



Clackamas River Water

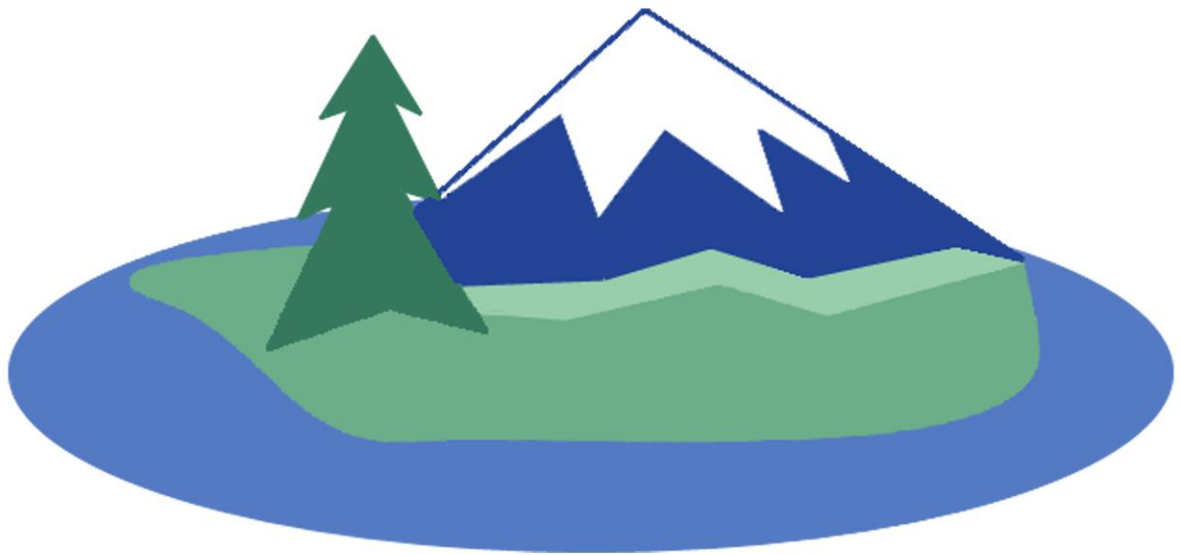
Adopted Biennial Budget

Biennium 2019 - 2021

Clackamas River Water

16770 SE 82nd Drive
Clackamas, Oregon 97015
Phone: 503.722.9220

**ADOPTED
BUDGET DOCUMENT
BN 2019-2021**



Clackamas River Water

Prepared by:

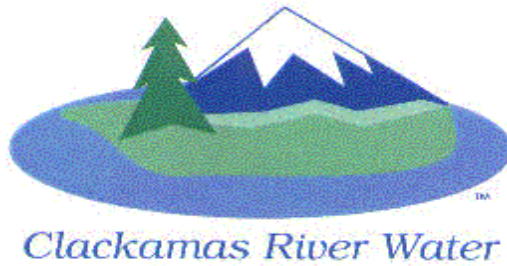
Clackamas River Water Staff

Todd Heidgerken, General Manager

Carol Bryck, Chief Financial Officer/Budget Officer

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16770 SE 82ND Drive, P.O. BOX 2439, Clackamas, Oregon 97015
503-722-9220, www.crwater.com

OUR VISION:

We believe an ample supply of high quality water is essential to the vitality of our region.

OUR MISSION:

To provide high quality, safe drinking water to our customers at rates consistent with responsible planning for the long term health of our district.

BUDGET COMMITTEE MEMBERS

District Representatives

Erin Blue
Janet Brandt
Gary Kerr
Jon Torrey
Vacant

Board of Commissioners

President, Hugh Kalani
Secretary, Sherry French
Treasurer, Naomi Angier
Rusty Garrison
David McNeel

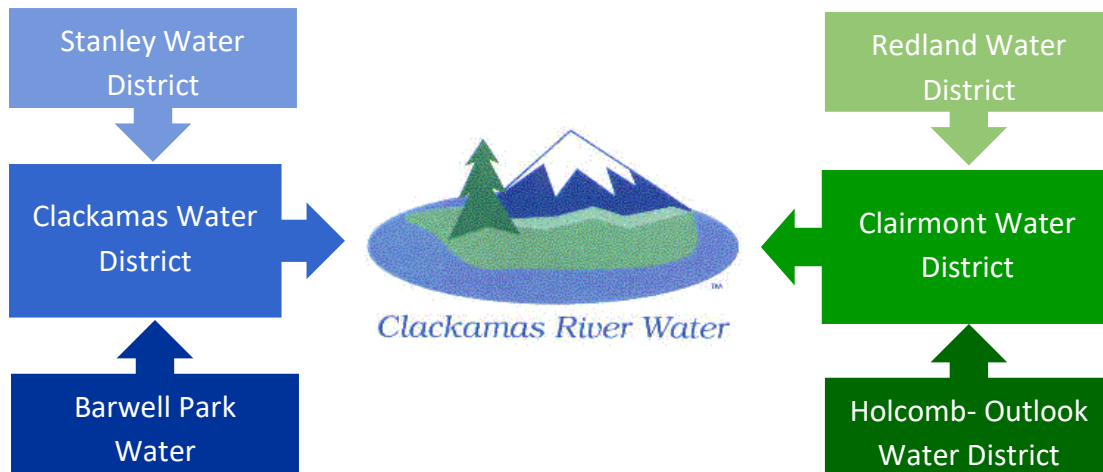
MANAGEMENT TEAM

General Manager, Todd Heidgerken,
Chief Finance Officer & Budget Officer, Carol Bryck
Chief Engineer, Adam Bjornstedt
Water Resources Manager, Rob Cummings
Emergency Manager, Donn Bunyard
Information Technology Manager, Kham Keobounnam
Engineer Manager, Joe Eskew
Water Quality Manager, Suzanne DeLorenzo
Water Distribution Supervisor, Jason Labrie
HR Generalist, Adora Campbell



CLACKAMAS RIVER WATER AT A GLANCE...

Clackamas River Water (CRW or District) is organized as a domestic water supply district under the provisions of Oregon Revised Statutes Chapter 264. CRW was created in July 1995 by the consolidation of the Clackamas Water District and Clairmont Water District.



Clackamas Water District was originally formed in 1926. It took in the former Stanley Water District in 1979 and merged with Barwell Park Water District in 1991. Clairmont Water District was originally formed in 1959 and merged with the Redland and Holcomb-Outlook Water Districts in 1983.

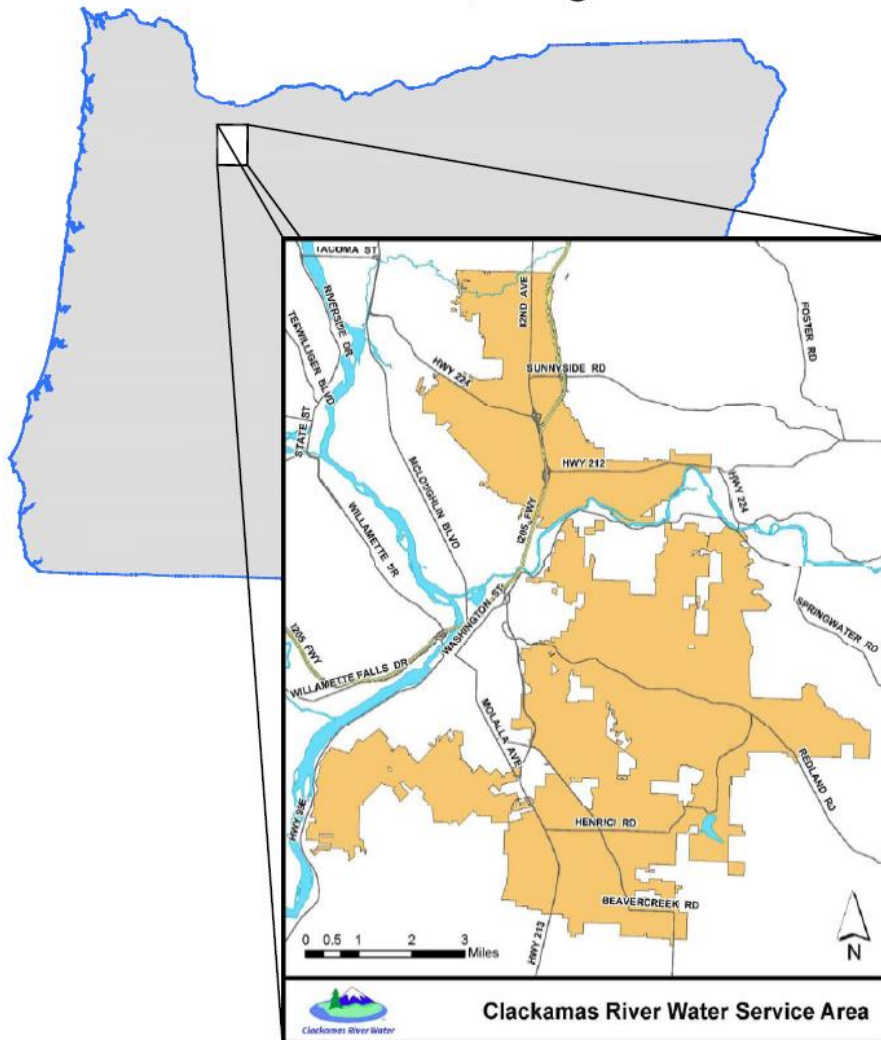
In November 2013 the District entered into an ORS 190 agreement with Sunrise Water Authority (SWA) to efficiently use assets and resources to the mutual benefit of both parties and their customers. The ORS 190 is known as Clackamas Regional Water Supply Commission (CRWSC, the Commission). The District accounts for its CRWSC activities in the CRWSC Activity Fund.

District Profile

CRW serves customers primarily in unincorporated Clackamas County, although some of our customers live within the city limits of Oregon City, Milwaukie, and Happy Valley. In addition to providing retail service within its jurisdictional boundaries, CRW also provides 2.5 million gallons per day (MGD) of water to SWA on a wholesale basis. The District's service area is largely single-family residential and multi-family and is home to Precision Castparts and Clackamas Town Center, along with several large grocery chains and food processing businesses. Future growth potential for CRW's service area is expected to be minimal.

10 Things you should know about Clackamas River Water

Clackamas River Water Service Area Map
Clackamas, Oregon



1

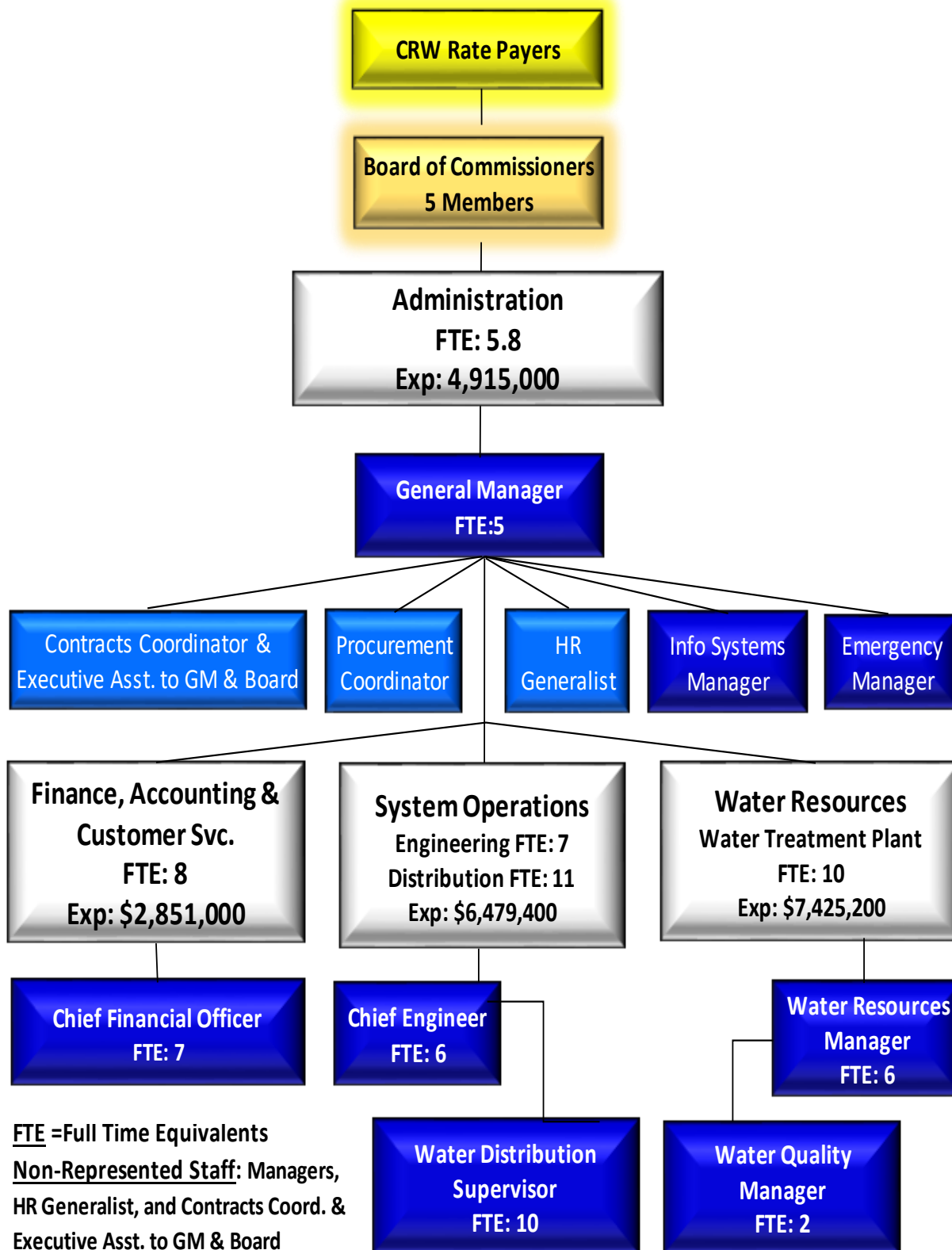
**42.6 SQUARE
MILE SERVICE
AREA**

The District's service area is in the southeastern section of the Portland metropolitan area, approximately 14 miles from downtown Portland. Access to the district is provided by four major highway systems: Interstate 205 and State Highways 212, 213 and 224.




SKILLED STAFF - 41.8 FTE

Organizational Chart



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RELIABLE WATER SUPPLY



CRW's Water Treatment Plant supplies water to customers in our north service area (population 29,000)
Certificated water rights: 30 million gallons/day
(FY17/18):

- Annual - 3,365,095 hundred cubic feet (CCF)
- Average daily – 6.9 million gallons
- Peak day - 12.74 million gallons



Clackamas River Water



Water Purchased from South Fork Water Board serves customers in our south service area
(population, 18,000)

- FY 18: 829,019 CCF, \$781,963
- FY 17: 735,484 CCF, \$583,391

4

MAINTAIN DISTRIBUTION SYSTEM



268
Miles of Pipeline



14 Reservoirs
23.9 million gallons
of Reservoir Storage



11 Pump Stations

5

SERVICE ORIENTED



SERVES... over 12,600 connections, 47,000 people directly, up to 80,000 including wholesale customers.

6

EXCEPTIONAL VALUE



=



7

NO OPERATING PROFIT

All rates, fees and charges are set to recover costs of providing services and activities.



Infrastructure
25.1%

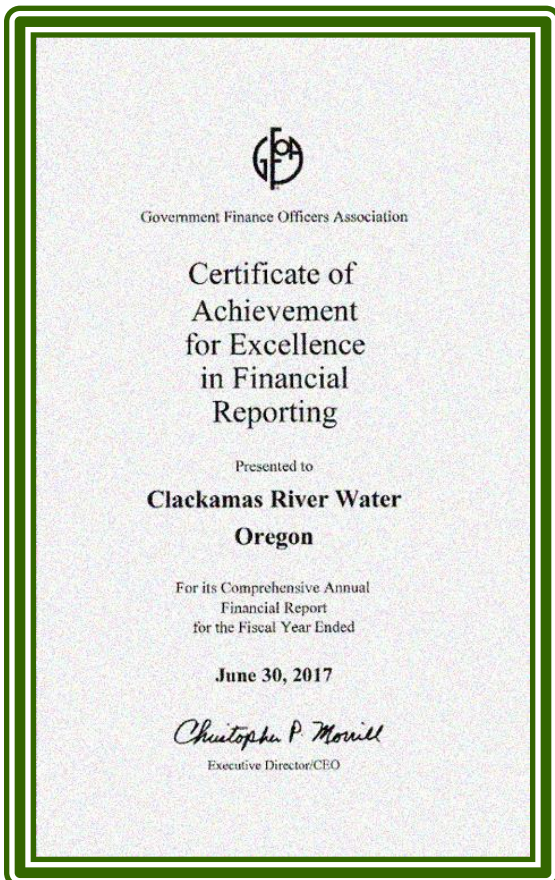
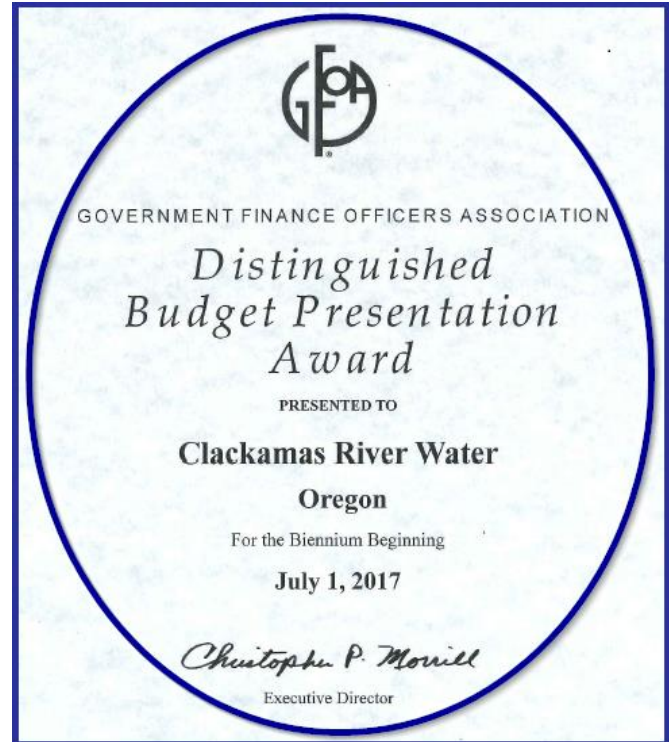
Daily Operations
64.3%

Debt
10.6%

8

FISCALLY RESPONSIBLE

- **Awarded Distinguished Budget Presentation Award** by the Government Finance Officers Association (GFOA) for District's 2017-2019 biennial budget
- Met highest principles of governmental budgeting
- Received this award each budget cycle since 2013



- **Awarded Certificate of Achievement for Excellence in Financial Reporting award** from GFOA for Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2017.
- Prepared CAFRs that evidence a spirit of transparency and full disclosure, enabling readers to easily assess the financial health of the organization.
- Received this award a total of 23 years

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EMPHASIS ON WATER QUALITY

Monitor...

- Water quality
- Temperature
- Precipitation
- Snowpack
- Near- and long-term climate projections

...to implement sustainable water management practices



Ongoing Water Quality Monitoring

FY18, Processed 24,000 WTP water samples

Conducted water quality tests ...

- 1088 regulatory, 738 non-regulatory - CRW
- 616 - SWA
- 52 - other agencies

Prepared Oregon Health Authority reports

- 69 - CRW
- 22 - SWA

Produced Consumer Confidence Reports

New OHA rule for water providers in response to 2018 Cyanotoxin, blue-green algae event in Salem... Test for cyanotoxins every two weeks, May to Oct.

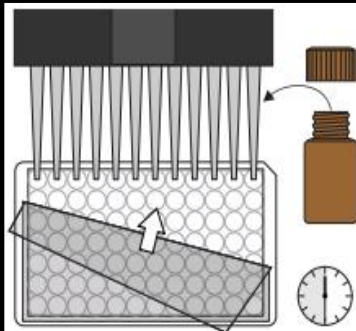
CRW Response Plan: Perform analysis in-house vs. hire out for service

Advantages:

- Predict onset of a cyanobacteria bloom
- Collect & analyze more samples, with greater efficiency, adaptability & cost control (results in less than 4 hours vs. 3 days)
- Provide customers with information more rapidly & protect their safety



Blue-green algae bloom



10

STRATEGIC INFRASTRUCTURE PLANNING



Infrastructure Improvement Plan
Currently Implementing...
Phase I of Backbone Program

- \$29.2 Million
- 7 Projects
- Enhanced pumping, distribution, storage, water quality & fire flows





BUDGET MESSAGE

April 18, 2019

To: The Clackamas River Water Budget Committee

We are pleased to present the Clackamas River Water (CRW or District) budget for the biennium 2019-2021. This is the third biennial budget prepared by the District. The budget and message are focused on requirements to meet our core mission, Board priorities, and operational requirements. This message and budget are submitted for consideration under the Oregon Revised Statutes Chapter 294. The budget has been prepared on the modified accrual basis of accounting by staff and management, with emphasis on the necessary costs to deliver water, bill customers, collect receivables, and coordinate all operational and administrative aspects of the District. This budget also includes capital projects in the Capital Improvement Projects (CIP) Fund and the CIP Bond Construction Fund. The CIP Fund includes several waterline projects, meter work, reservoir control valve replacement, and dollars are set aside for potential Oregon Department of Transportation (ODOT), city or county transportation and development (DTD) work. The CIP Bond Construction Fund includes completion of three Backbone Phase 1 projects. These projects will be funded with System Development Charges Reserves and Capital Reserves. Completion of these projects, known as the Backbone Projects, will not only provide the ability to deliver water from the District's water treatment plant to our south service area customers, but will also improve fire flows in the south service area and provide additional water flow to Sunrise Water Authority (SWA) as part of the cooperation between the agencies via the Clackamas Regional Water Supply Commission (CRWSC). Planning will take place to determine funding for Phase 2 of the Backbone Project. The goal of this document is to provide information about the District that will assist in understanding how we fulfill our vision and mission of providing quality water.

PLANNING, GOALS AND INITIATIVES

District management and the Board of Commissioners specified goals (see Board Goals for CRW section of Budget Message) and initiatives that reflect the financial and operational policies that guided development of this biennial budget. This guidance supports four key focal areas that aide the District in achieving its vision and mission.

VISION, MISSION AND FOCUS AREAS

CRW's Vision and Mission are the foundation for the organization, providing a clear direction to employees as they make decisions and serve customers on a day-to-day basis. The District's planning process centers on four interrelated and interdependent "focus areas". Each describes a distinct focal point of the organization, which works in combination with the other focus areas to achieve the desired vision and mission.



Customers: Our customers are at the center of what we do as a public water district and why we do it; as such, customers are also at the top of our Organizational Chart. We are committed to serving our community by bringing an uninterrupted flow of high-quality, safe drinking water to homes, businesses and public places in the most efficient, fair, cost effective and satisfying manner possible. Water touches everything we care about: health, safety, community and family. Serving our community in this manner is essential to their success and ours.

Employees: CRW's qualified workforce allows us to provide valuable customer service, manage all District assets, and comply with government laws, rules and regulation. Employees maintain certifications in their specialties and the District's budget provides funding for training and certification renewal. This provides assurance that our employees have current knowledge in their fields of expertise. Additionally, six of the 42 employees at CRW have over 25 years of service with the District and five more have over 15 years of service. The longevity of CRW staff provides a great deal of institutional knowledge. The District has also brought in newer employees with expertise in different areas that provide value to the District. This budget includes estimated costs pertaining to potential retirements, including leave pay-outs per District policy and the labor contract. The labor contract extends through June 30, 2020.

