020-0082	Design	\$223,000	\$223,000	Pre-Design	\$0	\$223,000	\$12,355	\$223,000	\$0	Pre-design work to validate project scope and cost has been completed and detailed design is underway.
7	36th Avenue Pump Station Controls Replacement	This project will upgrade components and controls of the 36th Avenue Pump Station.	Krause, BC	TBD	Planning	\$179,000	\$179,000	Program	\$0	\$35,000	\$0	\$35,000	\$144,000	Project is scheduled to start design in 2022 in preparation for 2023 construction.
8	Ridgefield Treatment Plant Programmable Logic Contoller Replacement	This project will replace the programmable logic controller (PLC), which runs the Ridgefield Treatment Plant.	Krause, BC	TBD	Planning	\$143,000	\$143,000	Program	\$0	\$30,000	\$0	\$30,000	\$113,000	Project is scheduled to start design in 2022 in preparation for 2023 construction.
9	Salmon Creek Treatment Plant Sludge Blend Tank Slope Stabilization	The project will evaluate slope stability and drainage issues around the sludge blend tank and install a retaining wall to stabilize the slope and control runoff.	Krause, Jacobs	TBD	Planning	\$140,000	\$140,000	Program	\$0	\$40,000	\$0	\$40,000	\$100,000	Project is scheduled to start design in 2022 in preparation for 2023 construction.
10	Salmon Creek Treatment Plant Diesel Fuel Tank (Building 83) Replacement	This project will replace the diesel fuel tank for the backup generator at the electrical building (Building 83) at SCTP.	Krause, BC	TBD	Planning	\$145,000	\$145,000	Program	\$0	\$30,000	\$0	\$30,000	\$115,000	Project is scheduled to start design in 2022 in preparation for 2023 construction.
11	Salmon Creek Treatment Plant Instrumentation Replacements	This project will replace aged instruments throughout SCTP over the course of a three-year period.	Krause, BC	TBD	Planning	\$322,000	\$322,000	Program	\$0	\$15,000	\$0	\$15,000	\$307,000	Project is scheduled to start design in 2022 in preparation for 2023-2025 construction.
12	Salmon Creek Treatment Plant HVAC Systems Replacement	Replace aged HVAC equipment for several facilities at Salmon Creek Treatment Plant.	Lough, Jacobs, BC, Tapani	Various	Construction	\$1,866,000	\$1,751,775	Bid/Program	\$909,638	\$513,000	\$141,137	\$141,137	\$701,000	Building 70 & 72 work is substantially complete, additional replacements programmed for 2024-2026
13	Salmon Creek Treatment Plant SCADA System Platform Update	This project updates the SCTP SCADA system platform to include mobile functionality thus providing a return on investment (ROI) through reduced staff time.	Krause, Jacobs	TBD	Planning	\$134,000	\$134,000	Program	\$0	\$45,000	\$0	\$45,000	\$89,000	Project is scheduled to start design in 2022 in preparation for 2023 construction.
14	36th Avenue Pump Station Pump Replacement	Replace raw sewage pumps and motors in order to maintain reliable and effective transmission of flow to the Salmon Creek Treatment Plant.	Krause, Jacobs, BC, Stellar J	93-2015-0019	Post-Construction	\$1,302,000	\$1,274,410	Post-Construction	\$1,254,410	\$0	\$0	\$20,000	\$0	Pump and piping replacements were completed in 2018 and station is operating well with no clogging reported. Repair of vibration issue to be confirmed by testing.
15	SCTP Blowers 3 & 4 Emergency Response	This emergency project is to assess damaged systems, provide temporary blower capacity, and restore aeration system capacity at SCTP Building 35.	Krause/Lebo, Tapani	93-2021-0029	Construction	\$0	\$150,000	Program	\$0	\$0	\$0	\$150,000	\$0	Rental blower installed, Blower 4 repaired/installed/in service, Blower 3 awaiting repair and anticipated to be back in service in July 2021. Work executed as a change to Tapani contract due to emergency declaration.
	Annual R&R Allowance	Allowance to account for undefined needs.	Lough	Various	N/A	\$250,000	\$0	Program	N/A	\$250,000	\$0	\$0	N/A	Allowance used to balance R&R program budget.
CIP TOTAL							\$56,570,000			\$18,369,000	\$653,561	\$19,749,382	107.5%	
R&R TOTAL							\$7,349,675			\$4,016,000	\$154,869	\$3,564,137	88.7%	
TOTAL							\$63,919,675			\$22,385,000	\$808,430	\$23,313,519	104.1%	
NET DIFFERENCE											-\$21,576,570	\$928,519		
% OF BUDGET										100.0%	3.6%	104.1%		
Projects Carried Over from Previous Budget Cycle														
New Projects														



Discovery Clean
Water Alliance

Staff Report

Board Meeting of June 18, 2021

6e. Industrial Pretreatment Delegation Process

STAFF CONTACTS	PHONE	EMAIL
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PURPOSE: This staff report provides an update on the industrial pretreatment program delegation process. The District, on behalf of the Alliance as Administrative Lead, is developing the legal, administrative and technical elements required for Ecology's delegation of regulatory authority and responsibilities to the Alliance. Historically, local engagement with industrial and commercial users has been managed by the District, with regulatory authority and oversight by Ecology. In the current framework, Ecology issues discharge permits, conducts site inspections and takes regulatory enforcement actions, when required. The Alliance program is now of sufficient size and sophistication that it meets the requirements for delegation, so the Alliance has begun working collaboratively with its Members and with Ecology on the process to "delegate" regulatory authority to fully administer the program locally. This will result in a program that is proactively shaped to fit the local environment with local control and positive changes for program users.

The following is an update on the delegation framework and endorsement process:

1. Delegation Framework and Process.

- a. Legal Authority. The Alliance must demonstrate that it has sufficient legal and regulatory authority to implement all federal and state pretreatment requirements. Multijurisdictional pretreatment programs, such as the proposed Alliance program, must have the necessary authority to fully implement and enforce pretreatment regulations, consistently and effectively, throughout the service area and across all jurisdictions. The program elements necessary for establishing this multijurisdictional legal authority have been developed in consultation with both Alliance and District legal counsel, with input from Members through the Alliance committees. Draft documents have been previously presented to the Alliance Board.
- b. Local Agency Endorsement. The flow contributing jurisdictions of the Alliance, the District and the City of Battle Ground, are required to take formal actions to endorse the delegated

program so that it can be implemented throughout the Alliance service area. These actions are taken prior to submitting the program to Ecology for approval in order to demonstrate endorsement and legal sufficiency. However, District and Battle Ground formal actions will not become effective until program approval and formal delegation by Ecology, and subsequent adoption of the approved program by the Alliance.

2. Agency Endorsement. To facilitate the endorsement process, the legal authority and agency action documents will be presented to the local agencies. The following documents will be included:

- a. Resolution 2021-XX. This Resolution reflects the cooperation among the Alliance Members to develop the locally delegated pretreatment program, and the actions of contributing Members to implement the legal framework for delegation. The Resolution also facilitates the adoption of the Alliance Pretreatment Regulations and the Interlocal Agreement, and will be adopted after program approval and formal delegation from Ecology. This Resolution repeals and replaces Resolution 2014-08. The Resolution was reviewed at the December 18, 2020 Alliance Board meeting.
- b. Alliance Pretreatment Regulations. The Regulations serve as the key program element for establishing the legal basis for the locally delegated program. These Regulations are commonly referred to as a Sewer Use Ordinance (SUO), and will replace the current SUOs for the District and Battle Ground upon delegation and adoption of the approved program. The current SUOs already contain many of the required elements for a delegated pretreatment program but require updating to incorporate additional federal and state requirements. The Regulations were previously reviewed at the December 18, 2020 Alliance Board meeting.
- c. Interlocal Agreement. Multijurisdictional pretreatment programs require an Interlocal Agreement (ILA) among the contributing jurisdictions. The ILA establishes legal authority for program implementation and enforcement throughout all services areas of the Alliance and ensures consistent program administration across multiple jurisdictions. The ILA will be executed among the Alliance, the District and the City of Battle Ground. The ILA was previously reviewed at the March 19, 2021 Alliance Board meeting.
 - i. Alliance. The ILA recognizes the Alliance as Control Authority for the locally delegated program, responsible for implementing and enforcing the program. The program will be implemented by the Administrative Lead, on behalf of the Alliance and its Members. The Alliance will be responsible for all costs associated with administering the program, and for notifying Ecology and the Alliance Members of any program modifications that occur after delegation.
 - ii. District & Battle Ground. The District and Battle Ground designate the Alliance as the lead agent for the locally delegated program. They agree to repeal their existing SUOs and adopt the Alliance Pretreatment Regulations, by reference, to establish legal authority locally within their jurisdictions. The District and Battle

Ground agree to cooperate with the Alliance in support of program implementation and enforcement within their local jurisdictions. This includes the responsibility to identify and notify the Alliance of new industrial and commercial users (Users) of the wastewater system and to require that Users provide survey information as a condition of connection to sewer and prior to allowing discharge. This process is currently in place at a staff level today and is a required element of a delegated program.

- iii. FOG ILA. The new ILA will supersede the existing ILA between the District and Battle Ground regarding the Fats, Oils and Grease (FOG) program, which will be terminated as part of this process. The FOG program elements have been incorporated into the locally delegated pretreatment program.
 - iv. Users Outside Jurisdictional Boundaries. If a User is located outside of the jurisdictional boundary or service area of either the District or Battle Ground, the User must enter into an agreement with the Alliance and the applicable jurisdiction, prior to discharge. This is a requirement for a delegated program.
- d. Resolution/Ordinance. There are four (4) related actions to be taken by the District and City of Battle Ground. These local actions will be accomplished within the District via Resolution and within the City of Battle Ground via Ordinance. The Resolution and Ordinance were previously reviewed at the March 19, 2021 Alliance Board meeting. The four actions are:
- i. Approval of the ILA. The District and Battle Ground approve the ILA. The ILA will be fully executed after program approval and formal delegation by Ecology, and upon Alliance Board adoption of the approved program.
 - ii. Repeal of existing Sewer Use Ordinance (SUO). The District and Battle Ground repeal their existing SUOs (Chapter 5.52 DC and Chapter 13.137, respectively). This action is effective upon delegation from Ecology and program adoption by the Alliance.
 - iii. Adopt Alliance Pretreatment Regulations. The District and Battle Ground adopt the Alliance Pretreatment Regulations, by reference, as the local SUO. This action is effective upon delegation from Ecology and program adoption by the Alliance.
 - iv. Terminate Existing ILA relating to the Fats, Oils and Grease (FOG) Program. The existing ILA between the District and Battle Ground is terminated. This action is effective upon delegation from Ecology and program adoption by the Alliance.
- e. Attorney Statement. A statement of legal sufficiency for the locally delegated program is required for program approval (40 CFR 403.9). The statement certifies that the Alliance will have the necessary legal powers (40 CFR 403.8) to fully administer all federal and state pretreatment requirements and assume the role of Control Authority from Ecology. The Attorney Statement (Attachment A) has been developed and reviewed by both Alliance

and District legal counsel and will be finalized after all local actions are taken by the District and Battle Ground.

