

MEMORANDUM

To: Greg Geist and Mona LaPierre
From: Manuel Contreras, Jr. 
Date: March 6, 2015
Subject: Allocation Formula, Section 3.2, IGA Amendment No. 1

Purpose

This codifies the procedure for calculating the allocation formula for shared operations and maintenance costs between CCSD#1 and Tri-City Service District.

Allocation Formula, Section 3.2, IGA Amendment No. 1, May 12, 2011

Section 3.2 of IGA Amendment No. 1 states that

“ . . . The allocation formula for Plant O&M shall be calculated as a fraction as follows:
The denominator shall be the average annual flow of wastewater treated at the Tri-City Plant, and numerator shall be the amount of flow contributed to the Tri-City Plant from said Party during the same period (the “Allocation Formula”). . . . ”

Flow determines the allocation rate between the Districts. The split, represented by a percentage for each District, is applied to total costs expended on operations and maintenance of the Tri-City Plant.

Data Source

- Flow meter readings pulled from WES' Data Warehouse
- The query presented flow meter data by Fiscal Year

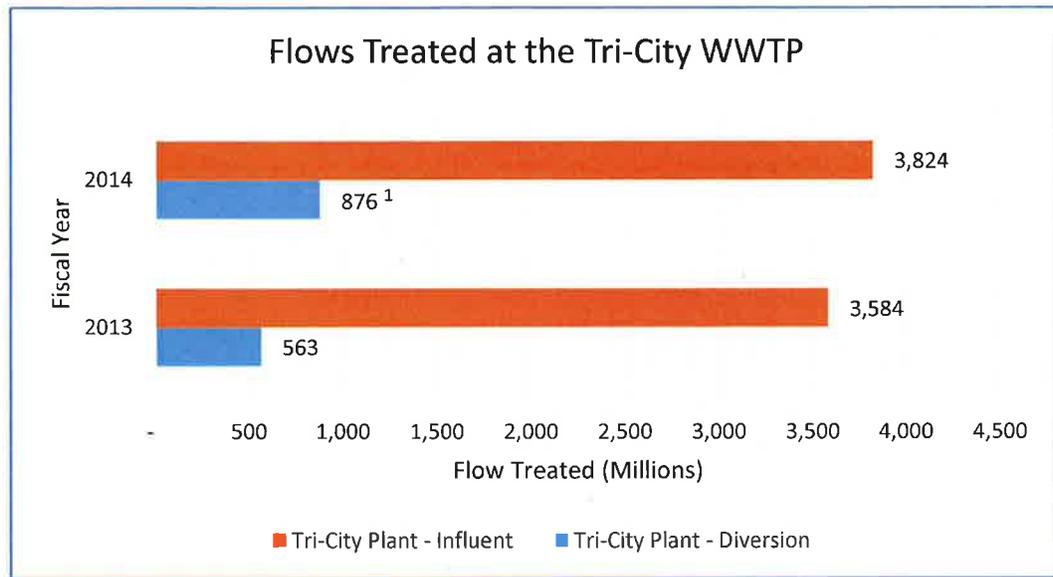
Analytes Used

- Two analytes pull diversion and flow data from the Data Warehouse. They are:
 - “Tri-City Plant – Diversion”, stated in Million Gallons per Day (MGD), is CCSD#1 flow processed at the TC Plant that the Kellogg Creek plant would normally treat and dewater
 - “Tri-City Plant – Influent”, in MGD units, is all flow, including diversion, processed at the Tri-City plant or 100 percent of flow treated at Tri-City WWTP including influent that comes from West Linn, Oregon City and Gladstone
- The formula used is:
 - $CCSD\#1 \text{ Allocation Rate} = (\sum \text{“Tri-City Plant – Diversion”} \div \sum \text{“Tri-City Plant – Influent”}) \times 100$
 - $Tri-City \text{ Allocation Rate} = 1 - ((\sum \text{“Tri-City Plant – Diversion”} \div \sum \text{“Tri-City Plant – Influent”}) \times 100)$

Data Period

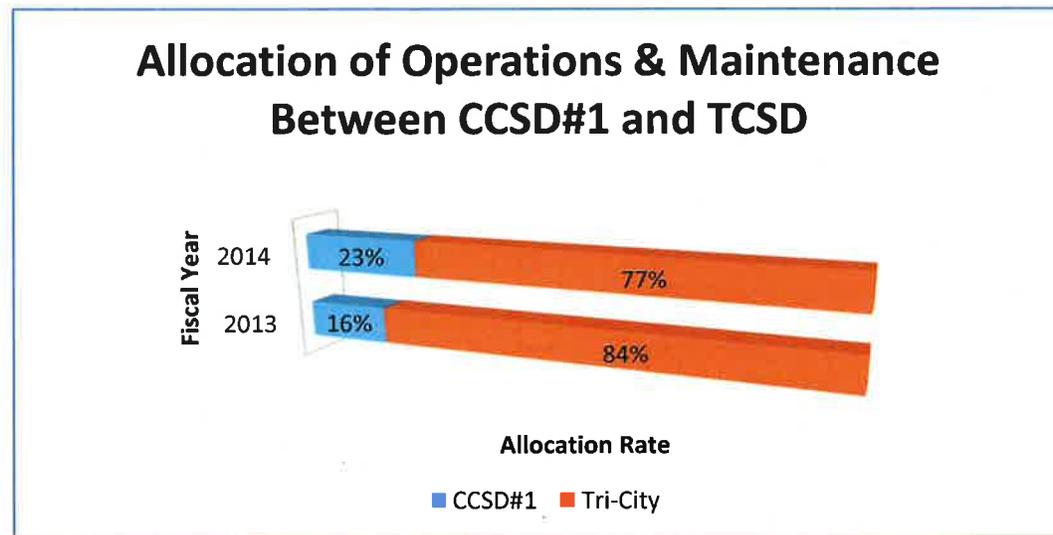
- Period reviewed was FY2013 and FY2014

CCSD#1's Diversion Flow



This fiscal year, 727 million gallons have been diverted to Tri-City as of February 28

Source: Flow Meter Readings, Tri-City Service District Data
¹Intertie 2, the major source of diversion, began recording flow November 9, 2013



If CCSD#1 is over or undercharged by more than 10 percent in a given fiscal year, there shall be a reconciliation amount incorporated in the following fiscal year

Source: Flow Meter Readings, Tri-City Service District Data

Next Steps

1. Automate the process that calculates the allocation and document the procedure.
2. Review the allocation annually and provide Finance the information.