Assets: For both the prior and current biennium we are focused on capital improvements as budgeted in the CIP Fund and the CIP Bond Construction Fund. CIP projects are funded from the Capital Reserve Fund (essentially the District savings account for capital projects). Money is transferred into this fund from General Fund water revenues. CRW had spent 85.1% of Backbone proceeds on seven Phase 1 projects for work conducted by contractors, consultants, and internal staff through February 2019. Bond issuance requirement to spend 85% by March 6, 2019, the three year grace period, has been met and we will not be required to provide ongoing arbitrage reporting to the Federal Government for the life of the bonds. Listings and descriptions of all of the planned capital projects can be found in the CIP Fund and Bond Construction Fund tabs in this document.

Process: The District continues to focus on process to ensure that we meet or go beyond state and federal water quality requirements and that all our actions are in compliance with laws, rules and regulations that govern the operation of a special district in the State of Oregon. Focusing on process also provides cost savings. For example, development of contract templates saves time and legal review, while ensuring compliance with Oregon procurement laws and regulations. Process also ensures timely filing of required financial and budget documents, water quality reports, and public meeting notices.

The District tracks and reports departmental and employee performance measures to management and the Board of Commissioners on a monthly, quarterly, annual and biennial basis. District goals and initiatives are incorporated into the biennial budget, Water System Master Plan, Continuity of Operations Plan and Emergency Operations Plan (in progress).

BOARD GOALS FOR CRW

Goals employed have broad application and take into account the cause-and-effect relationships between various actions and choices.

LAST BIENNIUM	THIS BIENNIUM
<p>Identify short- and long-term capital projects to be completed within next 5-10 years:</p> <ul style="list-style-type: none"> • Complete Water System Master Plan • Facilities Master Plan for Water Treatment Plant: Hire a consulting firm to begin development of a plan 	<p>Conduct planning activities to prepare CRW for the future:</p> <ul style="list-style-type: none"> • Complete BN2019-2021 budget • Initiate CRW strategic planning process in Fall/Winter 2019 • Substantially complete WTP Facilities Master Plan
<p>Implement phase 1 Backbone projects</p> <p>Identify short - and long-term capital projects to be completed within next 5-10 years:</p> <ul style="list-style-type: none"> • Emergency communication system – VHF radio system 	<p>Complete implementation of existing major projects</p> <p>Implement BN2019-2021 CIP projects and conclude projects carried over from prior budget</p> <ul style="list-style-type: none"> • Backbone (complete phase 1. Develop phase 2 funding strategy and secure property & easements) • Other CIP • Emergency preparedness - VHF radio project and updates to CRW Emergency Operations Plan. Outline District’s approach to comply with federal risk & resiliency assessment requirement due June 2021
<p>Expanding communications with Board and CRW customers was an identified Board priority during the last biennium</p>	<p>Expand communications with Board and CRW customers</p> <ul style="list-style-type: none"> • Provide Board with “State of the District” report (March 2019) • Conduct customer/public survey
<p>Continue developing agreements with regional partners</p> <ul style="list-style-type: none"> • City of Milwaukie: Budget city administrative costs of bills for CRW customers residing inside city limits and continue funding IGA for the City to provide maintenance services for CRW’s vehicles and equipment • Oregon City: Continue to identify properties annexed by the City but not withdrawn from CRW territory. Conduct Joint Engineering Study to determine who best to serve customers based on hydraulic modeling of both systems, CRW or Oregon City 	<p>Establish agreements & processes with regional partners</p> <ul style="list-style-type: none"> • Confirm CRWSC’s purpose with CRW’s Board & determine if changes are needed to IGA • Determine role of NCCWC and CRWSC in developing water supply agreement with SWA • South Fork Water Board: Update water supply agreement to provide greater detail & certainty • Oregon City: Establish long-term annexation & withdrawal and service territory clean-up processes. Address remaining issues identified in the Joint Engineering Study

Goals are divided into broad subject areas and generally represent major multi-year efforts. However, they may also include incremental improvements to routine operations of the District.

There are a few changes to Board goals from the 2017-2019 biennium. The primary differences include a shift in focus from initiating to finalizing Phase 1 of the Backbone Project, other CIP projects, the VHF Radio System (Emergency Preparedness), and the Oregon City Engineering Study. During the 2019-2021 biennium CRW's attention will move to planning and initiating Phase 2 of the Backbone projects, additional new CIP projects, a strategic planning process and several emergency management activities. In addition, CRW is looking at the future of the CRWSC, a formal ORS 190 partnership with Sunrise Water Authority to share resources. The district will confirm CRWSC's purpose and, if needed, update the IGA and SWA's water supply agreement.

The District completed the Water System Master Plan during BN 2017-2019. Capital projects were identified to meet District needs and serve as a road map for improvements to the District's infrastructure. The Master Plan will help us achieve our long-range goal to develop our infrastructure to provide reliable customer service well into the future.

CRW intends to hire a consulting firm to begin development of a Water Treatment Plant Facilities Plan. We predict the plan will be substantially complete by the end of the 2019-2021 biennium. The Facilities Plan is a priority due to the advanced age of the water treatment plant and other District owned facilities. The Plant is over 55 years old. It and other District infrastructure will require upgrades and modifications to operate effectively and efficiently well into the future. A master plan will serve as a guide for assessing the need for facility improvements and capital investments to implement them. The plan will determine the scope of repairs, upgrades, modernization or new construction to serve the future needs of the District and its customers. It will also assess available funding sources and determine the scope of projects that may reasonably be accomplished with available funds.

The following table lists the District's key initiatives within our four focus areas, and links the Board's goals to a particular focus and initiative. The table also illustrates the role the District's department's play in implementing goals and initiatives.

DEPARTMENT INVOLVEMENT IN ATTAINING GOALS & INITIATIVES

Focus	Key Initiatives, Bold type - High priority for BN19-21	BRD Goal	ADM	WR	SYSOPS	FACS
Customers						
1	Provide excellent customer service: Conduct Customer Survey	*	SI		SI	Lead
2	Meet or go beyond water quality standards			Lead	Lead	
3	Provide uninterrupted flow			Lead	SI	
4	Set water rates to meet customer, operational & infrastructure needs: 8 yr rate plan	*	SI			Lead
Employees						
1	Provide Board support & dept. oversight		Lead			
2	Provide Financial oversight to Depts.		SI			Lead
3	Provide continuing education, training & certification renewal		Lead	SI	SI	SI
Assets						
1	Implement capital improvements: Backbone, CIP & Emergency Preparedness	*	SI		Lead	SI
2	Develop and update Water System & Water Treatment Plant Master Plans	*	SI	Lead	Lead	SI
3	Continue developing emergency management program	*	Lead			
4	Repair & Maintain Infrastructure			SI	Lead	
5	Safeguard all District Assets (people and physical assets)		Lead	SI	SI	SI
Process						
1	Initiate CRW strategic planning process	*	Lead	SI	SI	SI
2	Develop, nurture relationships w/neighbor jurisdictions, stateholders: CRWSC, SFWB, NCCWC & Oregon City	*	Lead	SI	SI	SI
3	Comply with or go beyond federal & state laws, rules, etc: 2019-2021 Budget	*	Lead	SI	SI	SI
4	Ensure accurate, timely reporting & filing of required documents (e.g. legal, financial, environmental, etc.)		Dept Lead	Dept Lead	Dept Lead	Dept Lead
5	Increase efficiencies, reduce redundancies & costs (e.g. use new technologies)		Lead	SI	SI	SI
LEGEND:						
ADM	Administration	*	BRD: Board goals & policies			
FACS	Finance, Accounting & Customer Svc.	Lead	Lead department			
SYSOPS	System Operations	Dept Lead	Lead for department specific reports			
WR	Water Resources	SI	Significant Involvement by Dept.			

PERFORMANCE MEASURES

The District's performance measures track and communicate results regarding our financial and budgetary status, operational activities, service delivery, program outcomes and community outreach as a means to achieving the organizations vision, mission, goals and initiatives.

Performance data is collected for each department and presented to the Board of Commissioners in the form of a "Monthly Update", which is used to facilitate discussion, assess current outcomes, and share ideas that lead to improved efforts. Measures included in the report focus on organizational and departmental accomplishments, while providing a meaningful way to assess efficiency and effectiveness. To access monthly reports:

<http://crwater.com/monthly-reports/>

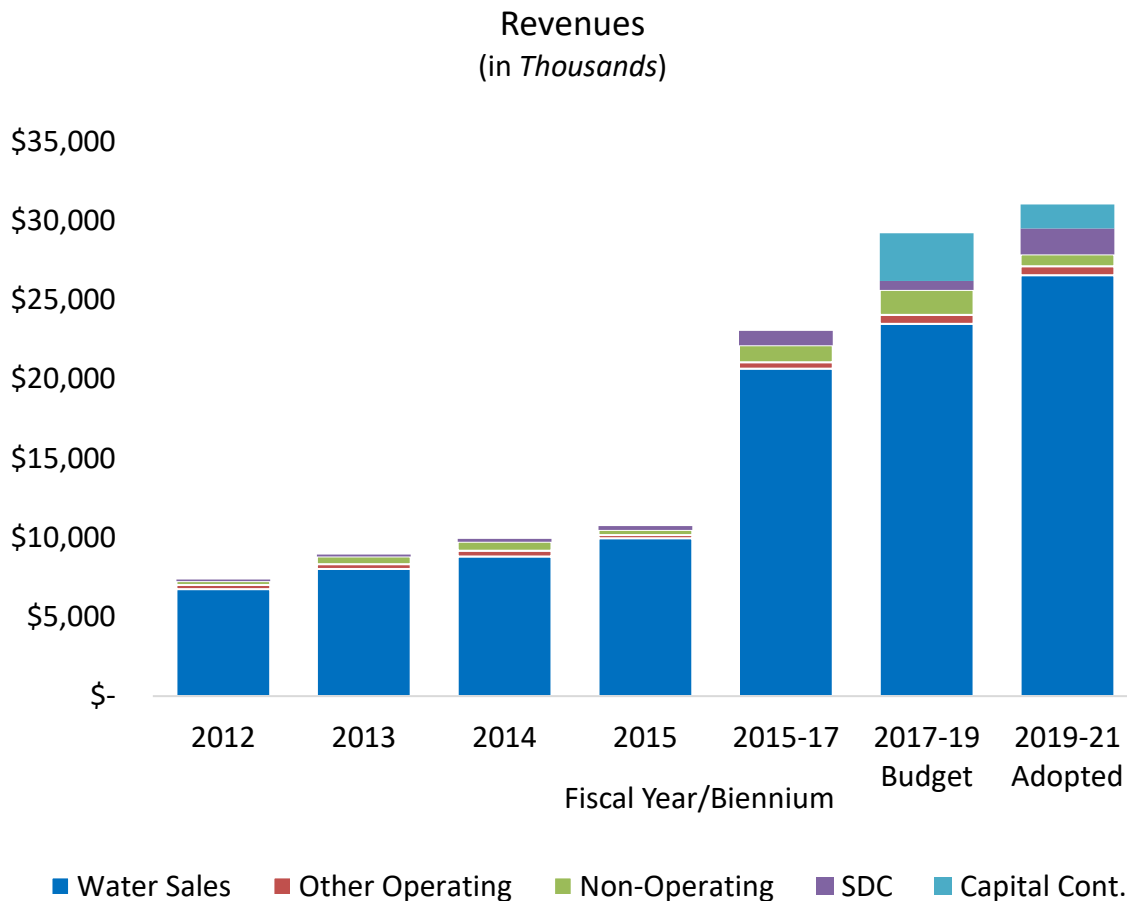


FINANCIAL SUMMARIES

REVENUES

The District’s operating revenue is comprised primarily of water rate revenue from our wholesale and retail customers. Water sales provide for 90% of the District’s total revenue. Other operating revenues are charges that support the production and distribution of water including system development charges, hydrant permit and connection fees, water sample testing for other agencies, late fees and penalties. Non-operating revenues are from sources not related to water production or distribution. They include insurance claims, earnings on investments, shared resources through CRWSC, grant funding for boat ramp maintenance costs at Riverside Park, and rental income from leasing office space in the administration building to VCA Northwest Veterinary Specialists.

The table below depicts expenditures for all funds: actual figures for fiscal years 2012 through 2015 and the 2015-2017 biennium, budget figures for the current biennium, and an approved budget for the 2019-2021 biennium.

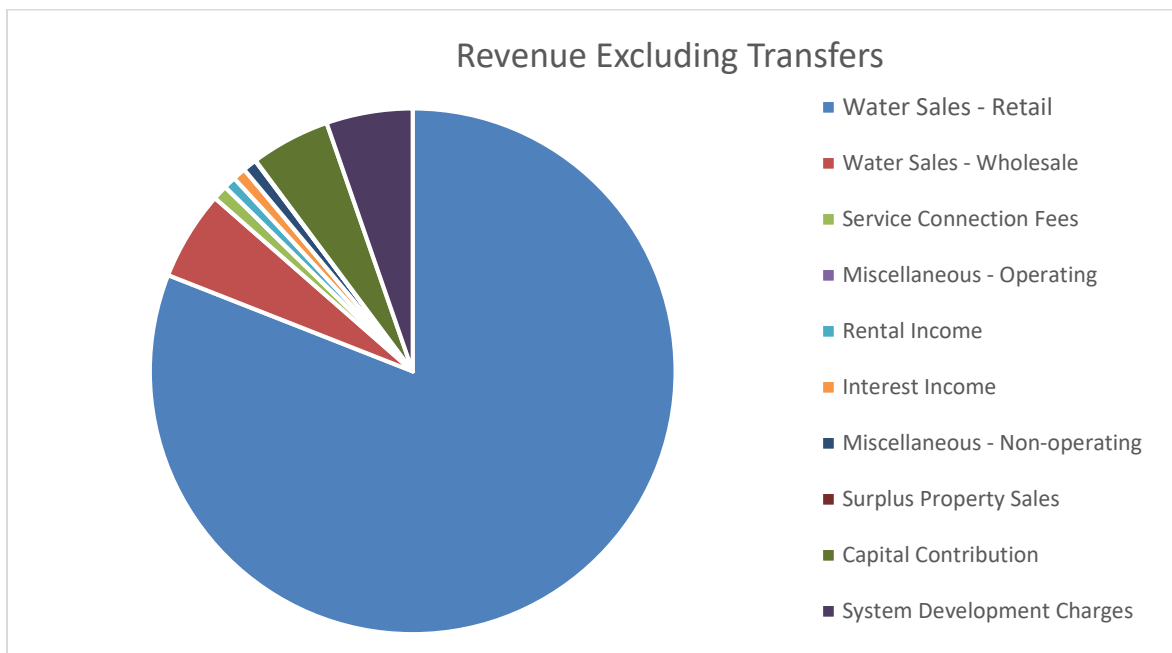


Revenues - All Funds							
<i>In Thousands</i>	FY2012	FY2013	FY2014	FY2015	BN2015-17	BN2017-19	BN2019-21
	Actual	Actual	Actual	Actual	Actual	Budget	Adopted
Revenues:							
Water Sales	\$ 6,761	\$ 8,035	\$ 8,815	\$ 9,956	\$ 22,257	\$ 23,484	\$ 26,565
Other Operating	247	301	364	202	650	663	608
Non-Operating	252	471	565	325	1,201	936	708
	\$ 7,260	\$ 8,807	\$ 9,744	\$ 10,483	\$ 24,108	\$ 25,083	\$ 27,881
SDC Revenue	103	134	173	245	924	570	1,632
Capital Contributions	-	-	-	-	-	3,000	1,500
Total Revenue All Funds	\$ 7,363	\$ 8,941	\$ 9,917	\$ 10,728	\$ 25,032	\$ 28,653	\$ 31,013

Revenue is recorded in the General Fund, the CRWSC Activity Fund, and the SDC Reserve Fund. Other funds generate interest income earned on the reserve balances. The following are estimated revenues (excluding transfers) in this approved budget:

- Water Sales – retail \$24,880,000
- Water Sales – Wholesale 1,685,000
- Service connection fees 282,000
- Miscellaneous – Operating 234,000
- Rental Income 232,400
- Interest Income \$271,100
- Miscellaneous – Non-operating 262,000
- Surplus Property Sales 10,000
- System Development Charges 1,632,100

The Board approved an eight-year rate plan on March 31, 2014, effective May 1, 2014, which accounts for increasing water revenue from FY14 through BN2017-19, as well as rising projections for BN2019-21.

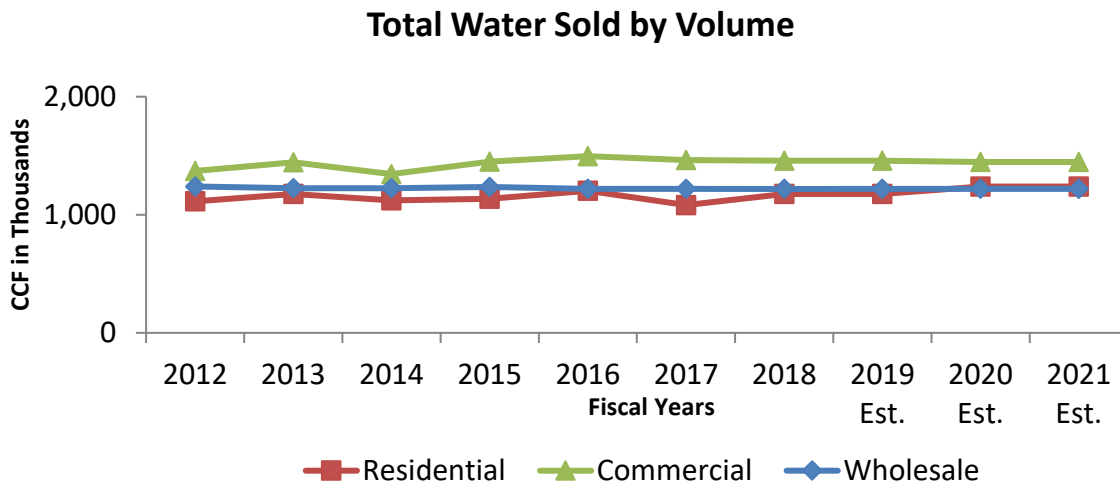


SHORT-TERM ORGANIZATION-WIDE FACTORS INFLUENCING DECISIONS

Water revenue forecasts are based on trends in consumption, weather patterns such as rainfall, snow melt and temperature, billing rates, and other factors. Historically, water consumption has remained relatively stable over time. Revenues have increased due to adjustments in our billing rates to cover costs, including debt service and provide for future capital reserves.

Consumption and Customer Base

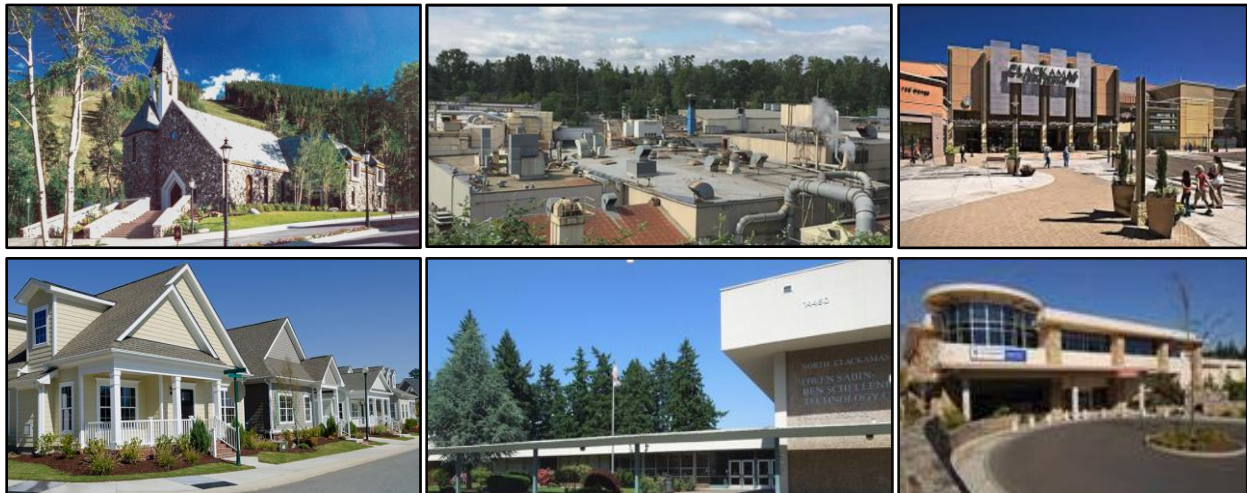
The following chart depicts total water sold in hundred cubic feet for FY2012 - FY2018, with estimates for FY2019 to FY2021.



Water is sold to various types of customers, both retail and wholesale. The retail customer base for FY 2018 is 87 % single-family residential, 8.5% commercial, industrial, and multi-family, while fire and other service make up the remaining 4.6%. Commercial and industrial accounts include business parks, office buildings, manufacturing and retail outlets, medical facilities, multi-family complexes, mobile home parks, churches and schools. Fire service accounts are specific meters installed for fire protection of a commercial or industrial space. 'Other' accounts include schools, churches, and governmental facilities.

The following table shows the number and percentage of retail accounts by customer type over the past ten fiscal years.

Retail Accounts by Customer Type									
June 30	Single Family Residential		Commercial, Industrial, Multi-Family		Fire Service		Other		Total #
	#	%	#	%	#	%	#	%	
2018	10,964	87.0%	1,072	8.5%	352	2.8%	221	1.8%	12,609
2017	10,919	87.0%	1,078	8.6%	345	2.7%	210	1.7%	12,552
2016	10,877	87.3%	1,056	8.5%	340	2.7%	181	1.5%	12,454
2015	10,668	87.8%	1,015	8.4%	334	2.7%	138	1.1%	12,155
2014	10,623	87.6%	1,024	8.4%	330	2.7%	148	1.2%	12,125
2013	10,739	87.7%	1,024	8.4%	328	2.7%	153	1.2%	12,244
2012	11,595	88.3%	1,029	7.8%	328	2.5%	182	1.4%	13,134
2011	11,495	88.0%	1,055	8.1%	327	2.5%	184	1.4%	13,061
2010	11,484	88.1%	1,045	8.0%	324	2.5%	184	1.4%	13,037
2009	11,371	87.9%	1,057	8.2%	317	2.5%	184	1.4%	12,929

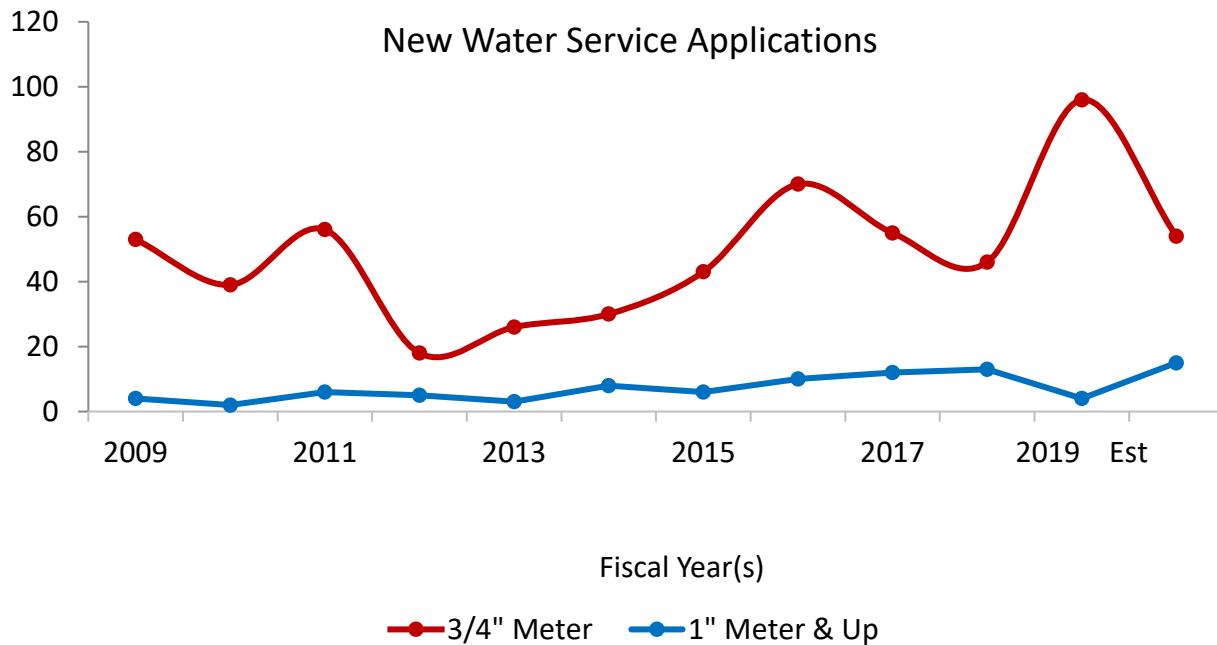


This table provides consumption figures for the District's largest water consumers.