- f. Alliance Letter of Endorsement. The Letter of Endorsement (Attachment B) is a required element for program approval and signifies to Ecology that the governing board of the Alliance supports the local program and is committed to its effective implementation. A draft, unsigned letter has been included in the Endorsement Package for agency review and will be finalized after all local actions are taken by the District and Battle Ground. The Alliance Board will be presented with the final letter for approval and signature at a later meeting. The signed letter will be included in the Submittal for Approval to Ecology.
3. Delegation process and next steps. All documents have been reviewed by legal counsel, Alliance standing committees and the Alliance Board throughout the program development process. Staff have initiated engagement with the District Board of Commissioners and Battle Ground City Council, having conducted an introductory work-session with each agency. Final legal authority documents and proposed agency actions will be presented today for this Board's review. Upon Board direction to directly engage the contributing jurisdictions, staff will proceed with the formal endorsement process with the District and the City of Battle Ground. Staff have prepared a letter (Attachment C) from the Alliance Board to the District Board of Commissioners and the Battle Ground City Council requesting the support and endorsement of the delegated program.
- a. Local Agency Review and Endorsement. The agency review process will begin with review of all documents by legal counsel for both the District and Battle Ground, prior to being presented for District Board and City Council review. A public hearing will be conducted by both agencies, prior to formal action/motion to approve the Resolution and Ordinance.
 - b. Submission for Approval. Once the proposed program is formally endorsed by the local agencies, the Alliance Board will be presented with the finalized Letter of Endorsement for approval and signatures of the Board of Directors. Then, documentation will be assembled into a Submission for Approval and submitted to Ecology. Ecology will review all materials and may request additional information or changes to the program. The review process may take several months and will include a formal public notice and comment period. Upon Ecology approval and formal delegation (via administrative order), the Alliance Board would adopt the local program and the delegation framework would take effect.
 - c. Stakeholder Engagement. Staff have been and will continue to engage with Ecology throughout the program development process. Ecology is being asked to continue to review and provide input on program materials as they are reviewed and vetted through the Alliance process. Staff are also in communication with permitted users, and will be providing additional outreach to other users, as the delegation process continues.

A summary of the work associated with delegation is provided in the table below.

Alliance Industrial Pretreatment Delegation Process
Submission for Approval: Document Development Status

Document	Development & Review Process					
	Drafted by Staff	Legal Review	Committee Review	Board Review	Member Agency Review	Submittal to Ecology
Res. 2021-XX, Wastewater Quality*	Completed	Completed	Completed	Work in Process	Work in Process	
Pretreatment Regulations	Completed	Completed	Completed	Work in Process	Work in Process	
Interlocal Agreement	Completed	Completed	Completed	Work in Process	Work in Process	
District Resolution/BG Ordinance	Completed	Completed	Completed	Work in Process	Work in Process	
Letter of Endorsement	Completed	Completed	Completed	Work in Process	Work in Process	
Attorney Statement	N/A	Completed	Completed	Work in Process	Work in Process	
Program Manual	Completed	Completed	Completed	N/A		
Submission for Approval (final docs)	Work in Process	Future Activity	Future Activity	Future Activity	Future Activity	

*Res. 2014-08, Amended & Restated

ACTION REQUESTED: Board approval for the Board Chair to sign the Endorsement Cover Letter, and direction for staff to engage and seek formal agency endorsements from the contributing jurisdictions of the District and Battle Ground.

ATTACHMENTS:

ATTACHMENT A Attorney Statement (draft)
ATTACHMENT B Alliance Letter of Endorsement (draft)
ATTACHMENT C Alliance Letter, Alliance Locally Administered Industrial Pretreatment Program Endorsement

Attachment A



1111 Third Avenue
Suite 3000
Seattle, WA 98101

Main: 206.447.4400
Fax: 206.447.9700
foster.com

[]

Our firm (“Alliance Attorney” or “POTW Attorney”) serves as counsel to the Discovery Clean Water Alliance (“POTW” or “Alliance”). This letter accompanies the POTW’s program description submitted in accordance with 40 C.F.R. § 403.9 and WAC 173-208-050 (“Submission for Approval”) to the Washington State Department of Ecology (“Approval Authority”) for a determination on the request for approval of the POTW’s pretreatment program (“POTW Pretreatment Program”).

40 C.F.R. § 403.9(b)(1) requires the Submission for Approval to include a statement of the POTW Attorney “that the POTW has authority adequate to carry out the programs described in 40 C.F.R. § 403.8.” This letter is intended to satisfy that requirement.

DOCUMENTS REVIEWED

In our capacity as POTW Attorney and in connection with the statement expressed below, we have reviewed the following:

1. Restated Discovery Clean Water Alliance Interlocal Formation Agreement, amended and restated as of August 15, 2014 by Resolution 2014-07 (“Alliance Agreement”).
2. Alliance Resolution 2021-__ (Adopting Rules and Regulations to Manage the Quality of Wastewater) (“Alliance Resolution”).
3. Exhibit A to the Alliance Resolution (“Alliance Pretreatment Regulations”).
4. City of Battle Ground, Washington Ordinance No. __ (Implementation of a Locally Administered Multijurisdictional Pretreatment Program) (“Battle Ground Ordinance”).
5. Clark Regional Wastewater District Resolution No. __ (Implementation of a Locally Administered Multijurisdictional Pretreatment Program) (“District Resolution”).
6. Interlocal Agreement among the Discovery Clean Water Alliance, Clark Regional Wastewater District and the City Of Battle Ground, dated _____ (Program Implementation and Enforcement Relating to a Locally Administered Multijurisdictional Pretreatment Program) (“Interlocal Agreement”).

The Alliance Agreement, the Alliance Resolution, the Alliance Pretreatment Regulations, the Battle Ground Ordinance, the District Resolution and the Interlocal Agreement are collectively referred to herein as the “Documents.” In addition, we have reviewed such other instruments and certifications as we have determined necessary or appropriate for this statement.

ASSUMPTIONS

In rendering the statement expressed below we also have assumed that:

1. The Alliance Agreement has not been and will not be amended, modified or supplemented in any way that prohibits the Alliance from adopting or enforcing the Alliance Resolution or the Alliance Pretreatment Regulations adopted thereby.
2. The Battle Ground Ordinance and the District Resolution have been duly passed or adopted, as the case may be, by the respective governing bodies thereto and have not been amended, modified or supplemented.
3. The Alliance Resolution and the Alliance Pretreatment Regulations will be effective upon the date of adoption of the Alliance Resolution by the Board of Directors of the Alliance (the “POTW Pretreatment Program Effective Date”).
4. As of the POTW Pretreatment Program Effective Date, the Battle Ground Ordinance and the District Resolution will become effective and the Interlocal Agreement will be duly authorized, executed and enforceable by the parties thereto.
5. The Interlocal Agreement accurately reflects the complete understanding of the parties with respect to the regulations thereby and the rights and the obligations of the parties thereunder.

STATEMENT

The POTW’s authority to adopt and implement the POTW Pretreatment Program is established in state and local law and multijurisdictional agreements, including without limitation Chapter 39.106 RCW (Joint Municipal Utility Services Authorities) and the Documents.

Based on the foregoing and subject to the assumptions set forth above, we conclude that, upon adoption of the Pretreatment Resolution and the execution of the Interlocal Agreement on the POTW Pretreatment Program Effective Date, the POTW will have sufficient legal authority, enforceable in local, state or federal court, to carry out the requirements of Sections 307(b) and (c) and 402(b)(8) of the federal Water Pollution Control Act and to carry out the programs described in 40 C.F.R. § 403.8, including without limitation, as follows:

POTW Attorney Required Statements (40 C.F.R. § 403.9(b)(1))	POTW Authority
40 C.F.R. § 403.9(b)(1)(i) – “Identify the provision of the legal authority under § 403.8(f)(1) which provides the basis for each procedure under § 403.8(f)(2)”	<ul style="list-style-type: none"> • RCW 39.106.030(2). • RCW 39.106.040(1). • Alliance Agreement, §§ IV.B., V.K.
40 C.F.R. § 403.9(b)(1)(ii) – “Identify the manner in which the POTW will implement the program requirements set forth in § 403.8, including the means by which Pretreatment Standards will be applied to individual Industrial Users (e.g., by order, permit, ordinance, etc.)”	<ul style="list-style-type: none"> • Alliance Resolution, § 4. • Alliance Pretreatment Regulations, §§ 2 through 5. • Battle Ground Ordinance, § 3. • District Resolution, § 3. • Interlocal Agreement, § 1.
40 C.F.R. § 403.9(b)(1)(iii) – “Identify how the POTW intends to ensure compliance with Pretreatment Standards and Requirements, and to enforce them in the event of noncompliance by Industrial Users”	<ul style="list-style-type: none"> • Alliance Resolution, §§ 5 through 8. • Alliance Pretreatment Regulations, §§ 6 through 15. • Battle Ground Ordinance, § 1. • District Resolution, § 1. • Interlocal Agreement, §§ 2 through 4.

Sincerely,

Lee Marchisio
Alliance Attorney

cc

Attachment B



(DATE)

David J. Knight, P.E.
Environmental Engineer
Washington State Dept. of Ecology
PO Box 47775
Olympia, WA 98504-7775

Dear Mr. Knight:

Subject: Request for Approval for a Locally Administered Industrial Pretreatment Program

With this letter, the Board of Directors of the Discovery Clean Water Alliance (Alliance) is submitting the attached Submission for Approval (Submission) for the delegation of authority to administer a local Industrial Pretreatment Program for the Alliance Publicly Owned Treatment Works (POTW). As the governing body of the Alliance, this Board has reviewed and endorses the proposed delegated program and is prepared to administer a locally delegated program as detailed in the Submission.

The Alliance has taken the necessary steps to establish the legal and regulatory framework to implement a fully delegated local program. Accordingly, the Alliance has cooperatively developed with its Members and approved the following, to be adopted and become effective upon program approval from Ecology:

- Resolution 2021-XX, “A Resolution of the Discovery Clean Water Alliance Adopting Rules and Regulations to Manage the Quality of Wastewater Flows into the Alliance Regional Assets, to Comply with the NPDES Waste Discharge Permits issued to the Alliance and to Establish a Locally Administered Publicly Owned Treatment Works (POTW) Pretreatment Program”
 - Exhibit A, Alliance Pretreatment Regulations
 - Exhibit B, Interlocal Agreement, “Program Implementation and Enforcement relating to a Locally Administered Multijurisdictional Pretreatment Program”

The Alliance has also worked with its two flow contributing Members, the City of Battle Ground and the Clark Regional Wastewater District (District), to ensure the program is endorsed locally and can be legally and effectively administered throughout the Alliance service area. The contributing members

of the Alliance have taken the following actions via City of Battle Ground Ordinance #[*citation*] and District Resolution #[*citation*]:

- Adopted the Alliance Pretreatment Regulations by reference as the local Sewer Use Ordinance in their respective jurisdictions; and
- Approved the Interlocal Agreement, “Program Implementation and Enforcement relating to a Locally Administered Multijurisdictional Pretreatment Program”

As a regional wastewater services provider, the Alliance supports a locally delegated pretreatment program and commits to cooperatively implement, support, and enforce the program throughout the Alliance service area. The locally delegated program will further the Alliance’s efforts to provide reliable service and ensure the continued protection of the regional wastewater assets, public health, and the environment in a responsible manner.