CLACKAMAS RIVER WATER LARGEST WATER CONSUMERS FOR THE YEARS ENDED JUNE 30, 2018 and 2009				
Consumer	2018		2009	
	Consumption (Hundred Cubic Ft.)	%	Consumption (Hundred Cubic Ft.)	%
Wholesale:				
Sunrise Water Authority	1,218,475	34.0%	1,222,618	38.3%
Commercial:				
Precision Castparts Corporation	170,448	4.8%	121,498	3.8%
Safeway	44,996	1.3%	46,242	1.4%
Fred Meyer, Inc.	43,499	1.2%	40,111	1.3%
Pacific Seafood	24,626	0.7%	17,325	0.5%
Interstate Meats	21,362	0.6%	34,263	1.1%
Clackamas Town Center	20,917	0.6%	18,182	0.6%
Larsen Creamery Inc	16,316	0.5%	10,627	0.3%
No. Clackamas Parks & Recreation	16,258	0.5%	19,124	0.6%
No. Clackamas School District	12,546	0.4%	12,236	0.4%
Oregon Military Dept.	9,820	0.3%	7,399	0.2%
Unified Western Grocers	9,549	0.3%	12,965	0.4%
Monarch Motor Hotel	8,583	0.2%	15,168	0.5%
Costco Utility Bills	6,738	0.2%	12,367	0.4%
Multi-family:				
Country Village Mobile Home Park	44,599	1.2%	66,729	2.1%
Clackamas Trails	24,215	0.7%	30,286	0.9%
Overlook at Causey	22,193	0.6%	21,057	0.7%
Johnson City	21,857	0.6%	25,522	0.8%
Reflections at Happy Valley	21,221	0.6%	-	0.0%
Easton Ridge Apartments	19,832	0.6%	22,153	0.7%
Hearthwood Village MHP	15,464	0.4%	14,202	0.4%
Giadan K Estates	15,028	0.4%	16,394	0.5%
Brown	15,028	0.4%	10,902	0.3%
Village Place Apartments	12,586	0.4%	12,104	0.4%
The Fountains at Town CTR	12,261	0.3%	12,945	0.4%
Oak Acres Mobile Home Park	12,134	0.3%	18,022	0.6%
Paredes, LLC	9,532	0.3%	10,057	0.3%
Ed Lucas Investment Property	9,331	0.3%	12,934	0.4%
Equity Lifestyle Properties	8,982	0.3%	10,527	0.3%
Pine View Apts	8,644	0.2%	9,026	0.3%
Pointe West Apartments	7,286	0.2%	12,965	0.4%
All Other Consumers	1,676,391	46.8%	1,298,225	40.6%
Total	3,580,717	100.0%	3,194,175	100.0%

Wholesale water is also sold to SWA. SWA currently purchases an average of 2.5 million gallons a day (MGD) of water from CRW and we have reserved up to 10 MGD for purchase by SWA or other potential CRWSC partners in the future. Upon completion of 152nd Ave. Reservoir, SWA will have the ability to purchase larger volumes of water from CRW. We don't anticipate additional wholesale customers in the 2019-21 biennium.

New development is limited within District boundaries due to land use restrictions south of the Clackamas River and lack of developable space north of the river with the exception of some redevelopment near the Clackamas Town Center expected in this biennium. Customers annexed into the cities of Oregon City and Milwaukie can be withdrawn from our services and provided water by the cities. CRW has an agreement with the City of Milwaukie for Milwaukie to bill customers who are within Milwaukie City limits, yet are served by CRW. The City of Happy Valley does not supply water to its citizens; it contracts with water providers for this service. An agreement with the City of Happy Valley has eliminated withdrawal of our customers after annexation into their city.



Even though the total number of accounts serviced by the District has declined from FY10 as a result of annexations, total applications for new water service within our boundaries increased annually since 2014. We don't expect this growth pattern to continue, however. This budget estimates 69 new service applications for the 2019-21 biennium.

Demographics

Clackamas River Water is located in Clackamas County in the northwestern region of Oregon, near the Oregon/Washington border. Clackamas County is one of three counties that make up the Portland metropolitan area. It lies within the Willamette Valley and is Oregon’s third most-populous county with a population of 412,672 (2018). Approximately one-eighth of Clackamas County’s land area is urban and the remainder is rural, with about half the population living in each area. The District’s primary facilities are located adjacent to or near the Clackamas River. Other major river systems in the area include the Columbia and Willamette.

Since Clackamas County’s creation in 1843, its principal activities have been agriculture, timber, manufacturing and commerce. The county’s business districts and communities have grown at a strong rate in recent years. The many flourishing businesses include industry leaders in metals, machinery, healthcare, high tech, logistics, forestry, food and beverage processing, renewable energy, nursery/agriculture, tourism and software development.

Although development of CRW’s service area is limited, Clackamas County continues to fare better than Oregon personal income and is equal on employment. Although current rates are unavailable for the District, per capita personal income for Clackamas County came in at \$53,826 for 2017, compared to \$48,137 for the state. The unemployment rate has been improving and stands at 3.5% for both Clackamas County and Oregon effective May 2018. Population, income and unemployment trends for the past 10 years are displayed below.

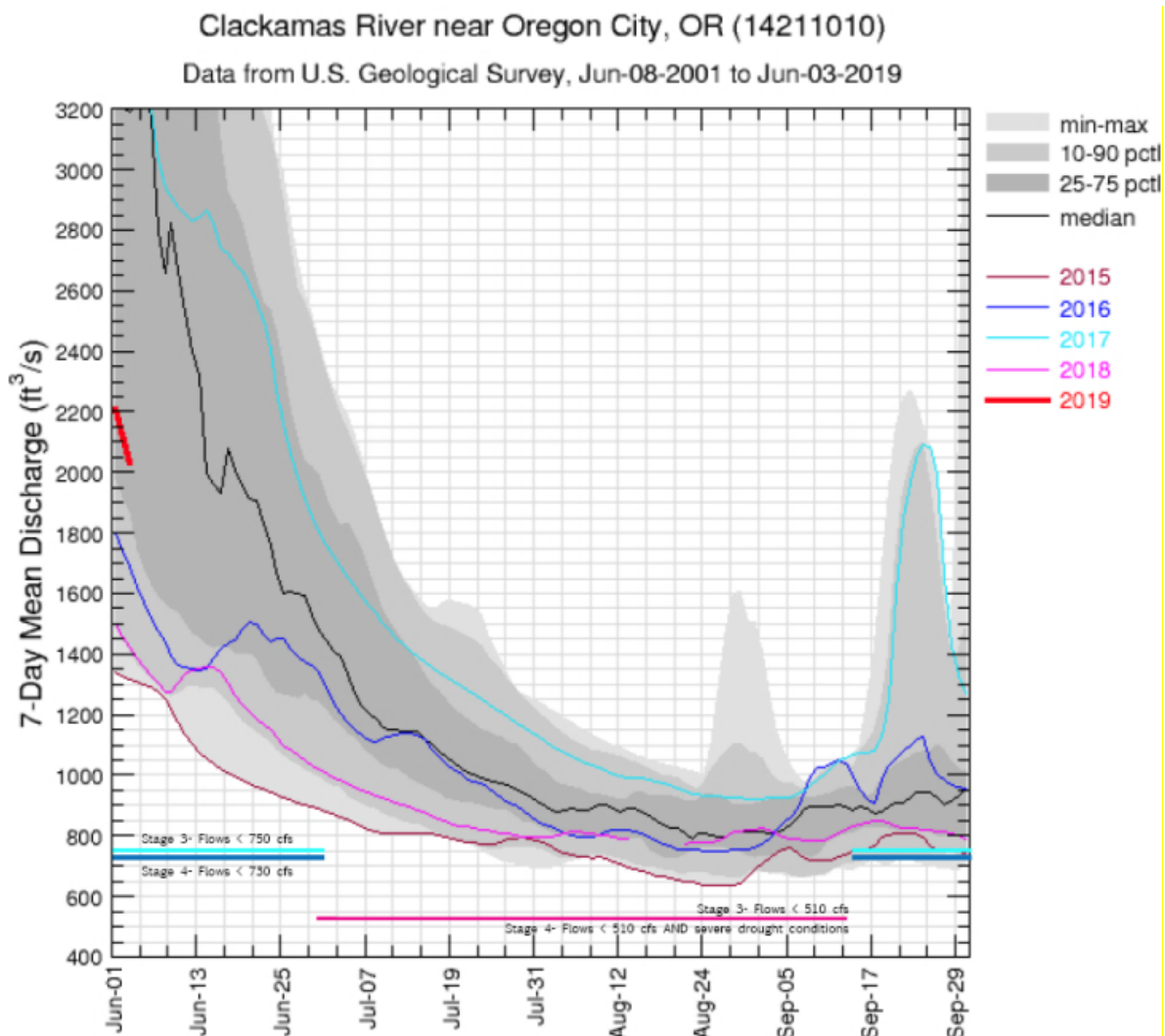
CLACKAMAS OREGON DEMOGRAPHIC STATISTICS				
2009 - 2018				
Year	Population	Personal Income <i>Thousands</i>	Per Capita Personal Income	Unemployment
2018	412,672	N/A	N/A	3.5
2017	412,672	\$ 22,212,483	\$ 53,826	3.3
2016	408,062	\$ 20,965,832	\$ 51,379	4.2
2015	401,515	\$ 20,125,378	\$ 50,169	5.1
2014	394,972	\$ 19,240,407	\$ 48,713	5.9
2013	388,263	\$ 19,200,727	\$ 49,453	6.9
2012	383,857	\$ 18,535,004	\$ 48,286	7.7
2011	379,984	\$ 17,583,715	\$ 46,275	8.6
2010	381,775	\$ 17,162,313	\$ 44,954	10
2009	379,845	\$ 16,578,715	\$ 43,646	10.7

Data is for Clackamas County, OR.

Weather Patterns

CRW monitors temperature, precipitation, snowpack (snow water equivalent – amount of water in snowpack), and near-term and long-term climate projections to implement sustainable water management practices. All water treated by Clackamas River Water is “run of the river”; it is caught as it flows down the river. As a result, it is subject to natural fluctuations brought on by changing seasons or abnormally wet or dry weather.

Predicted climate change trends for the Pacific Northwest include increased rainfall resulting in reduced snowpack, early snowmelt and more frequent hot summers. For example, during Oregon’s drought of 2015 precipitation was 78% of normal, snow zone (4,000 ft.) temperatures were 5.9° (F) warmer than average, and snow water equivalent measured zero on March 1, 2015 at 47% of snow monitoring sites in the Willamette River Basin. This resulted in significantly reduced stream flow for the Clackamas River in the summer and early fall, which is depicted in the graph below.



An early onset of hot dry, weather can deplete snowpack to critical levels making near-term climate projections critical. CRW voluntarily implements a curtailment strategy laid out in a Water Management and Conservation Plan that is triggered when streamflow begins to decline towards a level critical for maintaining fish persistence and the overall health and wellness of the river. These flow targets are 510 cfs between July 1 and September 15 and 730 between September 16 and June 30.

Longer, drier summers are predicted in future, which result in conservative revenue projections by the District based on the premise that consumption and revenue will decline. The BN2019-2021 revenue projection incorporates an average snowpack, with a snow water equivalent near 100%, while snow melt for summer 2019 is unknown at this time.

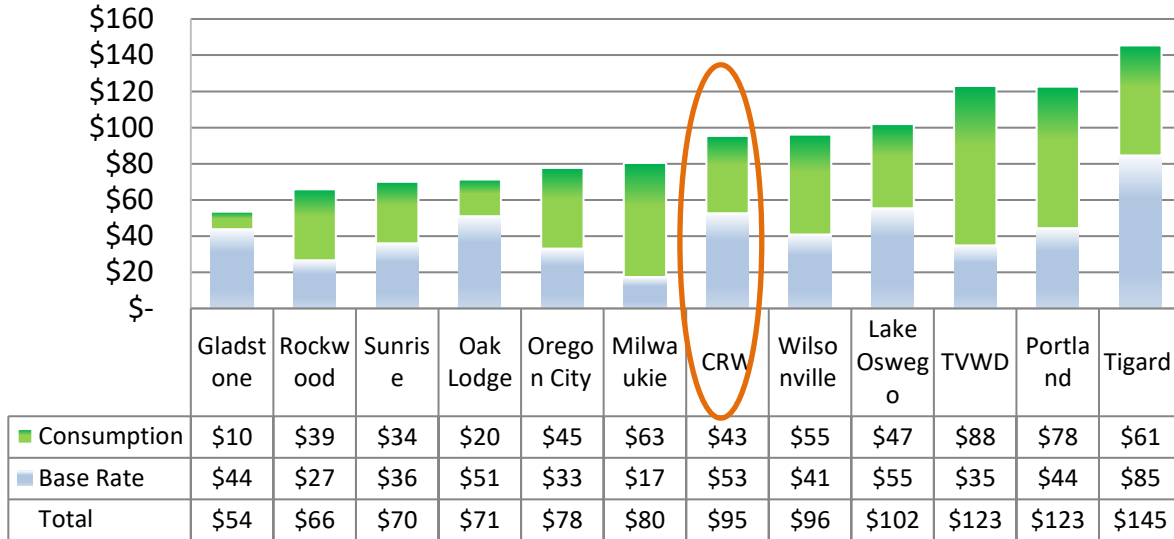
Water Rates

Water rates recover the cost of providing potable water to District customers. On March 30, 2014, the Board approved an eight-year rate plan with rates adjusted after the April billing each spring. Residential rates for a ¾ inch meter are depicted below. Rates for other meter sizes are also included in the plan and change similarly.

WATER RATES FOR RESIDENTIAL CUSTOMERS WITH A ¾ INCH METER					
Effective Date	Base Fee	1-4 CCF	5-8 CCF	9-24 CCF	25 and up CCF
May 1, 2014	\$26.90	\$1.90	\$2.11	\$2.51	\$3.20
May 1, 2015	\$35.24	\$1.90	\$2.11	\$2.51	\$3.20
May 1, 2016	\$44.49	\$1.90	\$2.11	\$2.51	\$3.20
May 1, 2017	\$47.05	\$2.01	\$2.23	\$2.65	\$3.38
May 1, 2018	\$49.76	\$2.12	\$2.36	\$2.81	\$3.58
May 1, 2019	\$52.62	\$2.25	\$2.50	\$2.97	\$3.78
May 1, 2020	\$55.51	\$2.37	\$2.63	\$3.13	\$3.99
May 1, 2021	\$57.18	\$2.44	\$2.71	\$3.23	\$4.11

The following table compares CRW’s current single family billing rate (3/4 inch meter) to other local water providers’ based on 16 hundred cubic feet, or approximately 12,000 gallons, consumption for a two month period.

**Comparison of Water Providers in the Region
Bi-Monthly Water Bills
(at 16 ccf or ~12,000 gallons)**



Electricity

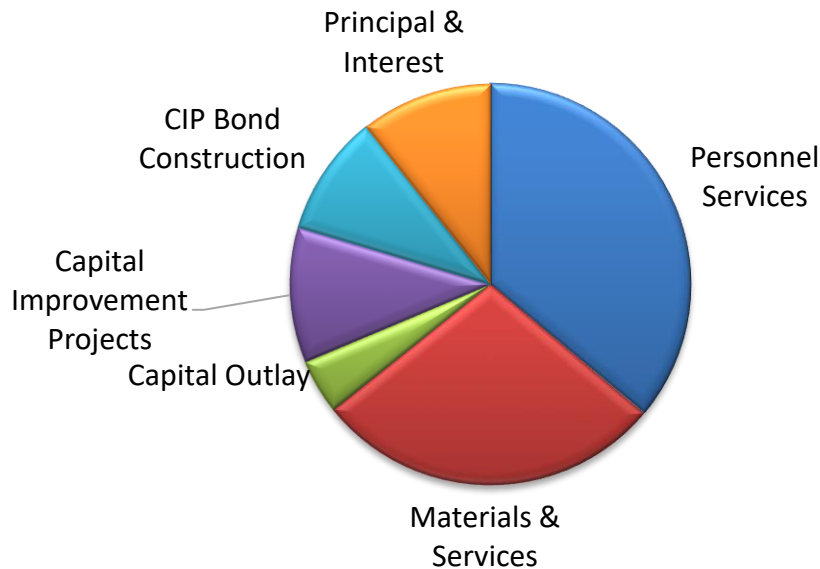
Electricity is a significant cost of production as it powers our Water Treatment Plant, pump stations, and other facilities and operations. As such, CRW closely monitors PGE rate increases and expenditures factoring them into revenue and expenditure projections. Water sales revenues are continually monitored to ensure they are sufficient to cover operating expenses and partially fund future capital replacements.

Following completion of the Phase 1 Backbone projects in December 2019, CRW will be serving a portion (about 24%) of our south service area with water from our water treatment plant. Currently the south area is served with water purchases from SFWB. The increase in electricity costs when Backbone Phase 1 goes on line will be somewhat offset by a reduction in water purchases from SFWB.

EXPENDITURES

Operating Expenditures are accounted for in several funds. The General Fund includes Personnel Services, Materials and Services, and Capital Outlay that exceeds the capital threshold of \$5,000 and has an expected useful life of greater than one year. All of the Capital Improvement Projects (CIP) Fund and CIP Bond Construction Fund expenses are capital outlay and principal and interest are recorded in the Revenue Bond Fund.

EXPENDITURES EXCLUDING TRANSFERS



The following table depicts expenditures for all funds: actual figures for fiscal years 2012 through 2015 and the 2015-2017 biennium, budget figures for the current biennium, and an approved budget for the 2019-2021 biennium. Internal labor costs of \$621 thousand are included in the total capital outlay as these costs are capitalized within the CIP and the CIP Bond Construction funds.

Appropriations by Category All Funds							
	FY2012	FY2013	FY2014	FY2015	BN2015-	BN2017-	BN2019-
	Actual	Actual	Actual	Actual	17	19	21
	Actual	Actual	Actual	Actual	Actual	Budget	Adopted
<i>In Thousands</i>							
Expenditures							
Personnel Services	\$ 3,967	\$ 3,919	\$ 4,071	\$ 3,937	\$ 8,920	\$ 9,664	\$11,540
Materials & Services	3,128	3,105	3,190	3,249	8,910	8,334	9,000
Subtotal Operating Expenditures	\$ 7,095	\$ 7,024	\$ 7,261	\$ 7,186	\$ 17,830	\$ 17,998	\$20,540
Capital Outlay	1,379	830	2,650	1,558	6,745	27,885	8,181
Debt Service	645	655	446	455	2,290	3,386	3,391
Total Expenditures	\$ 9,119	\$ 8,509	\$ 10,357	\$ 9,199	\$ 26,865	\$ 49,269	\$32,112

Eighty-three percent (\$7,483,100) of the Materials and Services budget of \$9,000,000 is externally or internally mandated. The balance of the budgeted Materials and Services, \$1,516,900 is based on customer expectations and industry best practices, which is approximately seventeen percent of the Materials and Services appropriation. Many of our expenditures qualify in more than one category, so externally mandated water quality requirements are also a customer expectation.

Personnel Services: Full time equivalent positions remained steady at 39.2 FTE for fiscal years 2013 through 2015 with an increase of 1 FTE in FY16 (as of June 30) for an Engineering Manager hired to manage the CIP program. A full-time Engineering Associate position will be filled in FY19 and a part-time Executive Assistant to the GM & Board (0.4) position was eliminated, increasing the FTE to 41.8 for the upcoming biennium. The added engineering positions allows other staff to manage the extensive capital projects.

As of June 30	ADMIN	FACS	ENG	SYSOPS	WATER RES.	Total FTE
2012	6.2	7	5	11	10	40.2
2013	6.2	7	5	11	10	39.2
2014	5.2	8	5	11	10	39.2
2015	6.2	8	4	11	10	39.2
2016	6.2	8	5	11	10	40.2
2017	6.2	8	5	11	10	40.2
2018	6.2	8	6	11	10	41.2
2019	6.2	8	7	11	10	42.2
2020 (budget)	5.8	8	0	18	10	41.8
2021 (budget)	5.8	8	0	18	10	41.8

Staffing is distributed across four departments: Administration (ADMIN); Finance, Accounting and Customer Service (FACS); System Operations (SYSOPS) and Water Resources (WATER RES). Beginning with this budget cycle, the former Engineering Department has been combined with System Operations, which now comprises distribution maintenance and Engineering functions. *Department descriptions are provided in the Financial Structure, Policy and Process section of this budget.*

Personnel Services for the 2019-2021 biennium total \$12,161,900, an increase of 15.65% over the 2017-2019 biennium. A significant portion of this increase is due to pre-payment of the outstanding transitional liability owed to Oregon Employees Retirement System (PERS). This payment will reduce PERS rates into the future and save on interest expense. CRW budgets Personnel Services into four funds as shown below. The amount allocated to each fund during a particular biennium fluctuates dependent upon activities planned for that time period. The CIP Fund and the CIP Bond Construction Fund do not include a formal Personnel Services appropriation category as they are capital improvement funds and all expenditures, including personnel services, are capitalized.