Ron Onslow
Chair, Board of Directors
Discovery Clean Water Alliance

Councilor
City of Ridgefield

Julie Olson
Secretary, Board of Directors
Discovery Clean Water Alliance

Councilor
Clark County

Norm Harker
Vice-Chair, Board of Directors
Discovery Clean Water Alliance

Commissioner
Clark Regional Wastewater District

Shane Bowman
Board of Directors
Discovery Clean Water Alliance

Councilmember
City of Battle Ground

Attachment C



June 18, 2021

City Council
City of Battle Ground
109 SW 1st St
Battle Ground, WA 98604

Board of Commissioners
Clark Regional Wastewater District
8000 NE 52nd Ct
Vancouver, WA 98665

Subject: Alliance Locally Administered Industrial Pretreatment Program Endorsement

With this letter, the Board of Directors of the Discovery Clean Water Alliance (Alliance) is requesting the support and endorsement of the City of Battle Ground (City) and Clark Regional Wastewater District (District) to implement a locally administered Industrial Pretreatment Program. As the two flow contributing jurisdictions, the City and District are integral partners with the Alliance in managing the quality of wastewater in compliance with state-issued water quality permits, and ensuring the continued protection of local water resources and local and regional wastewater assets, all while supporting economic growth and development. The Alliance has been working collaboratively with the Alliance Members and proactively with Ecology to further develop the pretreatment program. The proposed program supports the planned transferring of pretreatment authority from the state to the local level (a process also known as “delegation”).

As the governing body of the Alliance, this Board has reviewed and endorses the proposed program and the delegation of authority. With the support and cooperation of its Members, the Alliance is prepared to administer the program, upon approval from the Washington State Department of Ecology (Ecology). As such, the Board respectfully requests that the City and the District review the attached materials and consider the recommended actions. Local endorsement of the program is necessary to demonstrate to Ecology that the program can be effectively administered upon delegation.

While Ecology currently maintains regulatory authority for the pretreatment program, the regional wastewater system meets the federal requirements for implementation of a locally administered program. The locally administered program will have several advantages to local agencies and businesses. Local control over implementation of the federal and state industrial wastewater regulatory requirements allows for a more accessible and responsive program, streamlines regulatory processes and decision making and provides a single, local point of contact for local business and industry.

June 18, 2021

Page 2

The Alliance appreciates the consideration and support of the City and the District.

Ron Onslow
Chair, Board of Directors
Discovery Clean Water Alliance

Councilor
City of Ridgefield

Cc: Lee Marchisio, Foster Garvey PC, General Counsel, Alliance
Christine Hayes, City Attorney, City of Battle Ground
Eric Frimodt, Inslee Best, General Counsel, Clark Regional Wastewater District

Enclosures:

Staff Report and Presentation

Alliance Letter of Endorsement

Attorney Statement

Alliance Resolution 2021-XX, Wastewater Quality

Alliance Pretreatment Regulations

ILA, "Program Implementation and Enforcement Relating to a Locally Administered Multijurisdictional Pretreatment Program"

City of Battle Ground Ordinance, "Implementation of a Locally Administered Multijurisdictional Pretreatment Program Adopted by the Discovery Clean Water Alliance"

Clark Regional Wastewater District Resolution, "Implementation of a Locally Administered Multijurisdictional Pretreatment Program Adopted by the Discovery Clean Water Alliance"



Discovery Clean Water Alliance

Staff Report

Board Meeting of June 18, 2021

6f. Administrative Lead Report

STAFF CONTACTS	PHONE	EMAIL
John M. Peterson, P.E., Alliance Executive Director	360-993-8819	jpeterson@crwwd.com
Leanne Mattos, District Sr. Administrative Assistant	360-993-8823	lmattos@crwwd.com

PURPOSE: The Alliance is a regional wastewater transmission and treatment utility, now in its seventh year of full operation. The goal of the Administrative Lead (AL) Report is to provide a quarterly update for the Board of Directors highlighting significant activities. Specific updates are as follows:

1. Water Quality Regulatory Processes. The Alliance continues to monitor relevant water quality regulatory, legislative, and legal processes at the state and federal level as summarized below.
 - *Water Quality Assessment Process – Ecology/EPA.* Ecology opened a public comment period on April 8 related to the current ("2018") water quality assessment process. Ecology is indicating a change in two relevant listings for dissolved oxygen (DO) in the Columbia River from a Category 5 impairment to Category 1 (Attachment A). The partnership between the Alliance and the City of Vancouver (Vancouver) filed a public comment letter and the public comment period ended on June 4. The Alliance and Vancouver have been successful in soliciting comment letters from the Port of Vancouver, CREDC, and State Legislators from our area. The Alliance and other local area comment letters are included for the Board's reference as Attachment B. Ecology will review the comments received during the public comment period and finalize the process required under the Clean Water Act by submitting the water quality assessment to EPA for approval.
 - *Columbia and Snake River Temperature TMDL – Ecology/EPA.* On May 18, 2020, EPA issued a temperature total maximum daily load (TMDL) for the Columbia and Snake Rivers. Ecology is anticipating EPA will issue an updated TMDL later this year after receiving public comment on the TMDL document. Ecology is working to develop an implementation plan under the TMDL framework. City of Vancouver and AL staff have requested to be part of the stakeholder group for Ecology's implementation plan development process, as both Alliance and Vancouver facilities are given fixed waste load allocations in the TMDL.
 - *NPDES Permit Renewal Applications – Ecology.* Ecology has recently provided letters requesting updated data to supplement existing applications for renewed discharge permits. Both Alliance treatment facilities received the requests (Attachment C), as did the two Vancouver treatment facilities. AL staff are working to comply with the requests and

understand that Ecology will be working to clear the backlog of permits needing to be renewed over time. The Alliance facilities are operating under administrative extensions of the existing permits.

- *Other Water Quality Regulatory Processes.* The Alliance is monitoring several other water quality-related processes as noted below:
 - *Ecology Statewide Biosolids General Permit.* Ecology has recently provided a new general biosolids permit for Washington. Ecology is accepting public comments from May 5 to July 1. Dates for Public Hearings are set for June 22 and June 24. AL staff and consulting partners will review the draft permit and evaluate if public comment is warranted. Based on a preliminary understanding, the permit is not expected to change the Alliance biosolids practice in any material way but will exempt secondary biosolids products from the regulation (such as the Tagro product produced by the City of Tacoma) and have some changes for regulation of lagoon facilities.
 - *Class B Biosolids Bans in OR and WA.* The Klamath County Commission adopted a ban on Class B biosolids and reclaimed water last fall. This situation is similar to a ban that was adopted in Wahkiakum County WA a few years ago. The Wahkiakum ban was successfully challenged by Ecology and overturned by a court decision which determined that the County did not have authority to regulate biosolids. Oregon DEQ is aware that such a ban at the County level sets a precedent that potentially undermines biosolids and recycled water programs in Oregon. DEQ is working on a response, and this is being tracked carefully by Oregon ACWA (Association of Clean Water Agencies).
 - *Ecology has issued a preliminary draft Puget Sound Nutrient General Permit dated January 2021.* The preliminary draft permit is being widely reviewed within the wastewater treatment community in the greater Puget Sound area. Comments were due on the preliminary draft permit by March 15, 2021. Ecology is in the process of reviewing the comments and expects to issue the formal public comment draft permit in summer 2021.
 - *Proposed Withdrawal of Certain Federal Human Health Criteria in Washington State – EPA.* In August 2016, after many years of study and public process, Ecology issued new Water Quality Standards for Washington State with a Human Health Criteria overlay for many toxic substances. This study process and final rule was widely described as the “Fish Consumption” rule in popular media. The rule is currently being litigated.
 - *Federal Lawsuit Regarding TMDL Processes – Northwest Environmental Advocates vs. EPA.* A federal lawsuit was filed in September 2019 challenging EPA’s oversight of Washington’s Water Quality Assessment process required by the Clean Water Act (CWA) and the related Total Maximum Daily Load (TMDL) process designed to address impaired water bodies. The legal process is ongoing.
 - *PFAS Legislation and Regulation.* There is a continued effort to address a group of synthetic compounds collectively called polyfluoroalkyl substances or “PFAS”. These materials are used throughout modern society and are often present in very small quantities in water and wastewater streams. There are rulemaking and legislative efforts

ongoing in multiple venues, initially focused on drinking water standards. Recent updates in this area include the following:

- EPA Council on PFAS. Newly confirmed EPA Administrator Regan has called for a new EPA Council on PFAS to better understand and ultimately reduce risks caused by these chemicals. The Alliance will continue to monitor developments at the federal level that related to Alliance practice areas such as source control, discharge permitting, and biosolids management.
 - Ecology PFAS Chemical Action Plan. Washington State has developed a draft Chemical Action Plan intended to reduce or eliminate public health and environmental effects of PFAS chemicals. Managing PFAS in waste streams including wastewater treatment and biosolids management are some of the many focus areas of the plan.
 - *University of Washington (UW) Study of Columbia River.* An EPA grant to UW/Tacoma is being used to fund a study titled "*Evaluating and Prioritizing Contaminants of Emerging Concern in the Lower Columbia River*". The study is expected to be completed this year with results published in 2022.
 - *Recreational Water Quality Criteria for Coliphage and Effluent Disinfection - EPA.* EPA is evaluating a coliphage (virus-based) water quality criterion for recreational waters. This would supplement or replace the current bacteria-based standards that are the current basis for effluent limitations in discharge permits. Depending on how the new standard is developed and applied to the Alliance facilities, an upgrade to the disinfection systems for the facilities may be required in the future.
2. Federal Infrastructure Funding. Based on a screening review of Alliance projects by CFM Advocates, the Alliance has submitted a request for funding for the Salmon Creek Treatment Plant (SCTP) Dewatering Equipment Replacement Project. The applications materials and letters of support are attached for reference (Attachment D), including a letter of support from the Felida Neighborhood Association. The request is related to the annual federal budget appropriations process. As currently understood, the federal funding can be used to cover up to 80% of an eligible project cost. The Alliance would need to advance the project timing (starting in 2021 rather than 2023) to engage the federal funding if the project ultimately qualifies.
3. 2021 Capacity Management Plan Update/Phase 5 Expansion Program Overview. With the clarity provided through the water quality assessment process noted above, the Alliance has submitted the Engineering Report (ER) for the last of the Phase 5 Expansion Program capital projects. The cover letter is provided for Board reference (Attachment E), and the Alliance has asked for an expedited review. AL staff meet with Ecology on June 3 regarding the review process. A summary of the current effort to complete the Phase 5 Expansion Program is attached (Attachment F).

In addition to the primary Phase 5 Expansion program efforts, as reported at the Board meeting in March 2021, the Alliance is developing a backup or contingency plan related to facility capacity.

Based on initial review, the AL is recommending the following efforts to further address capacity management issues for the two Alliance treatment facilities:

- *SCTP Phase 5C Pilot Test – Chemically Enhanced Primary Treatment.* To ensure continuous service during delivery of the Phase 5 Expansion Program, the AL is recommending developing a backup or contingency project that could be implemented quickly if needed. After initial review with two engineering consultants, the process recommended is one where a coagulating/flocculating chemical is added at the front portion of the facility that will support additional 10-20% waste removal in the primary clarifiers. This is common process in the wastewater treatment industry, but not currently utilized at any Clark County-area facilities. To contain initial costs but preserve options, this project will most likely be presented as a full-scale pilot test on one of the four primary clarifiers to prove the concept and to develop the operating data necessary for regulatory review and endorsement.
- *Ridgefield Treatment Plant (RTP) – Secondary Treatment Process Improvements.* The RTP is currently rated for the following flow and loadings, all on a maximum monthly basis:
 - Influent Flow 0.7 mgd
 - Influent BOD 1,240 lb./day (equivalent to approximately 0.4 mgd)
 - Influent TSS 1,240 lb./day (equivalent to approximately 0.4 mgd)

Because the organic loadings (BOD/TSS) are equivalent to approximately 0.4 mgd, the organic loading values are the limiting factor for the facility. AL are evaluating improvements to the RTP secondary treatment process that would allow the loading values to be increased to match the flow-rated capacity of the facility.