Cost of Personnel Services							
<i>in thousands</i>	FY 2012	FY 2013	FY 2014	FY 2015	BN 2015-17	BN 2017-19	BN 2019-21
	Actual	Actual	Actual	Actual	Actual	Budget	Adopted
General Fund	\$ 3,732	\$ 3,730	\$ 3,868	\$ 3,937	\$ 8,454	\$ 9,396	\$ 11,408
CIP Fund	235	189	204	226	283	403	343
CIP Bond Const	-	-	-	-	-	450	279
CRWSC Activity Fund	-	-	-	-	466	268	132
Total Personnel Services	\$ 3,967	\$ 3,919	\$ 4,072	\$ 4,163	\$ 9,203	\$ 10,516	\$ 12,162

Materials and Services: Expenditures in the General Fund are broken into several Expenditure Account Groups and comprise costs necessary for operation of the District: Customer Services, Equipment, Facilities and Security, General Administration, Materials, Office, Other support costs, Professional and Contracted Services, Utilities, Water Purchases and Treatment. *Expenditure Account Group descriptions are provided in the Financial Structure, Policy and Process section of this budget.*

Capital Outlay: This category includes expenditures that exceed the capital threshold of \$5,000 and have an expected useful life greater than one year. The Capital Outlay budget and descriptions for the 2019-21 biennium and the forecast of expected Capital Outlay over the subsequent three years is provided in the CIP Fund, Bond Construction Fund, and Capital Outlay sections of this budget. All of the CIP Fund and CIP Bond Construction Fund expenditures are Capital Outlay. The CIP costs include allocation of internal labor, contracted services, and purchased materials.

Debt Service:

The District has two series of outstanding bonded debt, Series 2009 and Series 2016, with a total debt service balance of \$35,584,000.

<i>in thousands</i>			
Series 2009 Bonded Debt			
			Total
Fiscal Year	Principal	Interest	Series 2009
2020	430	27	457
2021	450	9	459
Total	\$ 880	\$ 36	\$ 916

The District issued \$7,990,000 in bonded debt in November 1999 and refunded that debt to gain a lower interest rate in November 2009 (Series 2009). The biennium debt service payments and outstanding balance of the revenue bonds to be paid off by November 2020 is \$916,000. Principal payments of \$430,000 and \$450,000 are due November 1, 2019 and 2020, respectively. Interest payments of \$26,600 and \$9,000 are paid November 1 and May 1 during fiscal years 2019-20 and 2020-21, respectively.

<i>in thousands</i>			
Series 2016 Bonded Debt			
			Total
Fiscal Year	Principal	Interest	Series 2016
2020	345	894	1,239
2021	355	881	1,236
2022-2026	2,005	4,187	6,192
2027-2031	2,475	3,720	6,195
2032-2036	3,160	3,030	6,190
2037-2041	4,055	2,132	6,187
2042-2046	5,215	979	6,194
2047	1,205	30	1,235
Total	\$ 18,815	\$ 15,854	\$ 34,669

\$19,790,000 in bonded debt was issued in March 2016 (Series 2016). The outstanding balance of the revenue bonds is \$18,815,000 and will be paid off by November 2046. The biennial debt service payments are \$2,475,075. Principal payments of \$345,000 and \$355,000 are due November 1, 2019 and 2020, respectively. Interest payments of \$893,675 and \$881,400 are paid November 1 and May 1 during fiscal years 2019-20 and 2020-21, respectively.

The District is required to comply with debt covenants for the bonded debt. The covenant requires stabilized net operating revenue of 125% of the year's annual debt service. The second

ratio is net revenue less system development charges at 100%. This approved budget for biennium 2019-2021 projects ratios of 309% and 261% respectively.

OPERATING REVENUE TO EXPENDITURES

In conformance with General Fund balance policy it is the District’s policy to have operating revenues (primarily water sales) pay for operating expenditures. Any variance to this policy would be specifically identified in the budget and would be for one-time expenditures. Ongoing operations should not spend down the General Fund reserve balance.

The table below includes all funds for fiscal years 2012 through 2015, and biennium 2015-17, 2017-19, and the two-year approved budget for 2019-2021.

Operating Revenue to Operating Expenditures - All Funds							
<i>in thousands</i>	FY 2012	FY 2013	FY 2014	FY 2015	BN 2015-17	BN 2017-19	BN 2019-21
	Actual	Actual	Actual	Actual	Actual	Budget	Adopted
Operating Revenue							
Water Sales	\$ 6,761	\$ 8,035	\$ 8,815	\$ 9,956	\$ 22,256	\$ 23,484	\$ 26,565
CRWSC Operating Revenue	-	-	-	25	107	162	113
Operating Revenue	161	180	197	168	488	414	438
Total Operating Revenue	\$6,922	\$8,215	\$9,012	\$10,149	\$22,851	\$24,060	\$27,116
Operating Expenditures							
Personal Services	3,732	3,730	3,868	3,937	8,805	9,664	11,541
Materials & Services	3,128	3,105	3,189	3,300	7,257	8,334	9,000
Total Operating Expenditures	\$6,860	\$6,835	\$7,057	\$7,237	\$16,062	\$17,998	\$20,541
Total Operating Revenue to Operating Expenditures	\$62	\$1,379	\$1,955	\$2,912	\$6,789	\$6,062	\$6,575

The General Fund and CRWSC Activity Fund are the only funds with operating revenue and expenditures. Since fiscal year 2012, operating revenues have been sufficient for operating expenditures. Excess operating revenues can be used for capital outlay purchases or to build reserves. This budget proposes transfers of \$2,000,000 per year to the Capital Reserve Fund for future capital projects.

CHANGES IN FUND BALANCE

Per Oregon Budget Law, resources and requirements must balance, including beginning fund balance as a resource and ending fund balance as a requirement. Changes in fund balance are useful to understand if expenditures are sustainable without additional revenue. The table below includes actual fund balances for fiscal years 2012 through 2015 and the 2015-2017 biennium, as well as the current biennial budget, and the two-year approved budget for 2019-2021.

Changes in Fund Balance - All funds							
<i>in Thousands</i>	FY2012	FY2013	FY2014	FY2015	BN2015-17	BN2017-19	BN2019-21
	Actual	Actual	Actual	Actual	Actual	Budget	Adopted
Beginning Fund Balance	\$ 11,239	\$ 9,385	\$ 9,684	\$ 9,071	\$ 10,546	\$ 34,513	\$ 16,731
Ending Fund Balance	9,385	9,684	9,070	10,546	33,623	13,139	14,822
Increase/(Decrease)	\$ (1,854)	\$ 299	\$ (614)	\$ 1,475	\$ 23,077	\$ (21,374)	\$ (1,909)
% Change	-16%	3%	-6%	16%	219%	-62%	-11%

Beginning Fund Balance decreased significantly in BN2019-21 due to spending on CIP Bond Construction projects using bond proceeds from the 2016 bonded debt issuance. Some of our capital outlay expenditures are dependent on outside agencies for timing of expenditures.

SUMMARY OF ALL FUNDS, ADOPTED BUDGET FOR THE 2019-2021 BIENNIUM

The table below lists revenues and expenditures for the biennium by fund. All amounts are in thousands.

Summary of All Funds Adopted Budget for the 2019-2021 Biennium										
<i>in thousands</i>	General	CIP	CIP	Revenue	Revenue	Rate	Rate	CRWSC	SDC	Total
	Fund	Fund	Constr.	Bond	Bond	Capital	Stabiliz.	Activity	Reserve	All Funds
			Fund	Fund	Proceeds	Reserve	Reserve	Fund	Fund	
Revenues and other sources:										
Water Sales	\$24,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,685	\$ -	\$ 26,565
Other Operating	438	-	-	-	-	1,500	-	113	-	2,051
Non-Operating	451	-	-	13	1	72	36	168	1,656	2,397
Transfers in	1,723	3,630	3,500	3,391		4,000	-	-	-	16,244
Total Revenues	\$27,492	\$3,630	\$ 3,500	\$ 3,404	\$ 1	\$5,572	\$ 36	\$ 1,966	\$ 1,656	\$47,257
Expenditures and other uses:										
Personnel Services	\$11,408	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132	\$ -	\$11,540
Materials & Services	8,851	-	-	-	-	-	-	149	-	9,000
Capital Outlay	1,411	3,631	3,139	-	-	-	-	-	-	8,181
Debt Service	-	-	-	3,391	-	-	-	-	-	3,391
Transfers to										
Other Funds	7,391	-	-	-	-	5,130	-	1,723	2,000	16,244
Contingency	750	-	-	-	-	-	-	-	-	750
Total Expenditures	\$29,811	\$3,631	\$ 3,139	\$ 3,391	\$ -	\$5,130	\$ -	\$ 2,004	\$ 2,000	\$49,106
Excess (Deficiency) of Revenue										
over Expenditures	\$ (2,319)	\$ (1)	\$ 361	\$ 13	\$ 1	\$ 442	\$ 36	\$ (38)	\$ (344)	\$ (1,849)
Beg. Working Capital	\$ 6,600	\$ 1	\$ 1	\$ 500	\$ 246	\$5,750	\$1,183	\$ 150	\$ 2,300	\$16,731
End. Working Capital	\$ 4,281	\$ -	\$ 362	\$ 513	\$ 247	\$6,192	\$1,219	\$ 112	\$ 1,956	\$14,882

This biennium, The General Fund and Revenue Bond Proceeds Fund decrease ending working capital or fund balance, while the other funds remain relatively stable or increase working capital. The General Fund transfers funds to the Capital Reserve Fund for future capital expenditures and Revenue Bond Fund for debt service payments. The ending working capital exceeds reserve policy of 90 days of operational expenditures by \$1,783,000 in the General Fund.

Please note Transfers In and Transfers to Other Funds are equal as required by Oregon Budget Law.

TRANSFERS BETWEEN FUNDS

Transfers In must balance with Transfers Out. The Summary of Transfers table below is included to help understand the movement and rationale for transfers between funds.

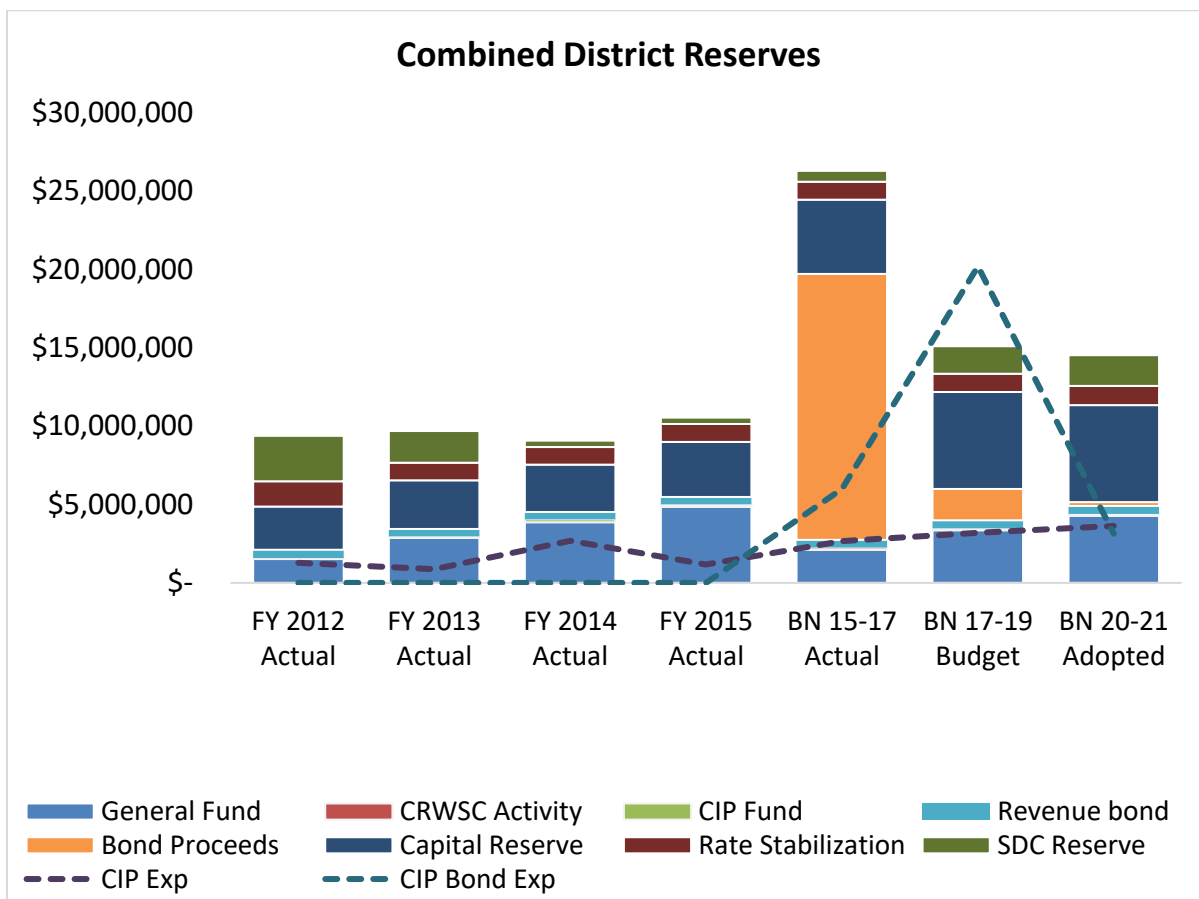
Recap of Transfers-in and Transfers-out in All Funds				
Fund	In	Out	Fund	Purpose
General	X		CRWSC Activity	Wholesale Water Sales
	X		Revenue Bond Proceeds	Preconstruction CIP Costs
		X	Capital Reserve	Future Capital Projects
		X	CRWSC Activity	Commission Funding
		X	Revenue Bond	Bonded Debt Payments
CIP	X		Capital Reserve	Budgeted Capital Projects
CIP Bond Construction	X		Revenue Bond Proceeds	Budgeted Capital Projects
SDC Reserve Fund		X	CIP Bond Construction	Budgeted Capital Projects
Revenue Bond Proceeds		X	CIP Bond Construction	Budgeted Capital Projects
		X	General	Preconstruction CIP Costs
CRWSC Activity	X		General	Commission Funding
		X	General	Wholesale Water Sales
Capital Reserve	X		General	Future Capital Projects
		X	CIP	Budgeted Capital Projects
		X	CIP Bond Construction	Budgeted Capital Projects
Revenue Bond	X		General	Bonded Debt Payments

Additional detail available in the Appendix

BN 2019-2021 Total Adopted Budget				
<i>(in Thousands)</i>				
	Transfers In		Transfers Out	
General Fund	\$	1,723	\$	7,391
CIP Fund		3,630		-
CIP Bond Construction Fund		3,500		-
SDC Reserve Fund		-		2,000
Revenue Bond Proceeds Fund		-		-
CRWSC Activity Fund		-		1,723
Capital Reserve Fund		4,000		5,130
Revenue Bond Fund		3,391		-
Total Transfers	\$	16,244	\$	16,244

FINANCIAL RESERVES

This budget achieves full implementation of the financial reserve policies approved by the Board of Commissioners in April 2013. The Financial Reserve Policies are detailed in the Financial Structure section of the approved budget.



This approved budget estimates \$26,565,000 in wholesale and retail water sales, \$20,540,800 in operating expenditures and \$1,411,000 for Capital Outlay. Additionally, the General Fund will transfer \$3,390,675 to the Revenue Bond Fund for debt payments and \$4,000,000 to the Capital Reserve Fund for current and future District infrastructure projects.

In March 2014 the Board of Commissioners approved a multi-year rate plan designed to meet financial policies, to provide certainty of the District’s revenue stream and cash flow, and to provide funding for CIP projects over the next eight years. The plan also included incurring bonded debt for larger projects, providing a blend of pay-as-you go with long-term debt. The Series 2016 Revenue Bonds were issued March 2016 and the Bond Proceeds Fund was created. The first three years of the planned rate increases applied only to the base rate which provides a degree of certainty in revenue. Years six and seven of the rate plan are included in this budget.

CAPITAL IMPROVEMENT PROGRAM AND ITS RELATIONSHIP TO BUDGET

Budgeted capital improvements are accounted for separate from General Fund activities and comprise two funds with different funding sources and uses as defined in the table below. Projects within these funds are based upon the Water System Master Plan, District capital improvement needs, and projects of other jurisdictions that affect CRW infrastructure.

Capital Improvement Projects Fund	CIP Bond Construction Fund
Biennial Budget \$3,631,000	Biennial Budget \$3,501,000
Funding Sources: Capital Reserve Fund Funding Uses: Projects to add, replace and improve infrastructure to pump, treat, store, and deliver water.	Funding Source: System Development Charges Reserve Fund & Capital Reserve Fund Funding Uses: Backbone construction projects and other capital projects that meet District infrastructure objectives.
<i>Please see CIP Fund and Bond Construction Fund sections of budget for additional details: fund overview; approved budget summary; project list, map, descriptions; and a 5-year plan. Please note: If a CIP project includes Internal labor, it is transferred from General Fund personnel services to the CIP Fund, otherwise it remains within the General Fund.</i>	

CRW has one primary directive, to supply water to our customers. As such, the majority of CRW’s capital projects involve routine upgrades or replacements to our existing water supply infrastructure. Also, the District is not experiencing significant growth in our customer base, nor does it expect to in the foreseeable future. As such, most of our capital expenditures are recurring in nature and do not result in a material impact on future operating costs. While we may realize minimal increases in expenses from implementation of some projects, these expenses are typically offset by efficiencies and lower costs for long-term operation and maintenance. These savings include lower utility costs (energy and resource efficiencies), reduced repair and

maintenance, reductions in down-time and costly rentals, protection from asset damage and loss, and enhanced flexibility, reliability, serviceability and safety.

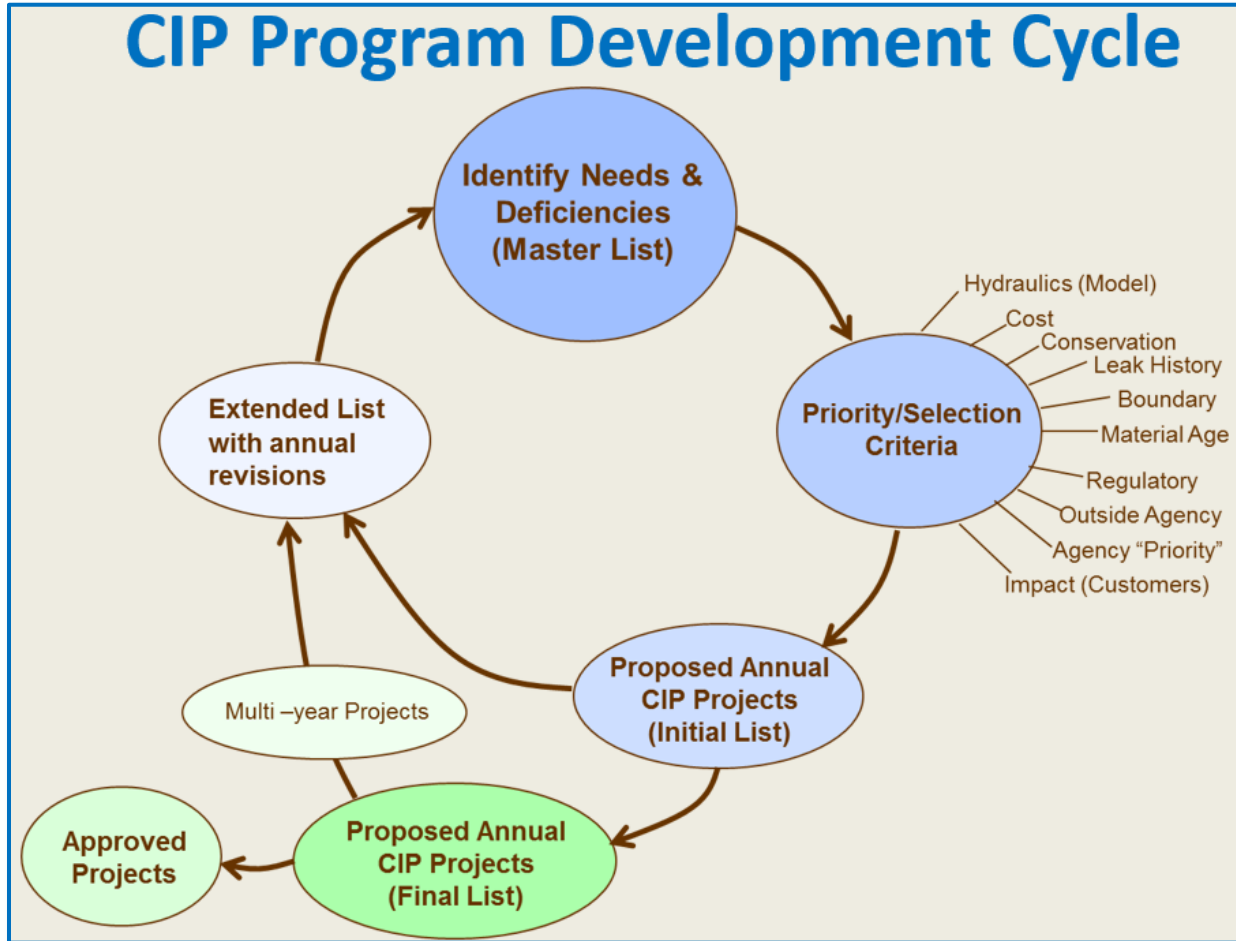
PROCESS

Long range capital planning is essential in the utility business. A water system's various components, including its source, require ongoing maintenance and long-term improvements to continue providing safe and affordable drinking water to customers. System improvements often require many years of advance planning and permitting before construction can begin. In addition, capital projects may cross several years and adjustments are routine, such as changes to project costs or shifting a project from one year to another. Often these changes are dictated to us by planning and construction activities of overlapping jurisdictions and their infrastructure.

Our engineering staff within the System Operations Department lead the District's CIP planning and development process using a deliberate, consistent approach to select, prioritize, and recommend projects for inclusion in the biennial budget. This periodic prioritization and decision making process takes place each budgetary cycle and includes consideration of projects within the Water System Master Plan, which covers a 20-year timeframe, as well as accounting for newly unforeseen condition-based projects and projects triggered by State and local agencies. It is important to note that with the constantly evolving nature of system improvement needs, the District maintains and utilizes a dynamic process to ensure that immediate needs are addressed, balanced with attention to longer-term planned improvement projects, as best as possible within funding and resource capabilities.

Along with other components of its water system, the district recognizes the need for a Facilities Master Plan for its Water Treatment plant to help meet long-term planning needs, particularly as the plant nears 55 years of operation and technological advances may provide enhanced performance to meet current or future regulatory requirements. As of spring 2019, CRW has selected an engineering consultant to begin scoping a facilities plan for the District. With a successful scoping process, we anticipate awarding a contract to the consultant and commencing the Facilities Plan effort by late spring. Funds are provided in this budget to substantially complete the plan. In addition, the District is involved with future water supply planning, conservation efforts, and watershed management through its participation in the Clackamas Regional Water Supply Commission (ORS 190), Regional Water Providers Consortium and Clackamas River Water Providers.

The Graphic below illustrates the district's CIP development process:



Steps toward selecting projects for each biennial budget include identification of needs and deficiencies, prioritization of needs contingent on specific evaluation criteria and/or the project's prerequisite position in the overall plan, and confirmation of financial feasibility of the CIP with available and projected resources.

A master list of needs & deficiencies includes ongoing CIP projects funded but not completed during the 2019-2021 biennium and new projects deemed critical to the District's water system. Projects are selected using the following assessment tools:

- Master Plan
- Hydraulic Model
- Field Observations/Recent leak or issue history
- Outside Agency projects/mandates

Needs are then evaluated, prioritized and selected based upon the following criteria and board initiatives that pertain to capital projects:

CIP Development – Prioritization

- Evaluation/selection criteria applied to each need/deficiency:
 - Facility characteristics- age, material, leak history, etc.
 - Boundary issue- risk of stranded investment/annexation
 - Land use- zoning, Metro/R-U reserves, etc.
 - Impact- customers affected
 - Cost
 - Hydraulics- looping, fire flow/demand, pressure, etc.
 - External- outside agency/regulatory mandated
 - Conservation
 - Service coverage- existing and future
- High priority projects identified using evaluation criteria.
- Low priority projects, including those rescoped or cancelled, cycle back into master list for future consideration.