4. Member Agency and Public Engagement Services. Several efforts are underway to keep the public and Member agency staff updated on the work of the Alliance in the following areas:

- *Quarterly E-News Blast.* The Alliance has continued to utilize the quarterly email format to provide updated information to interested parties.
- *Annual Open House.* The Alliance has prepared its annual open house in virtual format, very similar to the approach utilized in 2020. The open house is set to run from June 1 to June 25.
- *Stewardship Video.* Ongoing monitoring of regulatory trends has prompted the Alliance to develop a video and handout encouraging use of natural products in homes and businesses. This information has been provided to the District and Battle Ground to support outreach efforts to the retail customer base served by the Alliance facilities. The video and handout can be viewed on the Alliance website at <https://www.discoverycwa.org/pollution-prevention/>.
- *Odor Control Project Video.* A short project video for the odor control project has been prepared and may currently be viewed as part the virtual open house: <https://www.discoverycwa.org/scwwtp/>
- *Member Agency Briefings.* The Alliance has compiled the information about the major program efforts in the attached outline to support any of the Alliance Board Members that

would like to host a work/study session for the full elected bodies of the respective Member agencies. An outline of the proposed presentation is included in this report for reference (Attachment G). This approach would provide an effective annual update to the Member agencies.

ACTION REQUESTED: Policy-level guidance for the various Administrative Lead activities described in this report.

Attachment A

Main Listing Information

Listing ID: 49044

Waterbody Name: COLUMBIA RIVER

Medium: Water

Parameter: Dissolved Oxygen

WQI Project: None

Designated Use: Aquatic Life - Salmonid Spawning, Rearing, and Migration

Draft Category: 1

Year	Category
2018	1
2012	5
2010	5
2008	5
2004	3
1998	N
1996	N

Assessment Unit

Assessment Unit ID: 170800030200_02_02

County: Clark

Size: 30.756 Kilometers

WRIA: 28 - Salmon-Washougal

Associated Component(s): Reach: 17080003038366, Type: Large River

Basis Table

Sampling Year	Excursion Count	Sample Count	Criterion/Threshold	Aggregate	Calculated Value
2006	9	22	90 % Saturation	Daily Minimum	64
2007	0	14	90 % Saturation	Daily Minimum	93
2008	0	5	90 % Saturation	Daily Minimum	97
2009	0	6	90 % Saturation	Daily Minimum	92
2010	0	6	90 % Saturation	Daily Minimum	97
2011	0	5	90 % Saturation	Daily Minimum	90
2012	0	6	90 % Saturation	Daily Minimum	97
2013	0	6	90 % Saturation	Daily Minimum	98
2014	0	6	90 % Saturation	Daily Minimum	97
2015	0	6	90 % Saturation	Daily Minimum	96
2016	0	5	90 % Saturation	Daily Minimum	96
2017	0	5	90 % Saturation	Daily Minimum	106
2018	0	30	90 % Saturation	Daily Minimum	98
2019	0	34	90 % Saturation	Daily Minimum	94

Basis Statement

HISTORICAL INFORMATION

Location IDs: [28A100], [CR-SW-WP]-- In 2003, 0 of 9 sample values showed an excursion of the criterion (90% DO saturation) for this waterbody;

Location IDs: [28A100]-- In 2002, 0 of 3 sample values showed an excursion of the criterion (90% DO saturation) for this waterbody;

Remarks

Both dissolved oxygen saturation and dissolved oxygen concentration data were considered. When necessary, dissolved oxygen saturation was calculated with water temperature and atmospheric pressure data based on USGS DOTABLES.

Special condition: Dissolved oxygen shall exceed 90 percent of saturation.

Additional data collected in 2018 and 2019 from the City of Vancouver and Discovery Clean Water Alliance were submitted for consideration in the 2018 listing cycle. Data demonstrate consistent attainment of 90% saturation criteria in summer season across two years.

Some data from previous assessment cycle not considered in 2018 assessment due to concerns with data credibility requirements. This may cause a change in category determination.

Combined Listing: Listing IDs 49046, 49045 were rolled into this listing

Data Sources

Study Id	Location Id	Source Database
AMS001	28A100	EIM
AMS001E	28A100	EIM
CRK-06	28A100	EIM

CRK-06	CR-SW-WP	EIM
CRK-06	CR-SW-I5	EIM
DCWA2018-CRMonit	DCWAI5Bridge	EIM
DCWA2018-CRMonit	DCWAMarinePark	EIM
DCWA2018-CRMonit	DCWARiverRoad	EIM
DCWA2018-CRMonit	DCWATidewater	EIM
DCWA2018-CRMonit	DCWAVanWaterfro	EIM
DCWA2018-CRMonit	DCWAWestside	EIM
DCWA2018-CRMonit	DCWAWintlerPark	EIM
DCWA2019-CRMonit	DCWAI5Bridge	EIM
DCWA2019-CRMonit	DCWAMarinePark	EIM
DCWA2019-CRMonit	DCWARiverRoad	EIM
DCWA2019-CRMonit	DCWATidewater	EIM
DCWA2019-CRMonit	DCWAVanWaterfro	EIM
DCWA2019-CRMonit	DCWAWestside	EIM
DCWA2019-CRMonit	DCWAWintlerPark	EIM
DCWA2019-ExtCRMonit	DCWAI5Bridge	EIM
DCWA2019-ExtCRMonit	DCWAMarinePark	EIM
DCWA2019-ExtCRMonit	DCWARiverRoad	EIM
DCWA2019-ExtCRMonit	DCWATidewater	EIM
DCWA2019-ExtCRMonit	DCWAVanWaterfro	EIM
DCWA2019-ExtCRMonit	DCWAWestside	EIM
DCWA2019-ExtCRMonit	DCWAWintlerPark	EIM
Surface Water Ambient	OREGONDEQ-10616-ORDEQ	Water Quality Portal

Map Link

 [Map Link \(https://apps.ecology.wa.gov/waterqualityatlas/wqa/proposedassessment?lstid=49044\)](https://apps.ecology.wa.gov/waterqualityatlas/wqa/proposedassessment?lstid=49044)

Main Listing Information

Listing ID: 49047

Waterbody Name: COLUMBIA RIVER

Medium: Water

Parameter: Dissolved Oxygen

WQI Project: None

Designated Use: Aquatic Life - Salmonid Spawning, Rearing, and Migration

Draft Category: 1

Year	Category
2018	1
2012	5
2010	3
2008	3
2004	3
1998	N
1996	N

Assessment Unit

Assessment Unit ID: 170800030200_01_02

County: Clark

Size: 23.464 Kilometers

WRIA: 28 - Salmon-Washougal

Associated Component(s): Reach: 17080003039206, Type: Large River

Basis Table

Sampling Year	Excursion Count	Sample Count	Criterion/Threshold	Aggregate	Calculated Value
2006	6	14	90 % Saturation	Daily Minimum	81
2015	0	10	90 % Saturation	Daily Minimum	90
2018	0	25	90 % Saturation	Daily Minimum	101
2019	0	32	90 % Saturation	Daily Minimum	94

Basis Statement

Remarks

Special condition: Dissolved oxygen shall exceed 90 percent of saturation.
Both dissolved oxygen saturation and dissolved oxygen concentration data were considered. When necessary, dissolved oxygen saturation was calculated with water temperature and atmospheric pressure data based on USGS DOTABLES.
Additional data collected in 2018 and 2019 from the City of Vancouver and Discovery Clean Water Alliance were submitted for consideration in the 2018 listing cycle. Data demonstrate consistent attainment of 90% saturation criteria in summer season across two years.
Some data from previous assessment cycle not considered in 2018 assessment due to concerns with data credibility requirements. This may cause a change in category determination.
Combined Listing: Listing ID 49048 was rolled into this listing

Data Sources

Study Id	Location Id	Source Database
CRK-06	CR-SW-FB	EIM
CRK-06	CR-SW-RNWR	EIM
DCWA2018-CRMonit	DCWAFazioBeach	EIM
DCWA2018-CRMonit	DCWAPileDike955	EIM
DCWA2018-CRMonit	DCWAPileDike962	EIM
DCWA2019-CRMonit	DCWAFazioBeach	EIM
DCWA2019-CRMonit	DCWAPileDike955	EIM
DCWA2019-CRMonit	DCWAPileDike962	EIM
DCWA2019-ExtCRMonit	DCWAFazioBeach	EIM
DCWA2019-ExtCRMonit	DCWAPileDike955	EIM
DCWA2019-ExtCRMonit	DCWAPileDike962	EIM
SCTPWQCR	SCTPWQCR_BKGWQ2	EIM
SCTPWQCR	SCTPWQCR_WQ1	EIM
SCTPWQCR	SCTPWQCR_WQ3	EIM
SCTPWQCR	SCTPWQCR_WQ4	EIM
SCTPWQCR	SCTPWQCR_WQ5	EIM

Map Link

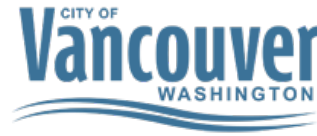
 [Map Link \(https://apps.ecology.wa.gov/waterqualityatlas/wqa/proposedassessment?lstid=49047\)](https://apps.ecology.wa.gov/waterqualityatlas/wqa/proposedassessment?lstid=49047)

Attachment B



Discovery Clean
Water Alliance

8000 NE 52nd Court
Vancouver, WA 98668



415 W 6th Street
Vancouver, WA 98660

April 19, 2021

Jeremy Reiman
Water Quality Program
Washington State Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Submitted via U.S. Mail and Email (303d@ecy.wa.gov)

RE: **Water Quality Assessment by Washington State Department of Ecology
303(d) Listings #49044 and #49047 for Dissolved Oxygen in the Columbia River
Public Comments from Discovery Clean Water Alliance and City of Vancouver**

Dear Mr. Reiman:

The Discovery Clean Water Alliance (Alliance) and the City of Vancouver (City) are providing written comment for the Water Quality Assessment (WQA) list of impaired waters published by the Washington State Department of Ecology (Ecology) on April 8, 2021. The Alliance is a regional wastewater transmission and treatment utility serving the central portions of Clark County, WA. Together with the City of Vancouver, our agencies collectively represent approximately 360,000 residents, and our agencies own and operate the three largest wastewater treatment facilities in Southwest Washington—discharging treated effluent to the Columbia River under applicable permits. The Alliance and the City strive to safeguard the health of both the community and the natural environment, while at the same time fostering a prosperous economy.

The Water Quality Assessment (WQA) is an important Ecology responsibility required by the Clean Water Act, and we thank Ecology for its efforts to produce this update. After review of the recently published WQA list of impaired waters, the Alliance and City are writing to strongly support and affirm the change in the following two Columbia River listings for dissolved oxygen (DO) from a Category 5 status to a Category 1 status.

- Listing No. 49044
- Listing No. 49047

This change in listing is warranted based on the results of a two-year field study of the Columbia River in the two Assessment Units (AUs), where 52 separate sampling events at 10 different locations (3 shoreline based and 7 offshore, boat based), with a total of 520 DO profiles of the river depth representing thousands of individual sample points, all conclusively demonstrate that DO levels in these AUs are above (better than) the relevant water quality standards. This study was sponsored by the Alliance and City as part of the effort to investigate the validity of the previous impairment status.