Board goals pertaining to capital projects for BN2019-2021:

- 1 . Complete Phase 1 Backbone projects
- 2 . Develop funding strategy and secure necessary property and easements for Phase 2 Backbone projects
- 3 . Implement CIP projects approved in the 2019-2021 Budget and identify and report on progress, including any “carry-over” project from the prior budget
- 4 . Continue development of, and substantially complete, a Water Treatment Plant Master Plan

The preferred projects are reviewed internally by the General Manager and management team, analyzed relative to the financial forecast and other District requirements, and updated in accordance to the direction provided by the GM. The capital projects are then reviewed and approved by the Budget Committee at one or more publicly noticed Budget Committee Meetings.

The approved capital projects, as a component of the biennial budget, are presented to the Board at a publicly-noticed budget hearing. The Board holds the budget hearing, accepts public comment and adopts the budget.

Most District capital projects are managed in-house. Occasionally, a project will fall outside the scope of CRW’s skill set and capacity, which require the District to hire professional services for design and/or construction period management (including construction coordination and inspection) to ensure that the construction contractor’s performance complies with the contract documents. For complex projects we typically retain the design engineering firm to provide construction period services to maintain continuity during construction for quality assurance and control activities. The design firm is well suited to oversee the construction contractor due to their in-depth knowledge of the considerations, recommendations and requirements of the designed project.

Public participation and stakeholder involvement during project phases is an important part of our capital improvements process. Our communication strategy informs the public and solicits feedback regarding the following issues: current asset condition; options and strategies; project benefits and costs, capital needs, impact to service levels and project outcomes and expectations that include performance measures. It's also a key step in assessing priority and determining if the project will deliver expected and desired outcomes and has adequate support for the investment. The District may solicit feedback on capital improvements from the community during various project phases as follows:

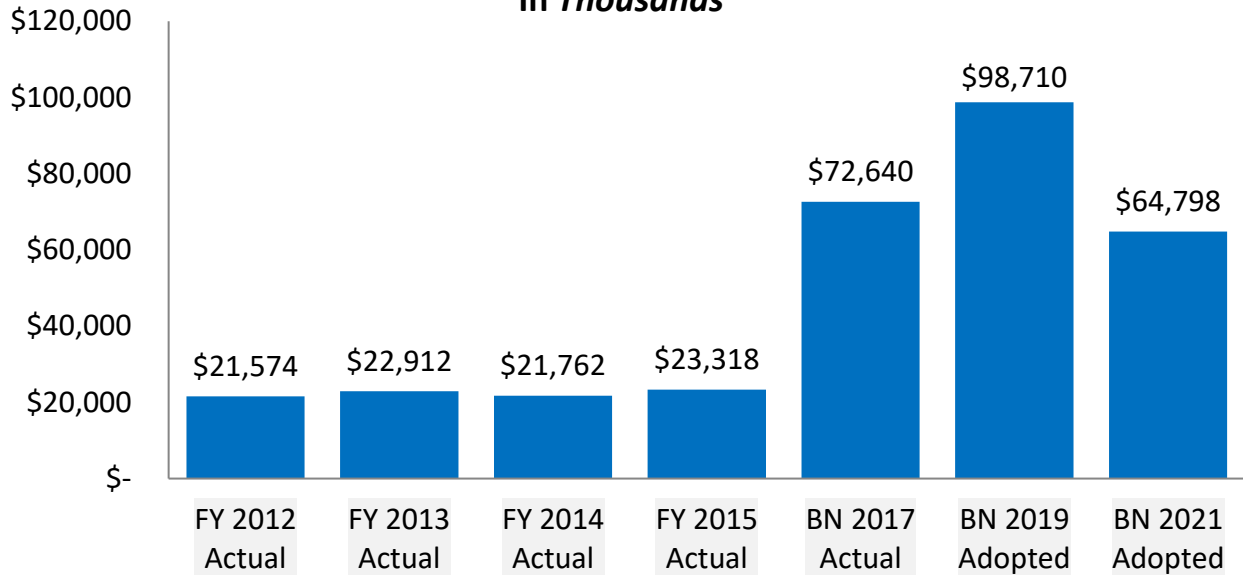
- Monthly Board meetings and work sessions open to the public
- Budget Committee meetings open to the public
- Community notices
- Onsite outreach with local residents for design and construction phase input
- Posting project planning information on CRW's website, including current project summaries, the Water System Master Plan, and other information
- Bi-monthly newsletters that discuss current or upcoming projects
- Message boards or other signs in the community to announce upcoming CRW project planning or construction activities

CONCLUDING THOUGHTS AND FUTURE PLANNING

CRW presents an approved 2019-21 Budget that captures Board goals and direction and aligns with District initiatives, priorities and financial policies, such as completing Phase 1 of the Backbone projects and Preparing for Phase 2, developing a Water Treatment Plant Master Plan, initiating a strategic planning process for CRW, expanding communications with the Board and CRW customers and the continued development of agreements with regional partners. Ongoing customer support, employee training and development, asset management, and adherence to process also remain key focus areas included in organization-wide decisions and departmental budgets.

The District's financial status is strong and is projected to remain stable over the long term. The following graph shows a comparison of total budgets over the past ten years.

TOTAL BUDGET - ALL FUNDS
In Thousands



The chart above depicts a significant increase in total budget beginning in BN2017. The Board of Commissioners authorized a shift from annual to biennial budgeting In December 2014, with the BN2015-2017 Budget (July 1, 2015 – June 30, 2017) being the first.

The impact of the water rate increase on revenue allows for capital improvements within the District and rebuilding reserve balances for future capital improvements. Improvements are needed to ensure flow of water from the river to your faucet 24 hours a day, 365 days a year.

There is little developable property within the District and land-use and zoning limit expansion and infill, particularly for residential development. Capital improvement projects will be funded with water rates from the General Fund as transferred to the Capital Reserve Fund, SDC Funds, as available, and from revenue bond proceeds. During this biennium planning and analysis will begin for funding options for Phase 2 Backbone projects.

ACKNOWLEDGEMENTS

The creation of this budget document is an organization-wide effort. Managers and staff provide input and analysis of their departmental needs and are responsible for executing the activities budgeted herein. We want to acknowledge the staff for their resourcefulness and expertise used in preparing this budget.

We would also like to thank the members of the Budget Committee, comprised of the Board of Commissioners and citizen members, for your time, dedication, and continuing support and thoughtful analysis of the issues facing the District.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Heidgerken". The signature is stylized with a large, sweeping initial "T" and a long horizontal stroke at the end.

Todd Heidgerken
General Manager

A handwritten signature in blue ink, appearing to read "Carol Bryck". The signature is written in a cursive style with a large, prominent "C" and "B".

Carol Bryck, CPFO, CTP
Budget Officer
Chief Financial Officer

FINANCIAL STRUCTURE, POLICY AND PROCESS

DEPARTMENTAL/FUND RELATIONSHIP

The departmental/fund relationship is the relationship between the entity's functional units, major funds, and non-major funds (all District funds are Major Enterprise/Proprietary funds). The District's fund and department structure is described below. This is followed by a definition of each fund and department and a matrix illustrating the relationship between the departments and funds, as well as the percentage of each department's wages budgeted to a particular fund. CRW personnel work in four of the nine funds, however the Capital Improvement Projects (CIP) Fund and CIP Bond Construction Fund appropriate all activities as capital outlay.

Funds

Clackamas River Water or District is a water utility enterprise that budgets at the "Fund" level. A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and charges, all segregated for specific, regulated activities and objectives. Resources and requirements must balance within each fund budget.

The proposed 2019-2021 budget consists of nine funds: General; CIP; CIP Bond Construction; CRWSC Activity; Revenue Bond Proceeds; Revenue Bond; and the Capital, System Development Charges (SDC) and Rate Stabilization Reserve funds. The Revenue Bond Proceeds and CIP Bond Construction funds were established during the 2015-2017 biennium: 1). These funds track resources and expenditures pertaining to the District's Water Revenue Bonds issued on March 4, 2016 to finance capital improvements to the District's facilities and pay the costs of issuance of the Series 2016 bonds.

As a domestic water district, all of our funds are major Proprietary/Enterprise funds. Proprietary (Enterprise) Funds are established to finance and account for activities that are similar to those often found in the private sector: acquiring, operating, and maintaining facilities and services which are self-supporting from user charges and fees.

Departments

A department is a section within a fund to separate costs associated with a certain program or area of operation. The General Fund has four departments: Administration; Finance, Accounting & Customer Service (FACS); System Operations (SYSOPS); and Water Resources. The Board of Commissioners department has been rolled into Administrative Services effective with the 2017-2019 budget and the Engineering department has been combined with System Operations effective with this budget. Expenses are no longer charged to the Board of Commissioners or Engineering Departments.

DEPARTMENTAL / FUND RELATIONSHIPS

Fund Types >	General Fund		Capital Project Funds				Special Revenue Funds			Debt Service Fund	Reserve Funds		
Fund Titles >	General		CIP	CIP Bond Constr.		CRWSC Activity	Revenue Bond Proceeds		Revenue Bond	Capital Reserve	SDC Reserve	Rate Stabiliz. Reserve	
Departments	"X" indicates a dept/fund relationship. "%" = department wages budgeted to fund.												
Administration	X	95%	X	2%			X	3%		X	X		X
FACS	X	94%	X	0%	X	0%	X	6%		X	X		X
SysOPS	X	93%	X	4%	X	3%	X	0%				X	
Water Resources	X	98%	X	0%	X	0%	X	2%	X				

FUNDS - Account for and report financial resources...

General Fund: ...of the general government, except those required to be accounted for in another fund.

Capital Project Funds: ...that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Special Revenue Funds: ...pertaining to specific revenue sources that are restricted or committed to expenditure for purposes other than debt service or capital projects.

Debt Service Fund: ...restricted, committed, or assigned to expenditure for principal and interest.

Reserve Funds: ...set aside for scheduled, unscheduled & routine service, project, property or equipment.

Additional information on the Districts 9 individual funds are available in the General, Capital and Other fund sections of the budget.

DEPARTMENTS - Responsibilities include...

Administration: ...administrative & budget oversight, compliance, & policy guidance by General Manager & Board of Commissioners; contracts administration and emergency management, human resources, information systems & procurement services.

Finance, Accounting, & Customer Service (FACS): ...audit, budget, CAFR, customer support (bi-monthly billings, payments, questions & concerns), debt compliance, reconciliations, & records management.

System Operations (SYSOPS): ...distribution system (fire hydrants, meters, valves) maintenance including, cross connection control, leak detection, meter reading, & water line locates; fleet maintenance.

...professional technical support to District's water system; AutoCAD & GIS mapping and inventory database services; hydraulic modelling; capital improvement planning & project administration.

Water Resources: ...federal and state water quality compliance; pump station, reservoir & water treatment plant maintenance; water treatment, production & conservation; wholesale water purchases.

BASIS OF BUDGETING AND AUDITING

All funds are budgeted using the modified accrual basis of accounting in accordance with budgetary accounting practices. This basis recognizes revenues when earned and expenses when the liability is incurred, regardless of the timing of the related cash flow.

The audit, as reported in the Comprehensive Annual Financial Report (CAFR), accounts for the District’s finances on the basis of generally accepted accounting principles (GAAP). GAAP is defined as conventions, rules, and procedures necessary to describe accepted accounting practices. The modified accrual basis of accounting, a GAAP –approved method, is also used in the audit. The CAFR shows all of the District’s funds on both a budgetary and GAAP basis for comparison purposes.

BUDGET FORMAT

Understanding CRW’s Budget....

Clackamas River Water presents budgeted financial information in detailed tables by fund. Each table includes adjusted budget figures for the 2017-2019 biennium and a proposed budget for BN 2019-2021:

	Adopted BN 2019-2021			Change to 2019-2021	
Summary	Year 1	Year 2	Total	from 2017-2019	
Total 2017-2019	2019-20	2020-21	2019-2021	\$	%

BUDGET PROCESS

Overview

The District’s Board of Commissioners holds frequent work sessions to develop policy, goals, and key initiatives, as well as evaluate progress towards these goals. Work sessions provide overall direction to management and staff, and the long range financial and capital plans are expressions of that direction over multi-year periods. The biennial budget defines the organization’s needs and allocates available resources to implement the first two years of the long-range plans. A summary of the District’s goals and key initiatives is shown in the Budget Message.

Budgeting in the State of Oregon:

Oregon Budget Law is defined in Oregon Revised Statutes (ORS) Chapter 294 of Oregon State Law. It guides the District through the budgeting process and defines a budget as:

“...a plan of financial operation embodying an estimate of expenditures for a given period or purpose and the proposed means of financing the estimated expenditures.”

Chapter 294 defines the budget period as not longer than one fiscal year unless the municipality is authorized by resolution to prepare a budget for a 24 month period. The biennial budget period of 24-months begins July 1 and ends June 30 of the second succeeding year.

On December 11, 2014, the Board of Commissioners adopted Resolution 05-2015 authorizing biennial budgeting beginning with the 2015-2017 biennium. This biennial budget starts July 1, 2019 and ends June 30, 2021. Prior years’ budgets were prepared on an annual basis.

The required Oregon Budget Law reports are located in the appendix section and contain a mix of annual amounts for fiscal year 2014-2015, and biennial amounts for 2015-2017 and 2017-2019.

Biennial Budget Process

The budget process the District follows is consistent with Oregon Local Budget Law requirements. Further detail about requirements can be found in ORS 294. The phases of the process are:

Requested (December-March): The initial “in-house” development of departmental budgets formally begins. The District determines an operating expenditure level that ensures meeting financial reserve policies and debt covenant requirements and the financial forecast is updated to reflect preliminary estimates for revenues, expenditures, personnel services, transfers, bonded debt and fund balances. Development of the District’s plans for capital improvements and capital outlay starts earlier in the fall with its planned expenditures and timing also included in the update of the long-term forecast. The District’s operating and capital plans receive extensive internal management review and analysis prior to preparing information for the Budget Committee.

Proposed (April/May): The Proposed Budget is prepared and published by the Budget Officer using the results from the District’s internal review process. The budget includes the Budget Message, which explains the budget and discloses any significant changes in the District’s financial position. Dates are set for three publically noticed Budget Committee meetings.

ORS 294 mandates a budget committee for all Oregon local governments. The Budget Committee consists of the Board plus an equal number of legal voters (citizen members of the budget committee). The citizen members are appointed by the Board. The District has ten budget committee members and all votes are equal (Please see the first page of the “At-A-Glance” section for a list of Budget Committee Members).

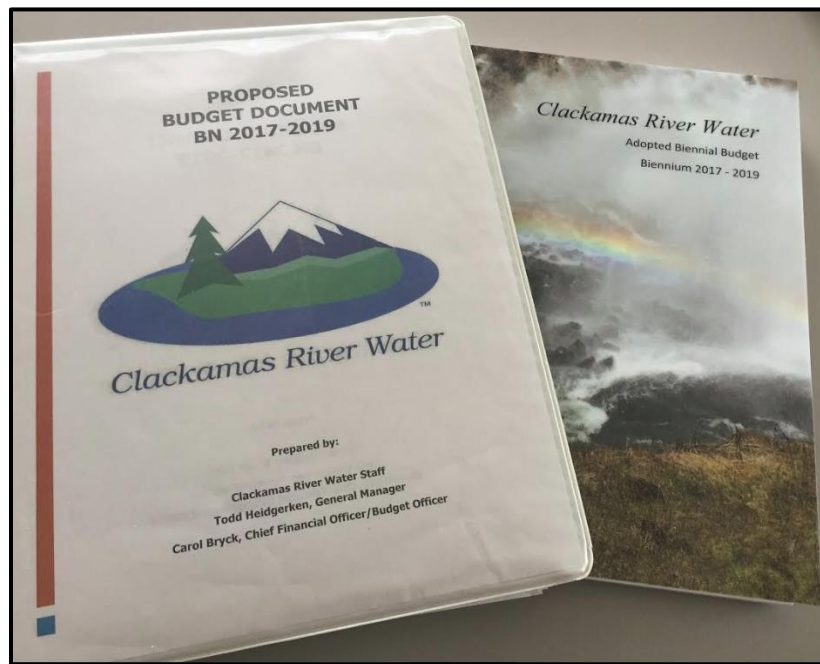
The Proposed Budget is presented to the Budget Committee and public in one to three meetings,

as needed. The Budget Officer, General Manager and department representatives highlight key efforts planned for the upcoming biennium, significant changes from the current budget period, and results of the financial forecast, including assumptions and risks. The committee receives the document, takes public testimony, holds discussions and deliberations, and amends the budget as necessary. If more than one meeting is required, the committee reconvenes at one or both of the final two pre-scheduled meetings. When deliberations and modifications are complete, the committee votes to approve the budget and recommend it to the Board for adoption. A budget is “Approved” only once by the Budget Committee.

Approved (May/June): Once the budget has been formally approved it can only be amended by the Board. If amendments by the Board exceed \$10,000 (for biennial budgets) or 10 percent (whichever is greater) in any fund, they must publish a financial summary and hold a separate public hearings process.

Adopted (June): In this final phase of the budget process a Notice of Budget Hearing, with a financial summary of the approved budget, is published. The Board holds a public hearing to take testimony, make amendments as necessary, and formally adopts the budget. The appropriations resolution is then filed with the Oregon Department of Revenue.

Amended: Oregon budget law allows amendments to the budget after adoption to address new or unforeseen needs that arise during the biennium. The Board may adopt a resolution to transfer budget appropriations between categories or funds provided there is no net change in total appropriations. Changes over 10% to any fund or transfers from contingency of more than 15% of fund appropriations requires notification in a newspaper, a public hearing and approval by the Board.



Budget Calendar			
Month	CRW Customers	Board of Commissioners	CRW Staff
Develop Budget			
December	Input on budget priorities and direction through phone calls, Internet, Board meetings, periodic customer satisfaction survey, and direct contact w/ CRW staff	Address Board Committee vacancies & recruitment	Develop preliminary revenue, expenditure, personnel service, transfer, and Revenue Bond Fund projections Advertise for citizen Budget Committee members
January		Appoint Budget Officer and schedule Budget Committee meetings	Prepare and distribute budget materials to departments
February & March		Appoint 5 citizen members of Budget Committee	Departments prepare and submit draft budgets, decision packages, and capital outlay & construction in progress narratives for final review Finance compiles proposed budget
April & May	Budget Committee meeting(s): receive public input on proposed budget	Budget Committee meeting(s): Review proposed budget with General Manager, Budget Officer & department representatives, receive public input, modify and approve budget	Publish notice of Budget Committee meetings, print & distribute proposed budget and notify public of budget availability Prepare and publish Financial Summary
Finalize and Adopt Budget			
June	Public Hearing on Proposed Budget: Last opportunity for public input on Proposed Budget	Proposed Budget Hearing: Modify budget as necessary, adopt budget and resolution to make appropriations	Prepare Notice of Budget Hearing, present approved budget at Public Hearing and respond to inquiries from Commissioners, citizens Budget Committee members and the public. Release Final document.
July			Submit adopted budget to Oregon Department of Revenue and Clackamas County
Amend Budget			
Post-adoption	Public Hearing on Supplemental Budget: public provides input on supplemental budget	Supplemental Budget Hearing: Board hears public comment and adopts supplemental budget	Prepare supplemental budget and publish notice of hearing

FINANCIAL GOALS and POLICIES

District financial policies set forth basic tenets for overall fiscal management of CRW. These policies provide a framework to assist the decision-making process of the Board and administration. This section summarizes the policies the District follows in managing its finances.

District Policies, Benchmarks and Status The District Shall...
Financial Policy Establish & maintain finance and accounting systems in accordance with GAAP, GASB, FASB
Benchmarks & Status (bold) <ul style="list-style-type: none"> • Operate water system without property tax support: Provide services to residents and customers based upon cost, and retire bonds issued for major improvements to system with revenue from water sales • Perform annual independent audit (ORS 297, OAR Division 10) and apply for CAFR Award: Certificate of Achievement for Excellence in Financial Reporting for 23 years • Provide appropriate financial capacity through equitable rates and charges: Years 6 & 7 of an 8 year rate plan approved by the Board of Commissioners (March 2014) will be in effect during this budget • Manage services in an efficient, cost-effective manner: Partnerships - ongoing with CRWSC & CRWP; completed Joint Engineering Study and remuneration IGA with Oregon City
Budget Policy Prepare, present, approve, adopt and amend biennial, two-year, budget in accordance with Oregon Local Budget Law (ORS 294)
Benchmarks & Status (bold) <ul style="list-style-type: none"> • Appropriate at the “category” levels: Personnel Services, Material & Services, Transfers, Debt Service, and Contingency • Maintain budget system to monitor revenues and expenditures on an ongoing basis, with thorough analysis & periodic adjustment if necessary: Provide monthly, quarterly and annual reports • Apply for Budget Award: Distinguished Budget Presentation Award – 5 awards since 2013 (FY13-15, annual & BN15-17, BN17-19) <p style="margin-top: 10px;"><i>Revenue and Debt policy that could also be classified as “budget” policy is identified within these categories below</i></p>

District Policies, Benchmarks and Status

The District Shall...

Capital Asset & Debt Policy

Maintain fiscal integrity of District's debt service and capital improvement budgets

Benchmarks & Status (bold) – Capital Asset

- Create, update & incorporate formal capital improvement budget and plans into District goals & biennial budget; coordinate with operating budget: **Please see “Board Goals for CRW” and “Capital Improvement Program and its Relationship To Budget” sections of the Budget Message, as well as the Capital Budget section**
- Capital expenditures are funded through an appropriate revenue source (cash & debt) & sufficient cash is re-invested in the system to maintain infrastructure
- Use most prudent methods of acquiring capital outlay items: **Follow government procurement policies & procedures including competitive bidding on all capital projects; comply with State law using our Local Contract Review Board rules**
- Maintain assets to protect investment, minimize maintenance & replacement cost

Benchmarks & Status (bold) - Debt

- Confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues (budget): **Completing \$29.2 million Phase One Backbone projects and begin preparations to issue debt for Phase Two**
- Issue revenue bonds to fund debt: ensures debt is consistent with “user pays”, meets capital system scheduling needs, and is serviced with water charges not property tax assessments (general obligation bonds): **2009 and 2016 issuances are Revenue bonds**
- Amortize bonds over period not to exceed expected useful life of asset
- Maintain bond rating at highest level fiscally prudent: **S&P and Fitch, AA- or better**
- Comply with debt covenants: **Evaluate rates, charges and costs; operating revenues equal expenses & net operating revenues meet or exceed revenue bond debt service coverage tests**
- Comply with IRS Arbitrage rules - Requirement for 85% of CIP bond construction proceeds to be spent for intended purpose within 36 month grace period following debt issuance, by 3/4/19: **85.1% spent by 2/28/19**
- Evaluate bond insurance and debt service reserve equivalents as a means to minimize net interest cost of the financing
- Identify opportunities to reduce interest cost through refinancing while complying with applicable law

Investment Policy

Monitor performance & provide appropriate levels of safety, liquidity, and yield

Benchmark & Status (bold)

- Invest in state Local Government Investment Pool (LGIP) to maximize these criteria: **Invest Revenue Bond Proceeds and CIP bond Construction Fund in LGIP**

District Policies, Benchmarks and Status

The District Shall...