The field study results have corroborated the finding of a scientific review commissioned by the Alliance and the City to review the data that led to the previous impairment status. That review found that the data from a

previous volunteer study that was constrained to shallow shoreline areas with aquatic plant growth (and specifically not meeting the requirements of Water Quality Policy 1-11 for representative data) had inadvertently been utilized to assess the health of the overall Columbia River. The scientific review documenting the incorrect application of data as the basis of the previous listing, and the two-year study providing affirmative demonstration of healthy levels of DO, together form an unquestionable basis for the change in listing.

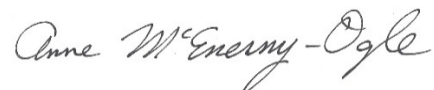
It is important to also state that the previous listings and resulting scientific investigations have caused multi-year delays in the approval of necessary improvements and renewal of operating permits for the three wastewater treatment facilities owned by our agencies. The collective impact of the cost of the studies and cost escalations due to the construction delays are estimated at \$2.5 million. Because of the need to move projects and permits forward to accommodate responsible growth in our community, we further request that Ecology complete its scheduled work on the WQA and ask for a prompt review and approval by EPA to fully complete the process this year. Any delay in completing the WQA process has the potential to force programmed capital improvement projects to move forward under the previous (incorrect) impairment status, requiring unnecessary facility upgrades at an increased cost (estimated at several hundreds of millions of dollars) to the local community.

Our agencies appreciate the opportunity to comment on the recently published WQA list of impaired waters. We further acknowledge the work of Ecology staff over the last several years as the investigations and studies related to these two listings occurred. At the end of this investigation and study process, the actual status of the Columbia River in this region for DO is clear, and the WQA process provides the appropriate mechanism to correct the listings to accurately reflect the true DO status of the Columbia River in this region.

Sincerely,



Ron Onslow
Board Chair
Discovery Clean Water Alliance



Anne McEnerny-Ogle
Mayor
City of Vancouver

c: Frank Dick, City of Vancouver
Dorie Sutton, City of Vancouver
Dan Swensen, City of Vancouver
John Peterson, Discovery Clean Water Alliance

May 10, 2021

Jeremy Reiman
Water Quality Program
Washington State Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

**RE: Water Quality Assessment - Washington State Department of Ecology
Public Comments - 303(d) Listings #49044 and #49047 (Columbia River Dissolved Oxygen)**

Dear Mr. Reiman:

On behalf of over 140 members of the Clark County business community, the Columbia River Economic Development Council (CREDC), supports the change of the Columbia River's listing from a Category 5 "Impaired" status to a Category 1 "Healthy" status based on the updated science.

CREDC's vision is for Clark County to be recognized as one of the most inclusive, healthy, and amenity-rich communities in the country. We focus on growing a diverse base of community-minded employers and pooling talent from both inside and outside the region to expand the economic opportunity of Clark County and beyond. The health of the Columbia River is vital to this goal as both an economic resource and as a recreational one that attracts employers and employees alike.

We understand that protecting our waterways is an important function of the Department of Ecology and that the Water Quality Assessment (WQA) is a safeguard to ensuring our waters are healthy and safe. Thus, we support Ecology's review, and we urge it to apply to most recent scientific studies on the river's health.

As you are aware, through an effort to overcome a limited volunteer study that was incorrectly applied as representative of the whole river, our public partner, the City of Vancouver, with its collaborative scientific-study partner, Discovery Clean Water Alliance, conducted a professional field study throughout 2018-2019. It showed the dissolved oxygen levels at 52 different sampling points consisting of 10 sections of the Columbia River were well within the standard levels for healthy rivers. The data unequivocally concluded that the Columbia River should be listed as a Category 1 "Healthy" status waterway under the parameters set by the Environmental Protection Agency and the State of Washington.

It is our understanding that the City of Vancouver and Discovery Clean Water Alliance have already endured multi-year delays for the renewal of operating permits for three wastewater treatment plants and that necessary facility improvements have been delayed threatening capacity thresholds, respectively.

Given the hundreds of thousands of people affected by these delays and the costs associated with them, we believe that if the Columbia River is not changed to a Category 1 status, that this will have substantial financial and long-term economic impacts on our region's ability to build new housing and could result in steep wastewater rate increases. Moreover, if the Columbia River remains under the incorrect "Impaired" status,

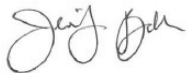
unnecessary capital improvement

projects and facility upgrades would move forward at an increased cost (estimated at several hundreds of millions of dollars) to the local community.

Obviously, these negative outcomes should be avoided in the interest of good governance when the newest and most complete scientific data concludes our river is healthy and our wastewater treatment plants are operating at safe and efficient levels. With that, we thank Ecology for considering the newly available and more complete scientific data.

CREDC is made up of people who live and work along the Columbia River. We believe it is one of our community's best assets. Thus, its health and vitality are critically important to our mission and our lives. With that in mind, and with the utmost respect for the important work the Department of Ecology does safeguarding our communities, we thank you for your time and consideration.

Sincerely,



Jennifer Baker
President, CREDC



May 12, 2021

Jeremy Reiman
Water Quality Program
Washington State Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

RE: Washington State Department of Ecology - Water Quality Assessment 303(d)
Listings #49044 and #49047 – Columbia River Dissolved Oxygen Public Comments

Dear Mr. Reiman:

This letter is in response to public comments requested for the above referenced listings. The Port of Vancouver USA supports the Washington State Department of Ecology's proposed change of the Columbia River's listing from a Category 5 "Impaired" status to a Category 1 "Healthy" status.

Keeping the air, land and water around us clean is a top priority at the port. We believe that environmental stewardship is vital to sustainable economic development, and as part of our community, we are committed to doing our part. That's why we take a proactive approach to sustainability initiatives, compliance, pollution prevention and natural habitat protection.

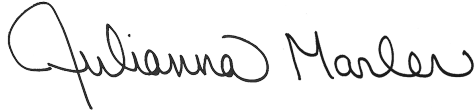
The port is located 106 river miles from the Pacific Ocean on the Columbia River. Our strategic location at the nexus of river, road and rail allows us to provide the most direct, uninterrupted route from Asia to the U.S. Midcontinent and Canada. We offer deep draft vessel berths that are served by numerous river and ocean-going vessels. We manage and develop over 1,600 acres of public property for the purpose of marine, industrial and commercial development. Port property is home to more than 50 businesses that employ about 4,000 people who generate about \$3.8 billion in annual economic impact across the region.

As shared stewards of the Columbia River, we support the City of Vancouver and Discovery Clean Water Alliance's work to provide up-to-date water quality data for the segment of the Columbia River between the Washougal and Lewis Rivers in Clark County. The Alliance and the City worked together to support Ecology's Water Quality Assessment required by the Environmental Protection Agency under the Clean Water Act. A two-year monitoring program was designed to provide scientifically-defensible data to accurately measure and assess dissolved oxygen (DO) levels in the Columbia

River between the Washougal and Lewis Rivers. The data collected concluded that the Columbia River complies with Ecology's water quality standards.

Based on the data collected, the Port of Vancouver supports Ecology's proposed listing change for the Columbia River from a Category 5 "Impaired" to a Category 1 "Healthy" status. Thank you for your time and consideration.

Best regards,

A handwritten signature in black ink that reads "Julianna Marler". The signature is fluid and cursive, with the first name "Julianna" being more prominent than the last name "Marler".

Julianna Marler
Chief Executive Officer
Port of Vancouver, USA



Washington State Legislature

June 2, 2021

Jeremy Reiman
Water Quality Program
Washington State Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

RE: **Water Quality Assessment by Washington State Department of Ecology
303(d) Listings #49044 and #49047 for Dissolved Oxygen in the Columbia River
Public Comments from Southwest Washington Legislative Delegation**

Dear Mr. Reiman:

Let us start off by saying we understand how integral the Department of Ecology's Water Quality Assessment (WQA) is to meeting standards under the Clean Water Act, and for that we thank Ecology for its efforts to produce this update as our partner in doing the people's business in Washington.

As members of the Washington State Legislature who collectively represent southwest Washington in the 17th, 18th, and 49th legislative districts, we respectfully sign this letter to show our strong support to affirm the change in status of the Columbia River from a Category 5 status to a Category 1 status for dissolved oxygen under Listing No. 49044 and Listing No. 49047.

After being presented with the data from a two-year field study of the Columbia River by Discovery Clean Water Alliance (Alliance) and the City of Vancouver (City) – our local partners in wastewater treatment – combined with our shared love of this precious resource and our commitment to fiscal responsibility, we think this change is warranted.

We were pleased to discover that the 2018-2019 field study produced by the Alliance and the City consisted of 52 separate sampling events at 10 different locations representing both shoreline and midstream locations under robust scientific testing. We were delighted to learn that the testing conclusively demonstrated that dissolved oxygen levels in the Columbia River are well within healthy river standards. Thus, the Columbia River should be classified as a healthy waterway under a Category 1 status.

Being that we all live and work along the Columbia River, its health is a priority to us. We strive to safeguard the community and the natural environment, while at the same time fostering a prosperous economy. Moreover, we all want to avoid a building moratorium or high rate increases in Clark County, which remains one of the fastest growing counties in the state and the nation.

If the change in status of the Columbia River from a Category 5 to a Category 1 is not implemented under this review process, it is our understanding that the collective impact of this higher threshold Category 5 listing will result in multi-year delays for necessary capacity improvements and the renewal of operating permits for three wastewater treatment plants serving a customer base of about 360,000 people in our representative districts.

Any delay in completing the WQA process has the potential to force programmed capital improvement projects to move forward under the previous (incorrect) impairment status, and would require unnecessary facility upgrades at an increased cost (estimated at several hundreds of millions of dollars) to the local community. As stewards for our tax dollars, we know our partner agencies see the value in controlling unnecessary costs and delays at the public's expense when the science indicates our river is healthy and our current water treatment facilities are operating safely and efficiently.

It is our hope that the State Department of Ecology accepts the data produced by the 2018 scientific field study sponsored by the Alliance and the City, thereby proving the need to change the Columbia River's status from Category 5 to Category 1 listing. This change will allow us to maintain the river's health, allow our community to grow, and keep our economy prospering. Once again, we thank you for the important work of Ecology in protecting our communities.

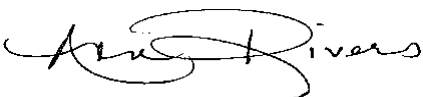
Sincerely,



Senator Lynda Wilson
17th Legislative District



Representative Paul Harris
17th Legislative District



Senator Ann Rivers
18th Legislative District



Representative Brandon Vick
18th Legislative District



Senator Annette Cleveland
49th Legislative District



Representative Larry Hoff
18th Legislative District



Representative Sharon Wylie
49th Legislative District



Representative Monica Stonier
49th Legislative District

Attachment C



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300
711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

April 8, 2021

Travis Capson
Salmon Creek Wastewater Treatment Plant
15100 Northwest McCann Road
Vancouver, WA 98685

RE: Application for Renewal of National Pollutant Discharge Elimination System (NPDES)
Wastewater Discharge Permit Number WA0023639, Salmon Creek Wastewater Treatment Plant

Dear Travis Capson:

[Washington Administrative Code \(WAC\) 173-220-180\(1\)](#) requires a Permittee to file a permit renewal application every five years.

Your NPDES Permit No. WA0023639 expired on March 31, 2017. The application was submitted on March 22, 2016, is over five years old. An electronic copy of the application may be downloaded by going to the Environmental Protection Agency (EPA) website: <https://www.epa.gov/npdes/npdes-applications-and-forms-epa-applications>. Please complete the application and return it no later than **September 1, 2021**, to me at:

Carey Cholski
Municipal Permit Administrator
Department of Ecology
Southwest Regional Office – WQ
PO Box 47775
Olympia, WA 98504-7775

NPDES Regulations require the submission of sludge information with the re-application for an NPDES Permit. The following information is required to determine if additional pretreatment measures are required.

1. The most recent five years of sludge monitoring data for pollutants listed in [40 Code of Federal Regulations \(CFR\) 503.13](#), tables 1 and 3.
2. The quality necessary to meet the chosen use and disposal procedures at the facility (i.e., which tables; 1 or 3 of 40 CFR 503.13 are applicable).

You may also be responsible for compliance with [Chapter 173-350 WAC](#), Solid Waste Handling Standards, for the management of solid wastes. The local health jurisdiction regulates solid waste management. Please contact your local health jurisdiction with any specific questions.

Travis Capson

Page 2

Ecology expects a permit application to be completed and accurate upon submittal. If there are any questions about the application or the permitting process, please contact Dave Knight at david.j.knight@ecy.wa.gov or (360) 407-6277 (office) or (564) 999-3589 (cell). If needed, a meeting can be arranged.

Sincerely,

A handwritten signature in cursive script that reads "Carey Cholski".

Carey Cholski
Municipal Permit Administrator
Water Quality Program
Southwest Regional Office

CC(0023639)

Enclosure

SENT ELECTRONICALLY DUE TO COVID-19



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300
711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

April 8, 2021

Kristen Thomas
Clark Regional Wastewater District
PO Box 8779
Vancouver, WA 98668

RE: Application for Renewal of National Pollutant Discharge Elimination System (NPDES)
Wastewater Discharge Permit Number WA0023272, Ridgefield Wastewater Treatment Plant

Dear Kristen Thomas:

[Washington Administrative Code \(WAC\) 173-220-180\(1\)](#) requires a Permittee to file a permit renewal application every five years.

Your NPDES Permit No. WA0023272 expired on June 30, 2016. The application was submitted in 2016 (exact date is on application in the office), is over five years old. An electronic copy of the application may be downloaded by going to the Environmental Protection Agency (EPA) website: <https://www.epa.gov/npdes/npdes-applications-and-forms-epa-applications>. Please complete the application and return it no later than **July 1, 2021**, to me at:

Carey Cholski
Municipal Permit Administrator
Department of Ecology
Southwest Regional Office – WQ
PO Box 47775
Olympia, WA 98504-7775

NPDES Regulations require the submission of sludge information with the re-application for an NPDES Permit. The following information is required to determine if additional pretreatment measures are required.

1. The most recent five years of sludge monitoring data for pollutants listed in [40 Code of Federal Regulations \(CFR\) 503.13](#), tables 1 and 3.
2. The quality necessary to meet the chosen use and disposal procedures at the facility (i.e., which tables; 1 or 3 of 40 CFR 503.13 are applicable).

You may also be responsible for compliance with [Chapter 173-350 WAC](#), Solid Waste Handling Standards, for the management of solid wastes. The local health jurisdiction regulates solid waste management. Please contact your local health jurisdiction with any specific questions.

Kristen Thomas

Page 2

Ecology expects a permit application to be completed and accurate upon submittal. If there are any questions about the application or the permitting process, please contact Dave Knight at david.j.knight@ecy.wa.gov or (360) 407-6277 (office) or (564) 999-3589 (cell). If needed, a meeting can be arranged.

Sincerely,

A handwritten signature in cursive script that reads "Carey Cholski".

Carey Cholski
Municipal Permit Administrator
Water Quality Program
Southwest Regional Office

CC(0023272)

Enclosure

SENT ELECTRONICALLY DUE TO COVID-19

Attachment D

U.S. Senator Patty Murray

FY2022 Congressionally Directed Spending Item Request Form

Instructions

The following form must be submitted along with any additional information. Please fill out this form in its entirety. If you have questions, please feel free to contact Senator Murray's office at (202) 224-2621. **Please note: This form in its entirety could be made public.**

- **This form is for congressionally directed spending items. If you are making a programmatic request, please fill out the FY2022 Defense or General Appropriations Request Form.**
- **Only public and non-profit entities may request congressional directed spending items.**
- **Requests may be made for the following bills: Agriculture; Defense; Energy and Water; Financial Services and General Government; Homeland Security; Interior; Labor, Health, and Human Services; Military Construction and Veterans Affairs; Transportation, Housing, and Urban Development**
- **All requests must include at least TWO (2) letters of support from third parties within the community or communities that would benefit from fulfillment of the request. These letters must clearly communicate the benefits that the request would confer upon the community/communities.**

To Submit This Form:

An electronic version of this form is available at [URL]. Please complete the form and submit the required supporting documents via web portal.

If you are unable to access [URL], please submit this form and the required supporting documents via appropriations@murray.senate.gov.

NOTE: Cell phone numbers must be included for all contacts.

NOTE: Please indicate the Appropriations Subcommittee in your email subject line, e.g., "FY22 THUD Congressionally Directed Spending Item Request". **Please submit separate emails for each request.**

1. Date of Request:

May 14th, 2021

2. Appropriations Subcommittee of Jurisdiction:

Interior Subcommittee – EPA State and Tribal Assistance Grants (STAG) Community Project Funding Request

Project Information

3. Requesting Entity (city, county, organization name, agency/department/office):

Discovery Clean Water Alliance

4. Location of the Requesting Entity (include address, city and county):

8000 NE 52nd Ct., Vancouver, WA 98665

5. Washington State Community or Communities Benefitted by the Request (city/cities, county/counties):

Clark County, WA; City of Ridgefield, WA; City of Battle Ground, WA

6. Relevant Regional Outreach Director (Please highlight all that apply):

- Raquel Crowley – Yakima, Benton, Grant, Chelan, Franklin, and Douglas Counties
- John Culton – Spokane, Lincoln, Adams, Asotin, Garfield, Columbia, Walla Walla, Pend Oreille, Stevens, Ferry, Whitman, and Okanogan Counties
- Shayna Daitch – Seattle Metropolitan Area and the City of Shoreline
- Ann Larson – Snohomish, Skagit, Island, Whatcom, and San Juan Counties
- Colleen Meiners – Kitsap, Mason, Clallam, Jefferson, and Grays Harbor Counties
- Christine Nhan – Pierce, Thurston, and Lewis Counties
- **Bryan Stebbins – Clark, Skamania, Pacific, Wahkiakum, Klickitat, and Cowlitz Counties**
- Megan Utemei – King County

7. Washington State Point of Contact From the Requesting Entity (include name, address, business and cell phone, e-mail address):

John M. Peterson, P.E.
Executive Director
Discovery Clean Water Alliance
360.993.8819 office
360.772.7417 cell
jpeterson@crwwd.com

8. Head of the Requesting Entity (mayor, executive, president, CEO, Director, Manager, etc., include name, address, business and cell phone, e-mail address):

John M. Peterson, P.E.
Executive Director
Discovery Clean Water Alliance
360.993.8819 office
360.772.7417 cell
jpeterson@crwwd.com

9. D.C. Point of Contact, If Applicable (typically your D.C. area advocate, include name, address, business and cell phone, e-mail address):

David Hodges
CFM Advocates
311 Massachusetts Avenue NE #2
Washington, DC 20002
360.521.1476
davidh@cfmpdx.com

10. Prior Federal Funding (Please list the last five federal funding awards that the requesting entity has received. Please only list awards that have been made to the specific requesting entity as opposed to any parent organization, i.e. "Program Office X" as opposed to "Y Foundation." IF AT ANY POINT THE REQUESTING ENTITY HAS FAILED TO ADEQUATELY MANAGE OR EXECUTE A PRIOR FEDERAL FUNDING AWARD, PLEASE INDICATE BELOW):

N/A

11. Problem/Issue Statement (Use up to 200 words to describe the problem or issue to be addressed through this request. Be as detailed as possible, and explain why the problem or issue cannot be addressed without a federal appropriation.)

The Discovery Clean Water Alliance (Alliance) provides wastewater treatment services to approximately 25 percent of Clark County's population, but also includes 50 percent of the County's highest growth areas. These rapid growth communities include the Cities of Battle Ground and Ridgefield, and significant portions of unincorporated Clark County. These services are delivered by the 50-year-old Salmon Creek Treatment Plant (SCTP). To ensure

SCTP continues to provide efficient, environmentally friendly, and affordable wastewater services, the Alliance must invest nearly \$55 million in capital improvements in the next five years. A critical component of these capital improvements includes replacement of 25-year-old dewatering equipment that given its age is inefficient compared to modern technology and risks catastrophic failure that would halt the facility's ability to process solids. After removing and treating all the waste at the facility to regulatory standards, the dewatering equipment finalizes the process by removing excess water and forming an organic fertilizer material called "biosolids" that are hauled by truck from the SCTP for use as a soil conditioner and fertilizer on agricultural sites. The Alliance's funding request supports replacement of this critical equipment with more efficient technology that will increase reliability and reduce the SCTP's environmental impact.

12. Request Description, Purpose, and Activities to be Funded (Use up to 250 words to describe the services and products that will be provided and the reasons for your request in non-technical language. This question is aimed at understanding the reason for your request. Positive community impacts should be included in response to Question 14, below.):

Federal funding will support replacement of the SCTP's 25-year-old mechanical dewatering equipment with modern technology that is more reliable and efficient. This equipment is a critical element of the wastewater treatment process. The SCTP currently utilizes two belt filter presses that require ongoing and increasing maintenance cost, including a complete rebuild three years ago to extend their life. To reduce these maintenance and reliability concerns, the Alliance plans to replace these belt filter presses with screw presses or centrifuges. The new equipment will have an added benefit in that it will produce biosolid material that requires less truck hauling. A federal investment will free local resources to complete additional upgrades to the SCTP as part of its \$55 million capital improvement plan.

13. Project Goals and Results (Please describe measurable goals and expected results, and describe how the request will be evaluated and performance tracked):

Replacement of the SCTP's current dewatering equipment will result in biosolid waste material going from 13 percent to 18 percent solid. This reduces the water content and volume of the final product and makes hauling the material much more efficient. The final biosolid product from the plant is reused on agricultural sites in the region as a soil conditioner and fertilizer that is hauled by truck through local neighborhoods. The same benefit for agriculture sites will still be achieved with this more solid product while also results in a 28 percent reduction in truck hauling—providing a significant cost savings, safety improvements, and emissions reductions from less trucks on the road.

14. Economic/Community Impact (Briefly describe the economic and/or community impact of this effort. For many requests the economic can be expressed in terms of the total number of jobs created and/or maintained directly and indirectly, or investment stimulated. For these, please list the type of jobs and where those jobs are located. Other requests will yield community impacts other than job creation or maintenance. For these, please provide specific and detailed descriptions of community impact.):

As noted above, the new dewatering equipment will result in a 28 percent reduction in truck traffic, which will improve public safety in the residential neighborhoods near the facility, as evidenced by the program's support from the local neighborhood association group. The SCTP's critical location near the Salmon Creek Watershed, six public parks, and five public schools means that neighboring residents and public-school busses must share the road with the plant dump trucks. The Alliance concedes the trucks are noisy, hard on public roads, produce unwelcomed emissions, and create visual impairments for pedestrians, bicyclists, and drivers. As stewards for community health and safety, the Alliance welcomes a reduction in truck traffic - it's the right thing to do. Additionally, replacement of the current dewatering equipment will support the Alliance's plans to make further investments in the future that will create a higher quality biosolids material (Class A) that can be used as fertilizer in the local community, rather than only on designated agricultural sites as required with the current Class B material.