Reserve & Contingency Policy

Maintain reserves, revenues and contingencies at minimum levels or higher and for purposes indicated below (Reserves may be restricted or unrestricted and may not be expended except as allowed by local budget law)

Benchmarks & Status (bold)

Establish and maintain...

- Capital Reserve – Roughly equivalent to our annual depreciation: **\$2 million per year budget for BN19-21**
- Operating Contingency - Minimum of \$500,000: **\$750,000 budget for BN19-21 biennium**
- Operating Reserve – Minimum of 90 days General Fund operations: **\$2.3 million budget for BN19-21**
- Rate Stabilization Reserve – Use in event we are unable to meet debt covenants: **\$1.2 million budget for BN19-21**
- SDC Reserve – adequate reserves to fund improvement, expansion & service to water system & new growth: **\$4 million budget for BN19-21**

Maintain discretionary reserves when special circumstances warrant such a course of action

Revenue Policy

Set service rates to accurately reflect actual or estimated cost of providing a specific service & periodically recalculate and adjust rates accordingly

Benchmarks & Status (bold)

- Charge sufficient retail & wholesale water rates to ensure uniformity between policy & financial conditions and to finance all operating, capital outlay and debt service expenses of the District's enterprise funds, including operating contingency and reserve requirements (*Budget*)
- Annual recurring revenues, including inter-fund transfers, shall not be less than annual recurring operating expenditures (total annual budget, minus capital outlay, transfers, reserves, and contingencies) (*budget*)
- Maintain general unrestricted revenues as such (not earmarked for specific programs, activities or services without Board authorization)
- Establish System Development Charges (SDCs) to fund cost of expansion and improvement to the water system & new growth: **Will pursue an SDC rate update in BN2019-2021 to ensure rates are appropriate**
- Maintain current schedule of fees with date last reviewed or recalculated: **Available on CRW's website, <http://crwater.com>**
- Bill miscellaneous reimbursable services performed by District at actual or estimated cost, including indirect overhead (Includes labor, equipment, contracted services, inventory, non-inventory, and indirect expenses): **Update these costs annually**
- Pursue strong debt collection policy for delinquent accounts: **Ongoing collection through Professional Credit Services**

District Policies, Benchmarks and Status

The District Shall...

Risk Management Policy

Ensure District operations, programs, activities and policies are conducted to maximize protection to assets (people & physical assets) and prevent fiscal loss

Benchmarks & Status (bold)

Identify risks; evaluate risk potential; select best risk management techniques to mitigate & manage risks while minimizing unnecessary impacts to essential District activities; Monitor & evaluate results:

- **Received \$5,000 safety grant from SDAO in support of safety & security projects**
- **Installed mobile satellite phone and in-building VHS radio system for Administration & System Operations**
- **Conducted Geographic Response Plan Drill in response to chemical spill scenario in Clackamas River**
- **Received one of the lowest workers' compensation Experience Rate Modifier rates for special districts in the State**
- **Monitor water quality**
- **Perform maintenance on water system**
- **Establish & maintain finance and accounting systems in accordance with GAAP, GASB, FASB**
- **Prepare budget pursuant to Oregon Local Budget Law**
- **Perform independent audit each year**
- **Maintain certifications**
- **Provide training via an Emergency Management Program, Safety and Health Committee & a Health & Wellness Committee**

General Fund

GENERAL INFORMATION

The purpose of a General Fund is to record the District's general operations, those financial transactions and activities for which specific types of funds are not required. General Fund resources and requirements are equal; revenues cover budgeted expenditures, creating a balanced fund.

BUDGET HIGHLIGHTS

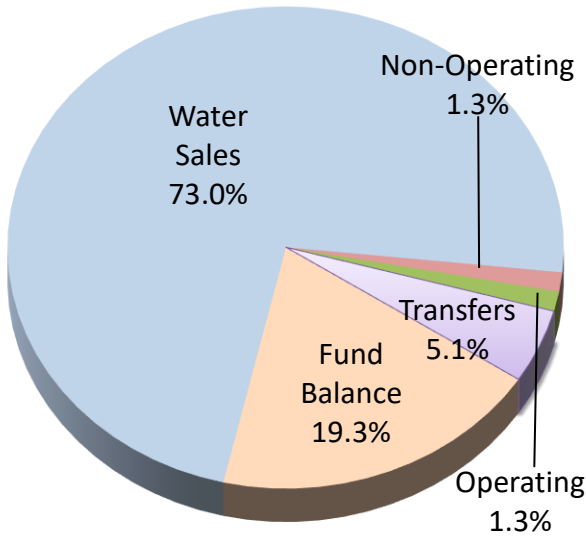
As the third biennial budget presented to our Budget Committee, the following pages compare the adopted biennial budget for 2019-21 to the prior adopted biennial budget for 2017-19. One time expenditures included in the BN 2019-2021 adopted budget include \$350,000 for the Water Treatment Plant Facilities Master Plan and \$475,000 for the net pay off of CRW's PERS transitional liability. The total payoff amount of approximately \$675,000 is netted with savings from reduced PERS rates for the biennium.

Financial policies are met in the adopted budget. Operating Contingency, which is for unplanned and unanticipated expenditures, is set at \$750,000. Transfers to reserves is at least \$1.75 million a year and increases future reserves for capital improvements. Additional transfers are budgeted for payment of bonded debt. Ending fund balance is equal to at least 90 days of operational expenditures. It maintains adequate reserves to meet District needs and compliance with fiscal policies.

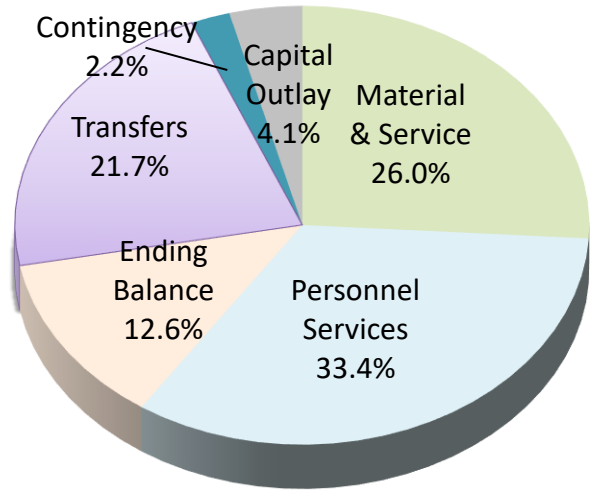
CAPITAL OUTLAY

Capital outlay expenditures are purchases of assets that last longer than one year and exceed the capital threshold purchase price of \$5,000. Typically these items are one time purchases. Recurring purchases include the SCADA system server and pump rebuilds for our Water Resources department and replacements for three inch and larger meters for System Operations. The Capital projects total \$1,411,000 for BN2019-21.

General Fund



Resources by major category



Requirements by major category

Where the money comes from...

- Water Sales
- Service Connections
- Service Charges
- Municipal Right-of-Way Fees:
Oregon City and Happy Valley
- Transfers From Other Funds
- Beginning Fund Balance
- Miscellaneous Operating Income (related to direct water sales, transmission, production): late fees, connection charges, fire hydrant usage permits and fees
- Miscellaneous Non-Operating Income (unrelated to water production): rents, interest, grants, sales of scrap and surplus property



Where the money goes...

- Personnel Services
- Materials & Services
- Capital Outlay
- Operating Contingency
- Transfers to Reserve Funds
- Ending Fund Balance



General Fund




For BN2019-21, revenue from water sales is estimated at \$24.9 million with \$889,100 from other sources. Expenditures are budgeted at \$21.1 million.

GENERAL FUND						
Summary	Total 2017 - 2019	Adopted BN 2019-2021			Change to 2019-2021 from 2017-2019	
		Year 1 2019-20	Year 2 2020-21	Total 2019-2021	\$	%
RESOURCES:						
Beginning Fund Balances	\$ 6,200,000	\$ 6,600,000		\$ 6,600,000	\$ 400,000	6.5%
Water Sales	21,846,000	12,122,000	12,758,000	24,880,000	3,034,000	13.9%
Operating Revenue	414,000	220,000	218,000	438,000	24,000	5.8%
Non-Operating Revenue	357,200	221,100	230,000	451,100	93,900	26.3%
Transfers	1,790,000	857,000	865,600	1,722,600	(67,400)	-3.8%
TOTAL RESOURCES	\$ 30,607,200	\$ 20,020,100	\$ 14,071,600	\$ 34,091,700	\$ 3,484,500	11.4%
REQUIREMENTS:						
Personnel Services	\$ 9,396,100	\$ 5,882,200	\$ 5,526,100	\$ 11,408,300	\$ 2,012,200	21.4%
Materials & Services	8,262,600	4,427,300	4,424,000	8,851,300	588,700	7.1%
Capital Outlay	1,505,800	869,400	541,600	1,411,000	(94,800)	-6.3%
Transfers to Other Funds	7,385,750	3,695,275	3,695,400	7,390,675	4,925	0.1%
Contingency	739,000	750,000		750,000	11,000	1.5%
Ending Fund Balance	3,317,950		4,280,425	4,280,425	962,475	29.0%
TOTAL REQUIREMENTS	\$ 30,607,200	\$ 15,624,175	\$ 18,467,525	\$ 34,091,700	\$ 3,484,500	11.4%

Resources: The District’s General Fund adopted budget includes estimated revenues for the biennium as well as beginning fund balance. Water sales account for 96.6 percent of revenue; 6.1 percent of this is wholesale water sale transfers from the CRWSC Activity Fund.

Requirements: The adopted budget also includes all necessary appropriations for the biennium, as well as unappropriated reserves. Appropriation (expenditure) categories include Personnel Services, Materials and Services, Capital Outlay, Transfers, and the non-spendable Contingency category. Appropriation categories are broken down into Expenditure Account Groups. The next table provides brief definitions of appropriation categories and expenditure account groups, as well as a summary of increases and decreases in these areas for the 2019-21 biennium compared to 2017-19. This is followed by general fund requirements by department and expenditure account group, along with narrative on transfers to other funds, contingency and ending fund balance. Please see the table below for descriptions of Appropriation Categories and Expenditure Account Groups, along with an explanation of increases and decreases in these categories and groups in BN19-21, compared to BN17-19.

General Fund

Personnel Services: employee wages, taxes & fringe benefits		
	21.4%	Due to...
Salaries & Wages: employee related compensation		One added position, contract wage adjustments, retirement payouts, & reduction of labor charged to other funds
Benefits & Taxes: employee related medical, dental, disability		PERS transitional liability pay-off, PERS rate increase for biennium, anticipated medical & dental rate increases, one added position
Materials & Services: operational expenses		
	7.1%	Due to...
Customer Services: bad debt, collection fees, credit card & customer statement processing, promotional items, public notices		Increased payment processing fees, and statement processing costs
Equipment: equipment rentals; maintenance of computer & distribution systems, office equipment, vehicles & water treatment plant		Increased maintenance on older equipment & increase in costs of maintenance agreements for software and hardware support
Facilities & Security: assessments & taxes, building & grounds maintenance, security		Addition of new facilities to monitor and inflation
General Administration: bank & other service fees, dues & memberships, insurance		Increased insurance cost to cover additional assets
Materials: maintenance supplies, materials inventory		Higher number of private projects as seen in increased revenues
Office: miscellaneous, postage, printing, supplies		Increased postage rates
Other Support Costs: books & publications, certifications, employee relations, medical exams, payroll processing fees, protective clothing, safety & health, training, travel		Increased costs of training related to certification renewals
Overhead Reimbursement (CIP Fund): reimbursements from other funds for Central Services that support all programs & funds		Reduced as Backbone Projects – Phase 1 will be completed
Professional & Contracted Services: audit, contract work, engineer service, legal, maps		Reduced as Water System Master Plan has been completed offset by WTP Facilities Master Plan beginning
Utilities: communications, cooling & heating, power		Increasing due to additional pump stations, Inflation and power rate increases.
Water Purchases & Treatment: permits, telemetry, water purchases, watershed management, water treatment & analysis		Reduced due to payment of retroactive (per agreement) wheeling charges to Oregon City in prior period.
Capital Outlay: expenditures of \$5,000 or more, with a useful life of one year or longer		
	-6.3%	Due to...
Land; improvements; vehicles; furniture; general, laboratory, computer and office equipment, etc.		Nature of capital items needed, catch-up with needs in prior budget periods

General Fund

GENERAL FUND REQUIREMENTS by DEPARTMENT AND EXPENDITURE ACCOUNT GROUP					
REQUIREMENTS:	Adopted BN 2019-2021				
	Administration	Finance, Accounting Customer Services	System Operations	Water Resources	Total 2019-2021
PERSONNEL SERVICES					
FTE Position	5.8	8	18	10	41.8
Salaries & Wages	\$ 1,255,900	\$ 1,208,400	\$ 2,489,800	\$ 1,799,700	\$ 6,753,800
Benefits & Taxes	1,138,900	787,300	1,689,400	1,038,900	4,654,500
TOTAL PERSONNEL SERVICES	\$ 2,394,800	\$ 1,995,700	\$ 4,179,200	\$ 2,838,600	\$ 11,408,300
MATERIALS & SERVICES					
Customer Services	\$ 8,600	\$ 330,700	\$ -	\$ 3,600	\$ 342,900
Equipment	249,600	86,300	339,000	134,800	\$ 809,700
Facilities & Security	453,400	45,900	45,200	154,800	\$ 699,300
General Administration	827,500	77,400	23,400	7,200	\$ 935,500
Materials	-	-	363,600	-	\$ 363,600
Office	71,300	82,100	4,000	13,500	\$ 170,900
Other Support Costs	160,900	41,600	70,200	35,900	\$ 308,600
Overhead Reimbursement	(530,600)	-	-	-	\$ (530,600)
Professional & Contracted Svc	677,800	191,300	609,000	433,500	\$ 1,911,600
Utilities	277,300	-	-	1,476,100	\$ 1,753,400
Water Purchases & Treatment	1,200	-	7,000	2,078,200	2,086,400
TOTAL MATERIALS & SERVICES	\$ 2,197,000	\$ 855,300	\$ 1,461,400	\$ 4,337,600	\$ 8,851,300
CAPITAL OUTLAY	323,200	-	838,800	249,000	1,411,000
TOTAL CAPITAL OUTLAY	\$ 323,200	\$ -	\$ 838,800	\$ 249,000	\$ 1,411,000
TOTAL FUND EXPENDITURES	\$ 4,915,000	\$ 2,851,000	\$ 6,479,400	\$ 7,425,200	\$ 21,670,600
TRANSFERS TO OTHER FUNDS				-	\$ 7,390,675
CONTINGENCY				-	\$ 750,000
ENDING FUND BALANCE				-	\$ 4,280,425
TOTAL REQUIREMENTS	\$ 4,915,000	\$ 2,851,000	\$ 6,479,400	\$ 7,425,200	\$ 34,091,700

Transfers to Other Funds

Transfers to Other Funds is \$7,390,675 for the biennium. Transfers include the Revenue Bond Fund for the payment of principle and interest of the Series 2009 and the Series 2016 Revenue Bonds, and the Capital Reserve Fund for capital improvement to Districts assets. This budget meets our fiscal policy for reserve funding.

Contingency

A contingency reserve of \$750,000 is set aside this biennium for emergencies and unforeseen expenditures, which meets our fiscal policy. Please refer to the glossary for an expanded definition of contingency.

Ending Fund Balance

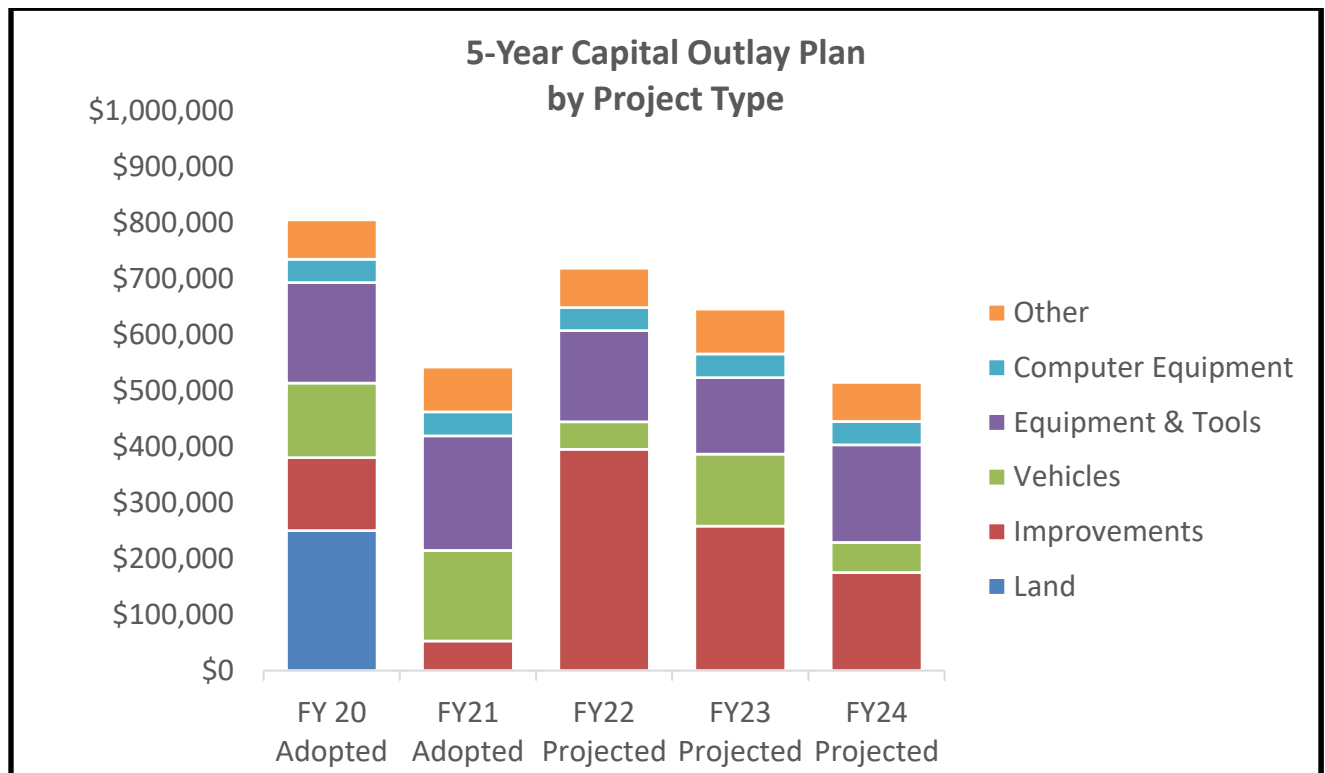
Ending Fund Balance is \$4,280,425 for the biennium and exceeds our fiscal policy of 90 days of operational expenditures.

General Fund

5-YEAR CAPITAL OUTLAY PLAN					
BN 2019-2021					
Item	Adopted		Projected		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Water Resources					
WTP floor covering			30,000		
WTP roof coating				25,000	
WTP filter valve replacement	15,000		25,000	30,000	50,000
Reservoir handrail replacement	7,500	7,500			
WTP control room workspace remodel	8,000				
WTP south contact basin sealing	12,000				
Remote pump station roofing			20,000	20,000	20,000
Plant exterior, paint				45,000	
WTP chemical feeder replacements		8,000		8,000	25,000
Level & flow measuring instruments				12,000	
WTP process analyzer replacement	7,000	8,000	10,000	15,000	10,000
Filter media replacement			20,000		
Chemical mixer replacement			45,000		
Pump rebuild & replacement	40,000	40,000	50,000	40,000	50,000
SCADA server replacement	5,000	6,000	5,000	6,000	5,000
Vehicle replace- WTP, Pump stn, Reser.		45,000			
Vehicle replace- pump stn, reservoir	40,000				
Water Resources Total	\$ 134,500	\$ 114,500	\$ 205,000	\$ 201,000	\$ 160,000
System Operations					
Parking lot improvements					10,000
Commercial/Industrial Meters >3"	20,000	20,000	20,000	20,000	20,000
Commercial/Industrial Meter vaults > 3"	50,000	60,000	50,000	50,000	50,000
Shop: roof replacement				25,000	
Shop: exterior lighting upgrade	5,000	5,000			
Mangan site parking lot asphalt overlay			60,000		
Increase on-site fuel storage	65,000				
Taylor Terrace/Hunter Heights, pave			100,000		
Shop locker room remodel	50,000				
Equipment barn			65,000	65,000	
Valve operating equipment				109,700	
Maintenance truck w/2-yard dump bed		116,300		128,200	
Dump truck, 5-yard box					164,100
Toyota Tacoma service truck	44,300				
Engineering Inspector vehicle replace	49,000		48,900		53,900
12-yard dump truck replacment		189,200			
Backhoe replacement	165,000				
Front End Loader			134,800		
System Operations Total	\$ 448,300	\$ 390,500	\$ 343,900	\$ 397,900	\$ 298,000

General Fund

5-YEAR CAPITAL OUTLAY PLAN					
BN 2019-2021					
Item	Adopted		Projected		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Administration					
Property purchases/easements - Phase 2	250,000				
Information Technology Upgrade	36,600	36,600	36,600	36,600	36,600
Administration Total	\$ 286,600	\$ 36,600	\$ 36,600	\$ 36,600	\$ 36,600





**PROJECT DESCRIPTIONS
BN 2019-2021**

WATER TREATMENT PLANT - PROCESS ANALYZER & METER REPLACEMENT

DESCRIPTION:

This project request replaces the water treatment plant process analyzers and meters for chlorine, turbidity, water-level, flow and multi-purpose analyzers. The replacement of the aging water treatment process analyzers will include the following:

- Flow through pH Analyzer
- Multi-function bench top water quality analyzer
- Chlorine Analyzer

IMPACT:

Process analyzers and meters must read correctly and be capable of maintaining periodic calibrations to maintain process stability and accuracy. Constant real time monitoring of the processes demand accuracy of all measurements. Replacing the process analyzers will enable CRW to make more accurate readings while performing periodic calibrations.

PROJECT INFORMATION:

PROJECT MANAGER: Rob Cummings

PROJECT NO: 1130

BUDGET & PROJECT COSTS

FY 2019-21 - \$15,000



**PROJECT DESCRIPTIONS
BN 2019-2021**

WATER TREATMENT PLANT – SOUTH CONTACT BASIN SEALING

DESCRIPTION:

This project request prepares and fills the flexible joints between sections of the south contact basin. Water seepage occurs at the joints mainly due to seasonal temperature fluctuations. A pressure grouting contractor will apply a sealant to the joints in the south contact basin and flumes to reduce water seepage.

IMPACT:

Applying a sealant to the flexible joints in the contact basin reduces water loss from south Water Treatment Plant contact basin and flumes.

PROJECT INFORMATION:

PROJECT MANAGER: Rob Cummings

PROJECT NO: 1131

BUDGET & PROJECT COSTS

FY 2019-21 - \$12,000



**PROJECT DESCRIPTIONS
BN 2019-2021**

WATER TREATMENT PLANT - FILTER VALVE REPLACEMENT

DESCRIPTION:

This project request replaces the filter operating valves in six water treatment plant filters and some filter outlet valves. The filter operating valves have exceeded the normal replacement schedule and are beyond industry standards for replacement. Leaks in and around the filter valves have been observed as the operating valves being in service for more than 50 years. CRW anticipates more filter valve work in the future related to the Water Treatment Plant Facilities Master Plan construction projects.

IMPACT:

This project improves filter operations and allows CRW to accommodate the future Water Treatment Plant Facilities construction. CRW will replace the filter operating valves that have been in service for more than 50 years. This will reduce water from leaking in and around the valves.

PROJECT INFORMATION:

**PROJECT MANAGER: Rob Cummings
PROJECT NO: 1132**

BUDGET & PROJECT COSTS

FY 2019-21 - \$15,000



**PROJECT DESCRIPTIONS
BN 2019-2021**

PUMP REBUILD AND REPLACEMENT

DESCRIPTION:

This project request sets aside funds to rebuild and or replace CRW's water system pumps that are up to 55 years old. CRW maintains pumps on a regular basis in order for the pumps to work efficiently. As servicing and/or maintaining the pumps becomes less cost effective because parts are obsolete, replacing and or rebuilding the pumps becomes the next cost effective option. The following pumps are included:

1. Water Treatment High-lift Pump Station

Remove, inspect, and rebuild or replace 100 to 600 horsepower pumps and motors at the Water Treatment Plant high-lift and low-lift pump stations.

2. Water Treatment Low-lift Pump Station

Low-lift pumps move water from the river to the WTP and high-lift pumps move water to the distribution system and reservoirs. Remote pump station rebuild/replacements are also included.

3. Remote Pumping Stations

Remove, inspect, and rebuild or replace 7 to 150 horsepower pumps and motors at remote pump stations.

IMPACT:

No material increases or decreases in operating costs are anticipated as one pump will be replaced with another. Since the existing pumps are outdated and parts are obsolete, replacing the pumps would greatly enhance reliability and reduce maintenance costs.

PROJECT INFORMATION:

PROJECT MANAGER: Rob Cummings

PROJECT NO: 1133

BUDGET & PROJECT COSTS

FY 2019-21 - \$80,000



Clackamas River Water

**PROJECT DESCRIPTIONS
BN 2019-2021**

RESERVOIR HANDRAIL REPLACEMENT

DESCRIPTION:

This project request replaces or adds railings to the reservoir access ladders to get them up to standard and increase safety for staff or any individual that requires access to the reservoir ladders. The original railings as installed do not meet current safety standards for height.

IMPACT:

Adding height to the railings and or replacing them will increase safety and bring the railings up to current standards.

PROJECT INFORMATION:

PROJECT MANAGER: Rob Cummings

PROJECT NO: 1134

BUDGET & PROJECT COSTS

FY 2019-21 - \$15,000



**PROJECT DESCRIPTIONS
BN 2019-2021**

SCADA SERVER REPLACEMENT & PROGRAMMING

DESCRIPTION:

This project request replaces one of the two Supervisory Control and Data Acquisition servers (SCADA). The Historian server collects data from the field, which is used when operating the water supply pipes from the reservoirs. It was last replaced in 2015 and is within the industry standard of a 3-5 year replacement cycle. The server replacement will include programming and integration to the current system.

IMPACT:

The replacement of the server will bring CRW up to the industry standard of a 3-5 year replacement and will ensure SCADA system reliability. The replaced server will be used as a backup to the new system in the event of failure or is in need of repair.

PROJECT INFORMATION:

PROJECT MANAGER: Rob Cummings

PROJECT NO: 1135

BUDGET & PROJECT COSTS

FY 2019-21 - \$11,000



**PROJECT DESCRIPTIONS
BN 2019-2021**

VEHICLE REPLACEMENT – WTP, PUMP STATION & RESERVOIR MAINTENANCE

DESCRIPTION:

This project request replaces a 1997 Ford F-250 Pickup used for Water Treatment Plant, Pump Station and Reservoir maintenance transportation. The current vehicle is over the industry standard for vehicle replacement. Due to the age of the vehicle, additional repairs are needed to make the vehicle safe to drive and CRW staff determined that maintenance associated with the vehicle will not be cost effective. A new vehicle will provide a safer more reliable vehicle for CRW staff.

IMPACT:

CRW plans to surplus the vehicle to offset some of the costs of a new vehicle. The new vehicle will include additional features that are absent from the current vehicle. This will enable Water Resources to haul tools and equipment between the Water Treatment Plant and the Pump Stations.

PROJECT INFORMATION:

PROJECT MANAGER: Rob Cummings

PROJECT NO: 1136

BUDGET & PROJECT COSTS

FY 2019-21 - \$45,000



PROJECT DESCRIPTIONS BN 2019-2021

WATER TREATMENT PLANT - CHEMICAL FEEDER REPLACEMENT

DESCRIPTION:

This project request replaces one of 14 Water Treatment Plant chemical feeders. The chemical feeders are in need of periodic replacement to ensure reliability and to avoid delays due to repairs and equipment malfunction. These chemical feeders are used on a regular basis in order to provide safe drinking water to the District.

IMPACT:

Having reliable and accurate chemical feeders is important to the water treatment process. The chemical feeders, on occasion, break down and are in need of repair. The repairs may cause delays that are critical in order to provide safe drinking water to the district. Replacing the chemical feeder will avoid delays due to equipment malfunction and repairs.

PROJECT INFORMATION:

PROJECT MANAGER: Rob Cummings

PROJECT NO: 1137

BUDGET & PROJECT COSTS

FY 2019-21 - \$8,000



PROJECT DESCRIPTIONS BN 2019-2021

WATER TREATMENT PLANT - CONTROL ROOM WORKSPACE REMODEL

DESCRIPTION:

This project is to remodel the current Water Treatment Plant Control Room. The control room is currently used as a workspace for the Lead Maintenance Technician. Because of the central location of the control room, CRW staff and employees from other agencies, usually congregate and meet in this area causing noise and interruptions. We recommend that the area, which is currently a 21' x 12' workspace, be divided into two workspaces. The result of this modification will add the Control Systems/SCADA Technician to the area at the same time eliminate access to the area as a common meeting place. Currently the Control Systems/SCADA Technician performs analytical and programming functions in the plant control room.

The control room is a central area with multiple access points that is easily mistaken as a common area to hold impromptu meetings. As a result, impromptu meetings happen frequently which results in noise and a lot of interruptions. These interruptions are not a conducive environment for Technicians performing data analysis and or programming activities. Remodeling the current workspace will eliminate access to the area as a common meeting place and provide less noise interruptions while technicians perform their daily work.

IMPACT:

Providing a distraction free workspace area for the Control Systems/SCADA Technician will provide a place where they can concentrate on updating control system functions and SCADA modifications among other job functions. The renovation will also result in an empty control room counter which can be used for other purposes such as a radio base station or a water sample counter check in station.

PROJECT INFORMATION:

PROJECT MANAGER: Rob Cummings

PROJECT NO: 1129

BUDGET & PROJECT COSTS

FY 2019-21 - \$8,000



**PROJECT DESCRIPTIONS
BN 2019-2021**

VEHICLE REPLACEMENT – PUMP STATION & RESERVOIR MAINTENANCE

DESCRIPTION:

This project request replaces a 1998 Toyota T-100 Pickup used for Pump Station and Reservoir maintenance. The current vehicle is over the industry standard for vehicle replacement. Due to the age of the vehicle, replacement parts may be obsolete or hard to find. The current vehicle mileage is 133K and often has maintenance or repair issues that make the vehicle unreliable and unsafe to drive. CRW plans to surplus the vehicle to offset some of the costs of a new vehicle.

IMPACT:

If CRW continues to use the current vehicle for the Water Treatment Plant, Pump Station and Reservoir Maintenance, some of the scheduled work may be delayed due to repair and maintenance.

PROJECT INFORMATION:

PROJECT MANAGER: Rob Cummings

PROJECT NO: 1138

BUDGET & PROJECT COSTS

FY 2019-21 - \$40,000



**PROJECT DESCRIPTIONS
BN 2019-2021**

INDUSTRIAL & COMMERCIAL METER VAULT UPGRADES & REPLACEMENTS >3”

DESCRIPTION:

This project request upgrades and/or replaces CRW's large industrial and commercial meter vaults. Large meter vaults are inspected annually to ensure that the area where the meter is installed, the structural integrity, and the associated meter piping remains in satisfactory condition. Occasionally when deficiencies are identified, those deficiencies are corrected in a timely manner. However, when spot repairs are inadequate for long term reliability, or when an unsafe condition exists, the entire vault and piping must be rebuilt.

Also, when large industrial and commercial meters need to be replaced, the meter vault, valves and associated piping often require significant concurrent upgrades or replacement because of dimensional limitations, poor configuration or age-related degradation already occurring in the vault.

IMPACT:

Upgrading or replacing large industrial and commercial meter vaults and associated piping reduces maintenance costs, increases reliability and benefits worker safety. New vaults and piping provide better access to the meter and valves and reduces hazards caused by standing water or poorly configured confined spaces. Replacing or upgrading large meter vault infrastructure preserves the life of the existing radio-read meter, valves, and piping assets.

PROJECT INFORMATION:

**PROJECT MANAGER: Jason Labrie
PROJECT NO: 2306**

BUDGET & PROJECT COSTS

FY 2019-21 - \$110,000



**PROJECT DESCRIPTIONS
BN 2019-2021**

INDUSTRIAL & COMMERCIAL METER REPLACEMENTS > 3"

DESCRIPTION:

This project request provides funding to test and replace industrial and commercial meters (3-inch and larger), which are tested annually to ensure they meet manufacturer's specifications for accuracy. Meters that fail accuracy tests and cannot be repaired to perform within the manufacturers specifications are replaced.

Additionally, government regulations (effective January 4, 2014) prohibit installing meters which do not meet the EPA's definition of "lead free". As a result of this rule, meter manufacturers have declared many older models obsolete, eliminating parts availability and product support. This situation eventually leads to meter replacement because replacement parts are no longer available.

IMPACT:

Testing and replacement of large water meters is an industry best management practice which benefits the district in several ways including accurate meter reads. Replacement of large meters increases reliability, reduces maintenance costs, and ensures accurate revenues are collected for the amount of water used. Maintaining accuracy is important for the types of customers that use the 3 inch or larger meters because of the scale at which they consume water.

PROJECT INFORMATION:

PROJECT MANAGER: Jason Labrie

PROJECT NO: 2307

BUDGET & PROJECT COSTS

FY 2019-21 - \$40,000



**PROJECT DESCRIPTIONS
BN 2019-2021**

ENGINEERING INSPECTOR VEHICLE REPLACEMENT

DESCRIPTION:

This project request funds a new vehicle, which is needed for the Engineering Inspector Trainee position at Sysops. The current vehicle is a Ford F250 which is just over 20 years old and greater than 100,000 miles on the odometer. This vehicle will be traded in or considered for surplus as it has reached the end of its useful serviceable life. The intended use of the new vehicle would be traveling to inspection job sites, meetings, etc. with enough storage for small tools and equipment.

IMPACT:

Replacement of the current Ford F250 is consistent with CRW's and other comparable municipal replacement schedules, reduces maintenance cost and increases reliability, and storage options. The new vehicle will better suit the needs of the Inspector Trainee and will provide more room to haul tools and equipment associated with the daily job requirements.

PROJECT INFORMATION:

**PROJECT MANAGER: Jason Labrie
PROJECT NO: 2308**

BUDGET & PROJECT COSTS

FY 2019-21 - \$49,000



**PROJECT DESCRIPTIONS
BN 2019-2021**

MAINTENANCE TRUCK WITH 2-YARD DUMP BED

DESCRIPTION:

This project request provides a new maintenance truck, which is needed to replace the existing 1995 Ford F350 currently in use as a heavy duty support truck. The F350 was recently evaluated for age related wear and tear and mechanical condition. At 24 years old, it has reached the end of its useful serviceable life. Replacement of the truck at this time is consistent with most municipal replacement schedules. The intended use of the new maintenance truck will be similar, but the new vehicle will have a directional 2 yard dump bed which will increase functional capability of the truck and add overall value to the fleet.

IMPACT:

The new vehicle will reduce maintenance costs and increase reliability. Upgrading to a heavier vehicle equipped with a 2 yard dump bed allows the crew to bring in small loads of crushed rock and cold patch to job sites where only a small amount is needed or where vehicle space is limited. The dump bed will benefit worker safety and increase efficiency because it will reduce manual unloading of spoils, concrete, asphalt, and vegetation. The long toolbox mounted behind the cab will also hold a variety of long handled tools and other items.

PROJECT INFORMATION:

PROJECT MANAGER: Jason Labrie

PROJECT NO: 2309

BUDGET & PROJECT COSTS

FY 2019-21 - \$116,300



**PROJECT DESCRIPTIONS
BN 2019-2021**

TOYTOA TACOMA SERVICE TRUCK

DESCRIPTION:

This project request funds a new vehicle, which is needed for the incoming Engineering Technician position at System Operations. The intended use would be travel to job sites, meetings, etc. with enough storage for small tools and equipment.

IMPACT:

Purchase of a new vehicle (pick-up) will provide the District with a quality vehicle which has a proven track record of dependability.

To maximize the impact of this purchase, CRW plans on re-purposing the existing 2015 Toyota Tacoma currently in use by Customer Service South to the new Engineering Technician. The 2015 Tacoma has high miles for its age and is well suited to the intended use and lower mileage expectations of this new employee. The new Tacoma will be used for Customer Service South and rotated with other vehicles as needed to spread out the mileage accumulation.

PROJECT INFORMATION:

PROJECT MANAGER: Jason Labrie

PROJECT NO: 2310

BUDGET & PROJECT COSTS

FY 2019-21 - \$44,300



**PROJECT DESCRIPTIONS
BN 2019-2021**

SHOP EXTERIOR LIGHTING UPGRADE

DESCRIPTION:

This project request upgrades or replaces the lighting fixtures, as they fail, with new energy efficient LED units equipped with ambient light sensors for automatic ON/OFF operation. The exterior lighting for the shop is aging and has required significant maintenance in FY 2017-19 biennium in order to keep fixtures functioning.

IMPACT:

New lighting fixtures will increase reliability and reduce maintenance costs. It is expected that the new LED fixtures will last longer and require far less maintenance than comparable non-LED fixtures. In addition, the new fixtures will illuminate the building exterior and parking areas more adequately, increasing safety and reducing the need for additional lighting while prepping vehicles for night work.

PROJECT INFORMATION:

PROJECT MANAGER: Jason Labrie

PROJECT NO: 2311

BUDGET & PROJECT COSTS

FY 2019-21 - \$10,000



PROJECT DESCRIPTIONS BN 2019-2021

SHOP LOCKER ROOM REMODEL - CONSTRUCTION PHASE

DESCRIPTION:

This project request funds an outside contractor to complete the shop renovation based on architectural plans being developed in the current FY 2017-19 biennium.

The current facility is inadequate for a variety of reasons and has not had any significant updates since it was built nearly 40 years ago. The utilization of space is extremely limited for a crew of 10 water works mechanics. The area also shows signs of degradation from years of uninterrupted use. The locker room/shower area is of particular concern. As a result, employees do not have adequate storage for personal belongings, uniforms or for any Personal Protective Equipment (PPE).

Planned improvements will modernize plumbing and electrical service and most importantly, will maximize available space in three key areas. These areas include the locker room/laundry space, shared office space and the kitchen/break room.

IMPACT:

In the locker room and shared office space, the renovation will provide desperately needed storage, create adequate privacy for showers and changing, and will maximize productivity through an improved configuration. The improvements will also include minor electrical upgrades to eliminate the use of power strips and prevent the potential for overload conditions while using appliances. Improvements will also create additional space to accommodate future employees.

PROJECT INFORMATION:

PROJECT MANAGER: Jason Labrie

PROJECT NO: 2303

BUDGET & PROJECT COSTS

FY 2019-21 - \$50,000



**PROJECT DESCRIPTIONS
BN 2019-2021**

BACKHOE REPLACEMENT

DESCRIPTION:

This project request provides funding for a new backhoe, which is needed due to age related wear and mechanical concerns with the current 1996 Ford backhoe. The backhoe is a vital piece of heavy equipment used to perform routine maintenance and construction as well as emergency repairs. At 23 years old, this equipment exceeds most municipal standards for replacement. Cost for known mechanical issues likely exceeds current resale value of this piece of equipment. Due to its age and condition, we recommend replacement.

IMPACT:

Purchase of a replacement backhoe is a prudent step toward reliability and efficiency for this important piece of equipment. The District does not have a backup piece of equipment with the same capabilities, which adds additional risk and potential for delays during repairs. Purchase of this new equipment enhances safety for workers and ensures parts availability and serviceability in the future. With careful selection criteria and an extended warranty, this investment is expected to last at least 20 years.

PROJECT INFORMATION:

**PROJECT MANAGER: Jason Labrie
PROJECT NO: 2304**

BUDGET & PROJECT COSTS

FY 2019-21 - \$165,000



**PROJECT DESCRIPTIONS
BN 2019-2021**

12-YARD DUMP TRUCK REPLACEMENT

DESCRIPTION:

This project request provides a 12 yard dump truck that is needed to replace the 1986 Autocar due to age related mechanical and electrical concerns. The age of this equipment also decreases the reliability of the vehicle for its intended purpose. The dump truck is an important part of the fleet and is used for routine operations and maintenance as well as emergency water line repairs. At 33 years old, the existing dump truck has exceeded serviceable life expectations and is well beyond most municipal standards for replacement.

IMPACT:

The purchase of a replacement dump truck increases reliability and efficiency for routine maintenance activities and ensures reliable performance during emergency repair events. The replacement truck will include increased horsepower which will be advantageous for safely merging into traffic and negotiating hills with a full payload. The full 12 yard capacity increases efficiency by consolidating trips across the district to dump spoils and deliver crushed rock for backfill. This new equipment enhances worker safety through design enhancements and ensures parts availability and serviceability in the future. It is expected that the new vehicle will be more fuel efficient and will comply with new emissions standards. With careful selection criteria and an extended warranty, this investment is expected to last at least 20 years.

PROJECT INFORMATION:

**PROJECT MANAGER: Jason Labrie
PROJECT NO: 2306**

BUDGET & PROJECT COSTS

FY 2019-21 - \$189,200



**PROJECT DESCRIPTIONS
BN 2019-2021**

INCREASE ON-SITE FUEL STORAGE

DESCRIPTION:

Having a clean water supply is one of the critical components to the survival of humanity and the ability to deliver a clean source of water to customers in and around the district will be vital during disasters. This project will increase the on-site fuel storage capacity from 300 gallons of regular gas and 300 gallons of diesel to 750 – 1000 gallons each. Having an increase in our on-site fuel storage will enable CRW to continue operating and provide critical water supply without relying on other, most likely, unavailable fuel sources.

IMPACT:

The Oregon Resilience Plan: Reducing Risk and Improving Recovery for the Next Cascadia Earthquake and Tsunami (OSSPAC, Feb. 2013) predicts the loss of regional fuel supplies within three days of a Cascadia event or 7.1+ magnitude earthquake. Fuel will likely be unavailable for an extended period due to the location of the central fuel hub in Northwest Portland, due to the location of the central fuel hub in Northeast Portland.

During natural and human disasters, fuel supply is prioritized to agencies such as police, fire, and emergency medical services. Public Works and Critical Infrastructure owners such as water and power are considered Tier 2 fuel users.

Based on historical fuel consumption patterns within CRW, a fuel storage capacity between 750-1000 gallons of fuel will establish a 2-4 week supply under most conditions.

PROJECT INFORMATION:

PROJECT MANAGER: Donn Bunyard/Jason Labrie

PROJECT NO: 2312

BUDGET & PROJECT COSTS

FY 2019-21 - \$65,000



PROJECT DESCRIPTIONS BN 2019-2021

PROPERTY PURCHASES/EASEMENTS - PHASE 2

DESCRIPTION:

To obtain land and easements for pump station and/or reservoir projects as outlined in an eight-year, Backbone Projects Plan. The Backbone projects (Phase 1) were identified and funded via municipal bonding in 2016 to address critical water infrastructure improvements within the District's service area. The twelve "Backbone Projects" will provide improved pumping, distribution, and storage of water from the CRW treatment plant east to the reservoir under construction on 152nd Avenue, and south across the Carver Bridge to the Redland and Beaver Creek pressure zones.

Discussions with specific property owners are underway and it is anticipated that required property negotiations and purchases will be completed in this biennium.

IMPACT:

CRW will incur landscaping costs for the land purchases and easements. Specific property selections and purchases have not been formalized and Backbone property purchases and easements are not typical of our standard CIP projects; they entail installation of a number of cross country water lines rather than in the public right of way.

Backbone project improvements will greatly enhance provision of fire flows, system pumping efficiencies, and water quality; and will connect the CRW treatment plant and northern distribution system to our south service area customers, which will improve distribution and use of CRW's available water production.

PROJECT INFORMATION:

PROJECT MANAGER: Adam Bjornstedt

PROJECT NO: 6000

BUDGET & PROJECT COSTS

FY 2019-21 - \$250,000



PROJECT DESCRIPTIONS BN 2019-2021

INFORMATION TECHNOLOGY UPGRADE

DESCRIPTION:

This project request includes periodic replacement of CRW's Information Technology System which includes a virtual server, 2 firewall systems, 8 IT switches, and 10 wireless systems. The Information Technology Systems have all exceeded industry standard of 3-5 years. The manufacturer no longer supports any updates or replacement components. This project will be a 2-year project to get CRW's Information Technology System up to industry standard. The replacement will include the following components of the Information Technology System:

- **1 of the 3 virtual servers** - the server stores CRW's files and allows CRW to run all the software applications within each department
- **2 firewalls** - the main firewall controls access between all network devices, the SCADA firewall controls only the SCADA systems
- **8 switches** - the switches connect each building and all network devices
- **10 wireless devices** - these devices enable CRW laptops computers and mobile devices to connect to the CRW internal network and guest without using Ethernet (wired) connections

IMPACT:

Replacing the system will provide the confidentiality, integrity, and availability of critical information needed to operate day to day transactions within CRW. Out of date systems pose greater risk of security breach due to outdated software and hardware that is not supported by the manufacturer. Updating the system will also reduce cost and staff time needed for maintenance and repair and security breaches, and will help the District maintain day to day operation without interruptions.

PROJECT INFORMATION:

PROJECT MANAGER: Kham Keobounnam

PROJECT NO: 6001

BUDGET & PROJECT COSTS

FY 2019-21 - \$73,200

CAPITAL IMPROVEMENT PROJECTS FUND

Overview

The Capital Improvement Projects (CIP) Fund accounts for construction activity of the District. Projects include additions, replacements, and improvements for storage, transmission, distribution, supply, and treatment facilities. Major projects to be included are staged from the District’s Water System Master Plan. Projects for years after the 2019-2021 biennium are contained in the Master Plan and other district documents.

The primary resources for these projects are transfers from the Capital Reserve Fund.

Requirements for the CIP Fund are shown as Capital Outlay and include internal labor costs associated with project management, design review and construction inspection, as well as external contract work, engineering, public notices, printing and supplies that are directly associated with capital projects.

Funds resulting from current and future rates and system development charges (as appropriate) are accumulated to meet project construction costs. The accumulated reserves are used to pay for a portion of the projects, but are typically insufficient to meet these needs in perpetuity. To compensate, rate proceeds are typically accumulated over a period of one or more years to build reserves.