Additionally, the project's 6-month construction activities are expected to create 5 to 10 skilled jobs for millwrights, pipe fitters and electrical workers.

15. Additional Sources of Funding (Please list all additional sources of funding for this request, if applicable):

Local funds required for the project will be obligated through the Alliance Capital Plan and Capital Budget processes. Alliance funds are derived from Regional Service Charges paid by the Clark Regional Wastewater District and the City of Battle Ground.

Funding Information

13. Federal Agency Your Request is for:

Environmental Protection Agency (EPA)

14. Directorate, Program, or Account (Please be as specific as possible):

Interior: EPA: State and Tribal Assistance Grants: STAG Infrastructure Grants

15. FY22 Request (dollar amount):

\$2,500,000

16. FY22 President's Budget Amount (Please mark "N/A" if amount unavailable):

N/A

17. FY21 Senate Mark:

N/A

18. FY21 House Mark:

N/A

19. FY21 Omnibus:

N/A

Affirmations and Acknowledgements

In submitting this request, the requesting entity affirms and acknowledges the following:

- Submission of a request that meets the requirements of this form as well as any subsequent requirements that may be promulgated by the Office of Senator Patty Murray or the Senate Committee on Appropriations does not guarantee the award of federal funding and/or the support of Senator Murray.
- This request and any information submitted in support of it may be made public in part or in their entirety.
- The requesting entity will comply with any request presented to them by the Government Accountability Office, the Office of Inspector General of a federal agency, Congress, or any other federal entity performing an audit, investigation, or oversight function
- Any funding award associated with this request does not guarantee support or funding in future fiscal years.



April 29, 2021

John M. Peterson, P.E.
Executive Director
Discovery Clean Water Alliance
8000 NE 52nd Ct.
Vancouver, WA 98665

RE: **Salmon Creek Wastewater Treatment Biosolids Dewatering Equipment Replacement & Upgrade Project Support Letter for Congressional Directed Spending Request by Discovery Clean Water Alliance**


Dear Mr. Peterson:

On behalf of the Discovery Clean Water Alliance (Alliance) Board of Directors, and its respective member agencies, serving over 120,000 residents in Clark County, WA, we write to you as our Executive Director to demonstrate our strong community support for Congressionally Directed Spending for a strategic investment at the Salmon Creek Treatment Plant in the Felida area of our community. As the representatives from the member agencies that make up the Alliance, our jurisdictions would directly benefit from completion of this project.

The Salmon Creek Treatment Plant (SCTP) is a critical infrastructure asset that makes continued growth in our community possible, while protecting and preserving our natural environment. The Alliance takes this responsibility seriously and needs to make significant investment in this regional system to ensure reliable operation and be positioned for the future needs of our community.

One key project to ensuring the SCTP can continue to provide reliable wastewater services in the future is replacement of the 25-year-old biosolids dewatering equipment at the facility, at a cost of \$4 million. On-demand failure of this equipment is continuing to occur. With your help and federal assistance, we can jump start this needed project later this year to ensure reliable operation.

In addition to replacing outdated equipment, we propose to replace the equipment with newer technology that will increase performance of the system. The newer system will remove additional water from our final biosolids product, which is hauled to agricultural sites in the region and used as a soil amendment and fertilizer. The new technology will make the final material 28% drier, which reduces handling and trucking requirements by the same amount. In addition, fewer trucks routed through the



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residential neighborhood near the facility and the Salmon Creek Watershed is a safety and health benefit for the community.

The federal investment will be put to work quickly, spent on a high value investment, and will allow the Alliance to direct local funding towards other projects that will enhance the facility and create environmental benefits. If funded, anticipated design and permitting deadlines could be complete by 2022, and equipment acquisition and construction completed by 2024.

As your colleagues committed to efficient government and a healthy environment, we thank you for putting this forward as a Congressionally Directed Spending account request.

Sincerely,



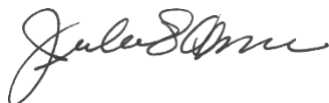
Ron Onslow
Chair, Board of Directors
Discovery Clean Water Alliance

Councilor
City of Ridgefield



Norm Harker
Vice-Chair, Board of Directors
Discovery Clean Water Alliance

Commissioner
Clark Regional Wastewater District



Julie Olson
Secretary, Board of Directors
Discovery Clean Water Alliance

Councilor
Clark County



Shane Bowman
Board of Directors
Discovery Clean Water Alliance

Councilmember
City of Battle Ground



FELIDA NEIGHBORHOOD ASSOCIATION BOARD

May 11, 2021

John M. Peterson P.E., Executive Director
Discovery Clean Water Alliance
8000 NE 52nd Ct.
Vancouver, WA 98665

Dear Mr. Peterson:

This letter is written on behalf of the Felida Neighborhood Association Board to support the **Salmon Creek Wastewater Treatment Project** -- to replace and upgrade the outdated equipment with new, more efficient de-watering equipment, with federal funding assistance (**Congressional Directed Spending Request**).

The Felida Neighborhood Association Board (volunteers) is a nonprofit, (501)(c)(3) community-based entity with 17,000+ residents, property owners, and businesses located within Felida NA boundaries. The elected executive Board members include retired and practicing private and public sector professionals; and a land use/community planner. For two decades, the Felida NA Board has been actively providing input for public health, safety, welfare, and parks/trails to decision-/policy-makers -- based on active public outreach and input from community members.

The **Salmon Creek Treatment Plant Project** is located within the existing Felida NA boundary. The Treatment Plant is part of the crucial infrastructure providing services to protect public health, safety, welfare; protect quality of life, environment, and natural resources. It provides services in compliance with, and in conjunction with the Clark County General /Area Plans, goals, policies, objectives; and development/industry/service-specific standards.

Recently, the Felida NA Board received many complaints from community members living on/along NW McCann Road and subdivisions. These include: increasing daily trips to/from the Salmon Creek Treatment Plant and negative impacts on-/off-site (e.g., noise, traffic, pollution, emissions; and safety of school children and seniors.)

Therefore, the Felida NA Board supports the **Salmon Creek Wastewater Treatment Plant's** strategic replacement of the old equipment with technologically advanced **Bio-solids De-watering Equipment** that could reduce these trips by almost 30%. This would mitigate some of the existing and future negative impacts; improve the best management practices; efficiency, effectiveness; and proactively protect communities, resources, and environment.

In addition, federal funding assistance for acquisition of the new biosolids/de-watering equipment could prevent premature failure of critical equipment needed to: process increasing volume/demand parallel to the population growth, maximize reliable operation; increase the de-watering system capability and reduce volume of bio-solids; minimize negative impacts; avoid unintended consequences/potential critical infrastructure failure. Federal funding assistance is needed to implement project sooner rather than later to benefit communities/ consumers.

If you have any questions, and or need more information, please do not hesitate to contact me at: P.O. Box 61552, Vancouver, WA 98666; timberline713@gmail.com; or 360-573-4030.

Sincerely,



Dr. Milada Allen, President, Felida NA

Attachment E



April 14, 2021

Carey Cholski
Municipal Permit Administrator
Department of Ecology
Southwest Regional Office – Water Quality Program
PO Box 47775
Olympia, WA 98504-7775

RE: Salmon Creek Wastewater Treatment Plant NPDES Permit No. WA0023639
Discovery Clean Water Alliance - Phase 5 Expansion Program
**Phase 5B Project: Package 2 – Secondary Treatment Process Improvements
Engineering Report Submittal for Ecology Review and Approval**

Dear Ms. Cholski:

Introduction

The Discovery Clean Water Alliance (Alliance) owns the Salmon Creek Treatment Plant (SCTP) in Clark County, Washington and is responsible for managing the capacity of the facility in accordance with Section S4.B of the above-referenced NPDES permit. We appreciate the reminder letters Ecology has provided in this regard as the facility has reached the 85% loading level relative to the BOD5 design criteria established in permit Section S4.A.

The Alliance has also been carefully monitoring facility capacity and has been actively working to deliver the Phase 5 Expansion Program in accordance with the Wastewater Facilities Plan/General Sewer Plan Amendment (CH2M HILL, August 2013), which was approved by Ecology in a letter dated September 4, 2013. Specifically, the Alliance plan for maintaining adequate capacity is to complete implementation of the Phase 5 Expansion Program as the means for “modification or expansion of facilities necessary to accommodate increased flow or waste load” per permit Section S4.B.6.

The Alliance has been actively working to deliver the Phase 5 Expansion Program since shortly after Ecology's planning approval letter of September 4, 2013 (referenced above) by working with multiple teams within Ecology over that time. This letter provides an opportunity to update Ecology on all the program elements and also to highlight the need for a prompt review and approval of the final program element that is contained in the attached Engineering Report.

Phase 5 Expansion Program – Overview

The Phase 5 Expansion Program consists of the following two elements: a parallel outfall pipeline and secondary treatment process improvements. Because the work associated with the improvements are

fundamentally different (pipelines compared to treatment facilities), we have elected to refer to these two elements by the nomenclature of the “5A” and “5B” projects, as follows:

- Phase 5A Project – Columbia River Outfall and Effluent Pipeline
- Phase 5B Project – Secondary Treatment Process Improvements

For a variety of practical considerations, each of these projects will be delivered in two separate construction “packages”, referred to as Package 1 and Package 2, respectively. To further demonstrate the Alliance commitment for maintaining adequate capacity in the facility, this letter will provide a status report for each component of the larger Phase 5 Expansion Program.

Phase 5A Project – Columbia River Outfall and Effluent Pipeline – Project Update

Because of an extensive environmental permitting and easement acquisition process, this project started early with the first official Alliance budget adopted for the 2015-2016 biennium. The work was focused on gathering necessary background information with respect to wetlands, archeological, geotechnical, water quality and other scientific information that would support the start of engineering design. Work advanced in the 2017-2018 biennium to the point that the Engineering Report for the project was submitted to Ecology in March 2018 and subsequently approved by letter from Ecology dated February 11, 2019.

The Engineering Report approval provided the basis to advance engineering design, environmental permitting, and easement acquisition. As of the date of this letter, the current plan to deliver each of the construction contracts for this project is summarized as follows:

- *Phase 5A Project – “Package 1” – Columbia River Outfall.* The Package 1 project will deliver the 1200 feet of pipe from Lower River Road west to the new diffuser in the Columbia River. This project will also connect with the existing effluent pipeline so that the new diffuser may be placed in service as soon as possible. Development of the Package 1 project has been completed and the construction contract has been bid and awarded. After completing materials acquisition, the physical construction work is expected to occur during the “in-water” work window from October 2021 to February 2022. The final step will be to conduct dye testing to confirm diffuser performance, currently planned for late 3Q or early 4Q 2022.
- *Phase 5A Project – “Package 2” – Effluent Pipeline.* The Package 2 project will deliver the 6100 feet of pipe from Lower River Road east to the SCTP, including connection at the SCTP Effluent Pump Station. This portion of the project has advanced to 60% design at this time. Final design, final easement acquisition for this portion of the project, and final permitting for BNSF railroad crossings are expected to be complete by 3Q 2021 with bid and award of the project scheduled for either 4Q 2021 or 1Q 2022. This approach allows for two construction seasons to deliver the new effluent pipeline in 2022 and 2023 with construction and testing expected to be complete by 4Q 2023.

The Phase 5A Project – Columbia River Outfall and Effluent Pipeline project is set to be completed at the end of 2023. The Alliance appreciates Ecology’s engagement and engineering approvals for the project.

Phase 5B Project – Secondary Treatment Process Improvements – Project Update

After launching the Phase 5A Project in the 2015-2016 biennium, work then started on the treatment plant portion of the program in the 2017-2018 biennium. This was intended to be an early start for delivering the needed treatment capacity well ahead of demand. The secondary treatment improvements proposed were straightforward as part of a previously approved long-range plan for the facility. However, a significant complication was identified during this early planning work for the secondary treatment process improvements where the Assessment Unit associated with the SCTP discharge was listed as impaired for dissolved oxygen during a previous (pre-Alliance) Water Quality Assessment process.

The Alliance, in partnership with the City of Vancouver (Vancouver), commissioned a review of the underlying study and data that informed the listing. The results of the investigation were provided to Ecology in a letter dated October 15, 2018. Principal findings were that the 2006 era volunteer study that resulted in the listing was not designed to meet Ecology's standards (per Water Quality Policy 1-11) to characterize the overall free-flowing Columbia River. The study was specifically looking only for "...shoreline ambient conditions..." "...where seasonal aquatic plant or macrophyte growth has been observed..." with the outcome focused on "...further research and appropriate methods of management..." for areas with "...'nuisance' levels of aquatic plants". When the 2006 data were later used inadvertently to represent the overall condition of the Columbia River, an inaccurate characterization of the river was the unfortunate result.

To further corroborate the findings of the 2018 review, the Alliance and Vancouver sponsored a 2018-2019 study that was specifically designed to meet Ecology's standards in Water Quality Policy 1-11. This study performed sampling at 10 different locations (3 shoreline-based sites and 7 offshore sites accessed by boat) on 52 different days (26 days in 2018 and 26 days in 2019) with hundreds of dissolved oxygen profiles through the full water column with thousands of individual dissolved oxygen data points. All these data were formally submitted to Ecology in 2018 and in 2019, with the applicable documentation, as part of the study. Each dissolved oxygen data point was above (better than) the applicable water quality standards for the Columbia River in the relevant Assessment Units. As a result, the Alliance understands Ecology is currently in the process of updating the relevant 303(d) listings to indicate that there are no known exceedances of the dissolved oxygen water quality standard in this portion of the Columbia River.

Working with Ecology in 2018, the Alliance proposed to break the Phase 5B Project into two construction packages to allow progress to be made on facility improvements while the Columbia River Water Quality Sampling Program work was completed. A summary of the status of those two projects is provided below:

- *Phase 5B Project – "Package 1" – Odor Control and Existing Facilities Improvements.* This project was defined to address the elements of the Phase 5B Project that were not directly related to the capacity elements of the secondary treatment process design that could be influenced by the outcome of the Water Quality Assessment process. This work was defined in an Engineering Report provided to Ecology in July 2019 and approved on October 21, 2019. This approval allowed the Alliance to complete design and permitting of the project in 1Q 2020 and start

construction in 2Q 2020. Work is ongoing at this time with construction expected to be complete in 3Q 2021.

As noted above, the Alliance understands that Ecology's team managing the Water Quality Assessment process has reviewed all available data as part of the current assessment process and has determined that the available data support a change in the relevant listing from Category 5 to Category 1 for the Assessment Unit where the SCTP discharge is located. This determination provides the final input for the Alliance to complete and submit the final Engineering Report as part of the Phase 5 Expansion Program.

- *Phase 5B Project – "Package 2" – Secondary Treatment Process Improvements.* With this cover letter, please find attached the Engineering Report for this project. This Engineering Report addresses the February 2019 comments from Ecology on an earlier draft of the Engineering Report (dated August 2018). The project proposes to construct additional aeration basin tankage, increase blower capacity, add secondary clarifier tankage, and increase RAS pump capacity. The Engineering Report includes 30% design drawings to illustrate the intended improvements. To maintain adequate capacity in the facility, the Alliance intends to advance final design and environmental permitting efforts in 2021 and 2022, with the plan to bid and award the facility improvements in 4Q 2022. This approach will allow improvements to be constructed in 2023 and be completed in 2024.

Summary

The Alliance started work on the Phase 5 Expansion program in 2015 and has diligently been advancing the program as described in this letter. The journey to deliver the Phase 5 Expansion Program has had to navigate unexpected circumstances. The Alliance appreciates Ecology's flexibility in adapting the delivery of the program around a critical question regarding the health of the Columbia River for dissolved oxygen. With that question addressed, we can now move forward to implement the final step of the program. Please see the attached program schedule for a summary of the remaining efforts to complete the Phase 5 Expansion Program (Attachment A). As noted earlier in this letter, this schedule represents the Alliance plan to maintain adequate capacity in the Salmon Creek Treatment Plant facility.

The Columbia River dissolved oxygen question resulted in an unfortunate three-year delay in the final project for the program. The additional field studies required to resolve the issue and the three-year construction delay have resulted in an estimated \$2.5 million increase in overall program costs for the ratepayers served by the Alliance. Given these circumstances, we would very much appreciate an expedited review of the Engineering Report over the next 60 days. Our engineering staff will be in contact with Facility Manager, David Knight, to offer support to facilitate the review process.

To maintain the project schedule, we are currently contracting for the final design services and plan to start that work upon receipt of Ecology's approval. Early feedback from Ecology's review process would be very much appreciated and would work to ensure that public funds are expended in the most efficient manner possible.

April 14, 2021

Page 5

If you have any questions or need additional information to support the review process, please feel free to contact me via email at jpeterson@crwwd.com or by telephone at (360) 993-8819.

Sincerely,



John M. Peterson, P.E.
Executive Director
Discovery Clean Water Alliance

Enclosures: Engineering Report – 2 copies

Copies (cover letter only, except where indicated):

Ecology Staff:

David Knight, Ecology, including Engineering Report copy
Steve Ogle, Ecology, including Engineering Report copy
Chad Brown, Ecology
Jeremy Reiman, Ecology

Alliance Board of Directors:

Shane Bowman, Battle Ground City Council
Julie Olson, Clark County Council
Ron Onslow, Ridgefield City Council
Norm Harker, Clark Regional Wastewater District Commission

Alliance Members:

Mark Herceg, Battle Ground Public Works Director
Jeff Schnabel, Clark County Clean Water Program Manager
Bryan Kast, Ridgefield Public Works Director

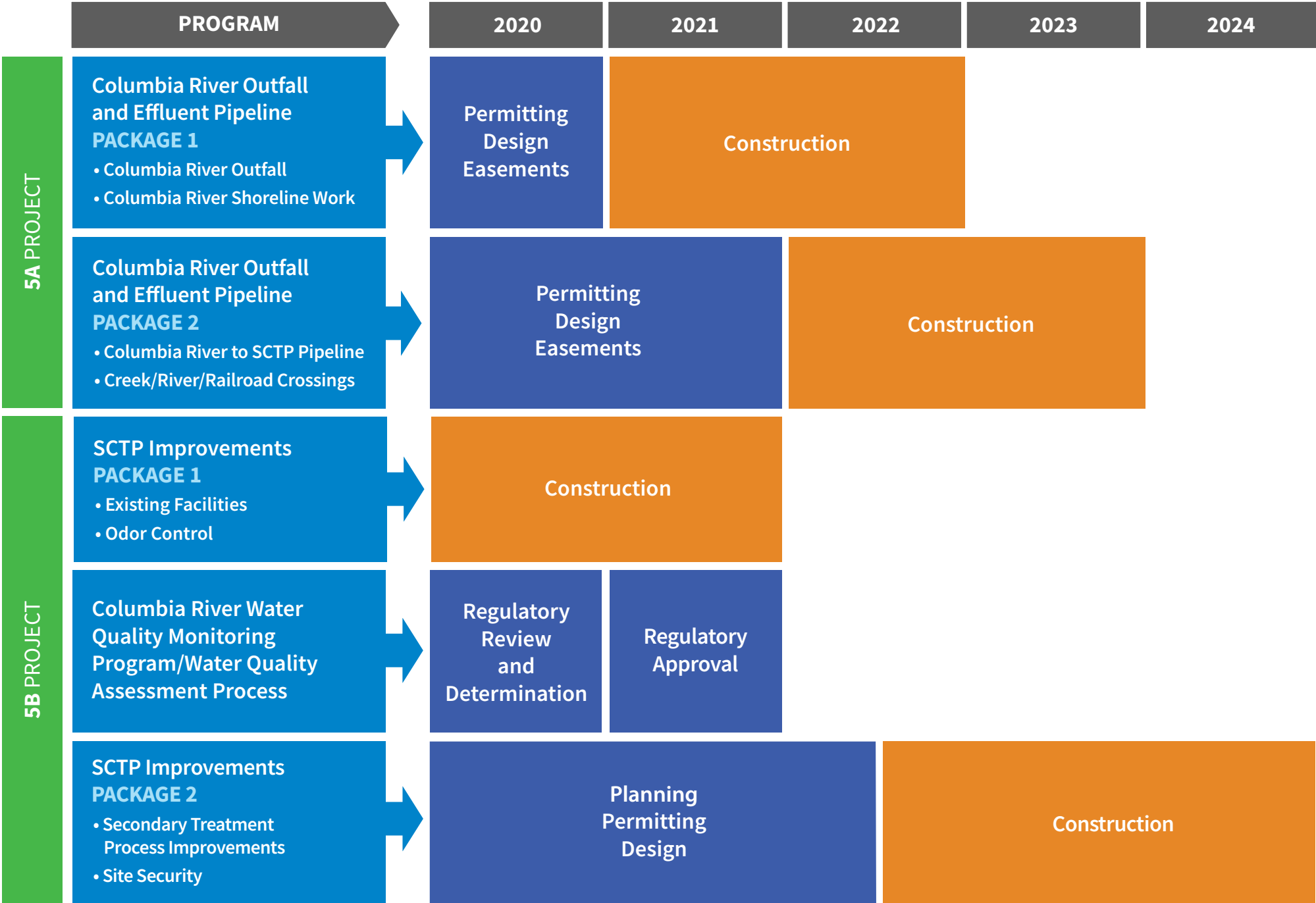
Consulting Engineer Partners:

R. Brady Fuller, Jacobs Engineering
Corey Klibert, Jacobs Engineering
Dave Clark, HDR Engineering

Attachment F

Discovery Clean Water Alliance

Salmon Creek Treatment Plant (SCTP) Phase 5 Program Delivery Timeline



Attachment G

Alliance Program Update Member Agency Briefings Presentation Outline

1. **Alliance Overview:** Briefly explain what the Alliance is, why it was formed, and how it functions.
2. **Regulatory Engagement:** Focus primarily on items that directly impact Alliance (e.g., dissolved oxygen and temperature issue) as well as other topic emerging in the regulatory space.
3. **Phase 5 Expansion Program Update:** Provide a program overview and then briefly touch on specific projects (5AP1, 5AP2, 5BP1, 5BP2).
4. **Asset Management Program Update:** Briefly review overall program approach geared to identifying highest risk repairs to tackle first, with the overall goal to keep system in good working order.