Where the money comes from...

- Transfers from Capital Reserve Fund

Where the money goes...

- Capital Projects

CAPITAL IMPROVEMENT PROJECTS FUND						
Summary	Total 2017-2019	Adopted BN 2019-2021			Change to 2019-2021 from 2017-2019	
		Year 1 2019-2020	Year 2 2020-2021	Total 2019-2021	\$	%
RESOURCES:						
Beginning Fund Balances	\$ 1,000	\$ 1,000		\$ 1,000	\$ -	0.0%
Transfers	3,185,000	2,069,000	1,561,000	3,630,000	445,000	14.0%
TOTAL RESOURCES	\$ 3,186,000	\$ 2,070,000	\$ 1,561,000	\$ 3,631,000	\$ 445,000	14.0%
REQUIREMENTS:						
Capital Outlay	\$ 3,186,000	\$ 2,070,000	\$ 1,561,000	\$ 3,631,000	\$ 445,000	14.0%
Reserved for Future Expenditure	-	-	-	-	-	N/A
TOTAL REQUIREMENTS	\$ 3,186,000	\$ 2,070,000	\$ 1,561,000	\$ 3,631,000	\$ 445,000	14.0%

Summary of Fund’s Approved Budget

The adopted budget for the Capital Improvement Projects Fund totals \$3,480,000, an increase of \$295,000 over the 2017-19 biennium budget. Highlights of the adopted budget include:

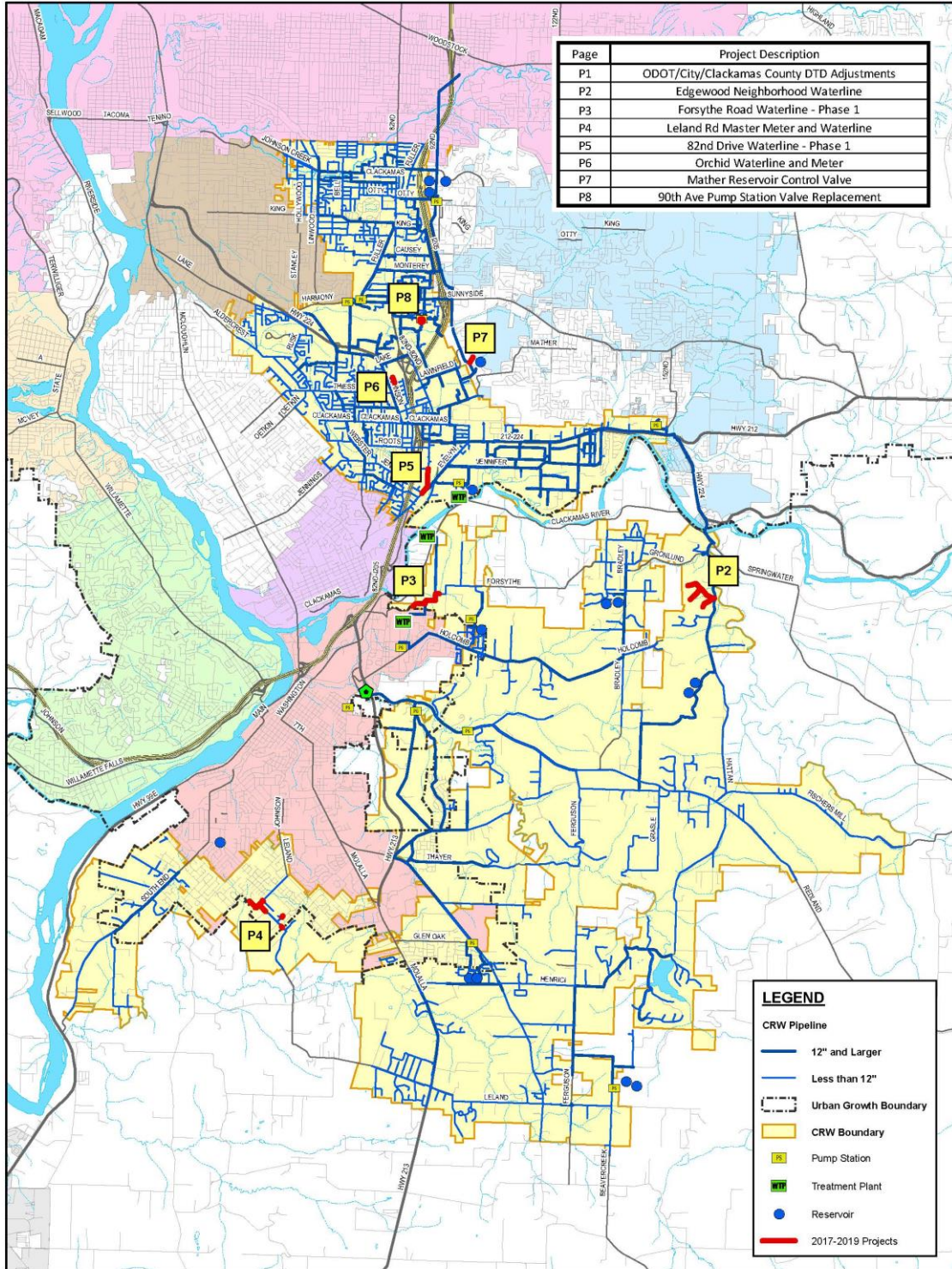
- Transfers In consists of \$3,630,000 from the Capital Reserve Fund. Transfers from the Capital Reserve Fund are not restricted and are used to fund projects as needed.
- Capital Outlay increases \$445,000 due to a rise in planned projects for BN 2019-21. See Projects Listing for breakdown of planned projects.

**CAPITAL IMPROVEMENT PROJECTS FUND
PROJECTS LIST
BN 2019-2021**

Project Number ¹ and Description	Project ID#	BN 2019-2021 Budget
P1 ODOT/City/Clackamas County DTD Adjustments		\$ 286,000
P2 Edgewood Neighborhood Waterline	5239	\$ 1,045,000
P3 Forsythe Road Waterline - Phase 1	TBD	\$ 572,000
P4 Leland Rd Master Meter and Waterline	TBD	\$ 480,000
P5 82nd Drive Waterline - Phase 1	TBD	\$ 814,000
P6 Orchid Waterline and Meter	TBD	\$ 74,000
P7 Mather Reservoir Control Valve	TBD	\$ 210,000
P8 90th Ave. Pump Station Valve Replacement	5248	\$ 150,000
Total Capital Improvement Project Fund BN 2019-2021		\$ 3,631,000

Footnote: ¹ Project locations identified on CRW Service District map on next page.

CLACKAMAS RIVER WATER PROPOSED CAPITAL IMPROVEMENT PROJECTS FY 2019-2021



Date: March 29, 2019
 Drawing Name: CIP_PIPELINE_2019-21.mxd
 Drawing Location: F:\GIS\ArcMap MXD Project Files
 Drawing By: M. Grose



CLACKAMAS RIVER WATER
 GEOGRAPHIC INFORMATION SYSTEM
10700 NE 28th Ave - Clackamas, Oregon
 97122-2025 www.crw.com

CAPITAL IMPROVEMENT PROJECTS
DESCRIPTIONS
FY 2019-2021

P1 - ODOT and Clackamas County DTD Adjustments

Purpose: To provide resources to make adjustments to water mains and services necessitated by other jurisdictions, Oregon Department of Transportation (ODOT) or Clackamas County Department of Transportation and Development (DTD) projects.

Analysis: If these projects are not completed, CRW access to waterline related infrastructure (i.e. valves, vaults, fire hydrants & meters) would be greatly limited and increase maintenance and operational costs. In some cases reconstruction/relocation of vaults, meters and fire hydrants would not occur to accommodate roadway reconstruction.

Description: These transportation projects include roadway realignments and construction by the State or County. CRW's response entails planning, design and construction to adjust, relocate, and upgrade locations of waterlines, valves, hydrants and associated appurtenances due to road reconstruction, bridgework, sidewalks, storm drains and other transportation-related improvements. This category of project also includes any other outside agency projects affecting access to existing CRW facilities or actual installation of water related facilities.

There are potential projects slated for completion by these governmental entities in the next 3-7 years. CRW will need to expend funds to ensure that an adequate response can be made to this development and safeguard its future needs.

Clackamas County is soon to contract a project called the CRC Mobility Project. CRW staff has been coordinating with the County for waterline adjustments to accommodate the roadway improvements. Funds in excess of a general allocation are included to continue the coordination effort and complete the waterline relocations anticipated to occur after June 30, 2019.

PROJECT INFORMATION:

PROJECT MANAGER: Joe Eskew

PROJECT NO: Multiple project numbers

BUDGET & PROJECT COSTS:

FY 2019-20 Budget: \$169,000 (includes \$50,000 for CRC Mobility Improvements, #5243)

FY 2020-21 Budget: \$117,000

FY 2019-2021 Total: \$286,000

CAPITAL IMPROVEMENT PROJECTS
DESCRIPTIONS
FY 2019-2021

P2 - Edgewood Neighborhood Waterlines

Purpose: To design and construct an upgraded waterline to replace existing 6-inch 1960's-era OD steel water main. This waterline is identified in part as Project D-39 of the 2019 Water System Master Plan – South to be in need of upgrade due to age and a significant number of leaks causing ongoing maintenance issues. Replacement of the waterline throughout the neighborhood will limit the impact to customers to a one time disturbance.

Analysis: Design for this project will be completed during FY 2018-19. The budget appropriation for the FY 2019-20 fiscal year will fund the construction and construction services to complete the project. If this project is not completed, more detailed project development costs will be incurred including construction inflation and long term South Side service goals will be delayed.

Description: This waterline will provide a planned upgrade to local customers. The construction portion of the project consists of replacing 4,000 feet of 6-inch OD steel with new 8-inch DI waterline, 40 water service upgrades, new fire hydrants and other related water infrastructure along S. Edgewood Street, S. Edgewood Court and S. Edgewood Lane.

PROJECT INFORMATION:

PROJECT MANAGER: Joe Eskew

PROJECT NO: 5239

BUDGET & PROJECT COSTS:

FY 2019-21 Budget: \$ 0

FY 2020-21 Budget: \$ 1,045,000

FY 2019-2021 Total: \$ 1,045,000

CAPITAL IMPROVEMENT PROJECTS
DESCRIPTIONS
FY 2019-2021

P3 - Forsythe Rd. Waterline – Phase 1

Purpose: To design and construct new ductile iron waterline to replace existing 6-inch 1960's-era OD steel water mains. This is the first phase of a project (Project D-33 in the 2019 Water System Master Plan – South, to replace a waterline that is hydraulically deficient and in need of an upgrade. The segment proposed for replacement has a significant number of leaks causing ongoing maintenance issues. In some cases past leak repairs have included pipe replacement due to excessive existing repair bands.

Analysis: If this project is not completed, more detailed project development including cost estimates and final designs, as well as long term South service goals, will be delayed.

Description: The project consists of the design and construction of approximately 2,000 feet of 1960's-era 6-inch OD steel mains along S. Forsythe Rd. as well as water service upgrades and other related water infrastructure. CRW's design will include hydraulic analysis, and confirm main sizing, routing, and upgrades to existing water services and fire hydrants.

PROJECT INFORMATION:

PROJECT MANAGER: Joe Eskew

PROJECT NO: TBD

BUDGET & PROJECT COSTS:

FY 2019-20 Budget: \$ 572,000

FY 2020-21 Budget: \$ 0

FY 2019-2021 Total: \$ 572,000

CAPITAL IMPROVEMENT PROJECTS

DESCRIPTIONS

FY 2019-2021

P4 - Leland Road Master Meter

Purpose: To design and construct approximately 900 feet of ductile iron waterline to replace existing 6-inch 1960's era OD steel pipeline. Included in the work is a new water master metering vault connecting the Oregon City water supply system to the 8-inch Leland Road waterline.

Analysis: This work is part of the ongoing dual service area cleanup precipitated by annexation of CRW territory by the City of Oregon City. This project has been postponed from prior budgets to take advantage of new 12" waterline installed during ongoing Oregon City land development along Leland Rd.

If this project is not completed the existing master meter and water mains supplying CRW mains on Leland Road within the Oregon City limits must be retained. The retention of these mains will increase maintenance costs within an area outside the CRW service boundary. This project is a portion of an agreed to transition plan to logically and economically divide this service area between Oregon City and CRW as the City annexes properties.

Description: CRW's design will include hydraulic analysis to confirm master meter size and design of vault size and location, together with piping and connections to the Oregon City mains.

PROJECT INFORMATION:

PROJECT MANAGER: Joe Eskew

PROJECT NO: TBD

BUDGET & PROJECT COSTS:

FY 2019-21 Budget: \$ 0

FY 2020-21 Budget: \$ 480,000

FY 2019-2021 Total: \$ 480,000

CAPITAL IMPROVEMENT PROJECTS
DESCRIPTIONS
FY 2019-2021

P5 - 82nd Drive Waterline – Phase 1

Purpose: To design and construct new ductile iron waterline to replace a portion of an existing 10-inch 1920's-era cast iron water main. This is the first phase of a project (Project D-20 and D-22 in the 2019 Water System Master Plan – North) to replace a waterline due to a significant number of leaks, which cause ongoing maintenance and repairs. Subsequent phases will continue the replacement in future years.

Analysis: If this project is not completed, more detailed project development including cost estimates and final designs, as well as long term North service goals, will be delayed.

Description: The project consists of the design and construction of approximately 1,800 feet of 12-inch ductile iron to replace 1920's-era 10-inch cast iron mains along 82nd Drive, as well as water service upgrades and other related water infrastructure. CRW's design will include hydraulic analysis to confirm main sizing, routing, and upgrades to existing water services and fire hydrants.

PROJECT INFORMATION:

PROJECT MANAGER: Joe Eskew
PROJECT NO: TBD

BUDGET & PROJECT COSTS:

FY 2019-20 Budget:	N/A	
FY 2020-21 Budget:	<u>\$ 814,000</u>	(Design and Construct)
FY 2019-2021 Total:	\$ 814,000	

CAPITAL IMPROVEMENT PROJECTS

DESCRIPTIONS

FY 2019-2021

P6 - Orchid Lane Waterline and Meter

Purpose: To design and construct new ductile iron waterline to replace existing 6-inch 1960's-era Cast Iron water mains including a large meter replacement for the Sabin-Schellenberg (School Project D-29 in the 2019 Water System Master Plan – North). This waterline is identified as a long range upgrade in the Plan, but has become an opportunity project due to recent plans for improvement at the school. Inquiries for providing a new fire service have been made, and the school will provide final plans at a later date.

Analysis: If this project is not completed, more detailed project development including cost estimates and final designs, as well as long term North service goals, will be delayed.

Description: The project consists of the design and construction of approximately 60 feet of 8" ductile iron waterline as well as a new 3-inch meter and vault and other related water infrastructure. CRW's design will include hydraulic analysis, and confirm main sizing, routing, and upgrades to existing water services and fire hydrants.

PROJECT INFORMATION:

PROJECT MANAGER: Joe Eskew

PROJECT NO: TBD

BUDGET & PROJECT COSTS:

FY 2019-20 Budget: \$ 74,000

FY 2020-21 Budget: \$ 0

FY 2019-2021 Total: \$ 74,000

CAPITAL IMPROVEMENT PROJECTS
DESCRIPTIONS
FY 2019-2021

P7 - Mather Reservoir Control Valve

Purpose: To design and construct a vault and control valve assembly to allow filling of Mather Reservoir in balance with the newly constructed 152nd Ave Reservoir.

Analysis: During high water demand at 152nd Avenue Reservoir, Mather Reservoir may fill and remain full without turnover as the high lift pumps operate to keep 152nd reservoir full. This is a result of limitations in the existing system piping between the treatment plant and 152nd Avenue Reservoir. A control valve will allow the operator to turn off the high lift pumps during low water use periods and transfer water from Mather to 152nd to allow turnover. If this project is not completed, there may be water quality degradation at the Mather reservoir during peak water use.

Description: CRW's design will include hydraulic analysis, design and construction of the control valve and telemetry for operation of the system.

PROJECT INFORMATION:

PROJECT MANAGER: Joe Eskew
PROJECT NO: TBD

BUDGET & PROJECT COSTS:

FY 2019-20 Budget: \$ 210,000
FY 2020-21 Budget: \$ 0
FY 2019-2021 Total: \$ 210,000

CAPITAL IMPROVEMENT PROJECTS
DESCRIPTIONS
FY 2019-2021

P8 - 90th Ave. Pump Station Valve Replacement

Purpose: To design and construct pump control and check valve replacements within the existing pump station.

Analysis: The 90th Street Pump Station includes two 1,250-gpm pumps and one 3,250-gpm pump. The pump station was constructed in 1984 and is need of major updates. Due to the age of the pumps, the check valves have no external parts and bang loudly during operation. The banging indicates the parts are in need of replacement due to possible damaged seals, which allow backflow through the pumps.

The pump control valves are over 30 years old and were originally installed in a configuration that renders some operating parameters inoperable and difficult to maintain.

If the pump station valves are not replaced, they will fail in the near future and will require emergency replacement. Emergency replacement will most likely cost more related to labor and parts needed.

Description: CRW's design will include hydraulic analysis, design and construction of the control valve and telemetry for operation of the system.

PROJECT INFORMATION:

PROJECT MANAGER: Joe Eskew
PROJECT NO: 5248

BUDGET & PROJECT COSTS:

FY 2019-20 Budget:	N/A
FY 2020-21 Budget:	<u>\$ 150,000</u>
FY 2019-2021 Total:	\$ 150,000

For Fiscal Years 2020 through 2024

Project Title <i>Amounts in Thousands</i>	FY20	FY21	FY22	FY23	FY24	5 YR Total
P1 - ODOT/City/Clackamas Cty DTD Adjustments	169	117	125	125	125	\$ 661
P2 - S. Edgewood St Waterline Replacement	1,045					\$ 1,045
P3 - Forsythe Road Waterline - Phase 1	572					\$ 572
P4 - Leland Rd Master Meter and Waterline		480				\$ 480
P5 - 82nd Drive Waterline - Phase 1		814				\$ 814
P6 - Orchid Waterline and Meter	74					\$ 74
P7 - Mather Reservoir Control Valve	210					\$ 210
P8 - 90th Ave. Pump Station Valve Replacement		150				\$ 150
Forsythe Road Waterline - Phase 2			600			\$ 600
82nd Drive Waterline - Phase 2				700		\$ 700
Manor Dr (Bradley Rd to the west)			280			\$ 280
S. Archer and Fawn Dr Waterline Replacement				250		\$ 250
Roots Road I-205 crossing			500			\$ 500
82nd Drive - Phase 3					800	\$ 800
Lammer Rd waterlin replacement					735	\$ 735
Monroe Improvements - 6" WL plus services					500	\$ 500
Athens Dr (Henrici north)					465	\$ 465
View Glen and Homestead Drive					490	\$ 490
Sandlewood Road					930	\$ 930
Cornwell and Garden Lane					675	\$ 675
Henrici Road (East of Beaver creek to Ferguson Road)					1,325	\$ 1,325
Lamphier Street (82nd Ave to 73rd)					622	\$ 622
Loder Rd					490	\$ 490
Ferguson Rd (Redland/Beckman)					325	\$ 325
Ferguson Rd (Beckman/Ferguson)					900	\$ 900
Ferguson Rd (Conley/Ferguson)					450	\$ 450
Johnson Creek Blvd					209	\$ 209
North SCADA Improvements				30	30	\$ 60
WTP SCADA Improvements				25	30	\$ 55
South SCADA Improvements				25	30	\$ 55
Project Totals by Year	\$2,070	\$1,561	\$1,505	\$1,155	\$9,131	\$15,422

CIP BOND CONSTRUCTION FUND

Overview

The CIP Bond Construction Fund was created for a multi-year, infrastructure improvement project referred to as “Backbone Projects”. Phase one bond funding was received March 2016 and this budget will complete the remaining phase one projects. The improvements will enhance provision of fire flows, system pumping efficiencies, and water quality. These projects will also enable connection of the CRW treatment plant and northern distribution system to our south service area customers, which will improve distribution and use of CRW’s available production capacity.

The resources for completion of these projects are transfers from System Development Charges Reserve Fund and Capital Reserve Fund as Revenue Bond Proceeds were depleted in BN 2017-2019. SWA has obligated funds to share the cost of the 152nd Avenue Reservoir facility in return for future demands of up to 2MG of storage. We estimate

SWA’s portion of the costs to be \$4.5 million; they paid \$3 million by the end of BN2017-19 with the remaining payment due by June 30, 2020.

Requirements for the CIP Bond Construction Fund are shown as Capital Outlay and include internal labor costs associated with project management, design review and construction inspection, as well as external contract work, engineering, public notices, printing and supplies that are directly associated with capital projects.

Where the money comes from...

- Transfers from System Development Charges Reserve Fund
- Transfers from Capital Reserve Fund

Where the money goes...

- Capital Projects

CIP BOND CONSTRUCTION FUND						
Summary	Total 2017-2019	Adopted BN 2019-2021			Change to 2019-2021 from 2017-2019	
		Year 1 2019-2020	Year 2 2020-2021	Total 2019-2021	\$	%
RESOURCES:						
Beginning Fund Balances	\$ 1,000	\$ 1,000		\$ 1,000	\$ -	N/A
Non-Operating Resources	-			-	-	N/A
Transfers	23,192,000	3,500,000		3,500,000	(19,692,000)	-84.9%
TOTAL RESOURCES	\$ 23,193,000	\$ 3,501,000	\$ -	\$ 3,501,000	\$ (19,692,000)	-84.9%
REQUIREMENTS:						
Capital Outlay	\$ 23,193,000	\$ 3,139,000		\$ 3,139,000	\$ (20,054,000)	-86.5%
Reserved for Future Expenditure	-	-	-	362,000	362,000	N/A
TOTAL REQUIREMENTS	\$ 23,193,000	\$ 3,139,000	\$ -	\$ 3,501,000	\$ (19,692,000)	-84.9%

Summary of Fund’s Approved Budget

The adopted budget for the CIP Bond Construction Fund totals \$3,501,000, a decrease of \$19,692,000 over the 2017-19 biennium budget. Highlights of the adopted budget include:

- Transfers In consists of \$2,000,000 from the System Development Charges Reserve Fund (SDC) and \$1,500,000 from the Capital Reserve Fund. SDC transfers are restricted and can only be used for qualified system improvements and reimbursements. Capital Reserve Fund transfers are not restricted and may be used to fund any capital projects as needed.

- Capital Outlay decreases \$19,443,000 due to planned completion of Phase 1 projects for BN 2019-21. See Projects Listing for breakdown of planned projects.
- Phase 2 project planning will begin in BN 2019-21 but will not have an impact on the budget until funding has been authorized and acquired.

CIP BOND CONSTRUCTION FUND PROJECTS LIST BN 2019-2021			
Project Number¹ and Description		Project ID#	BN 2019-2021 Budget
3	152nd Avenue Reservoir	5188	\$ 2,910,000
3	152nd Avenue Reservoir (SWA portion)	5188	\$ (1,500,000)
6	Hattan Road Pump Station	5190	\$ 1,322,000
7	Hattan Road Transmission Main	5191	\$ 382,000
N/A	General Project Administration	5187	\$ 25,000
Total CIP Bond Construction Fund BN 2017-2019			\$ 3,139,000

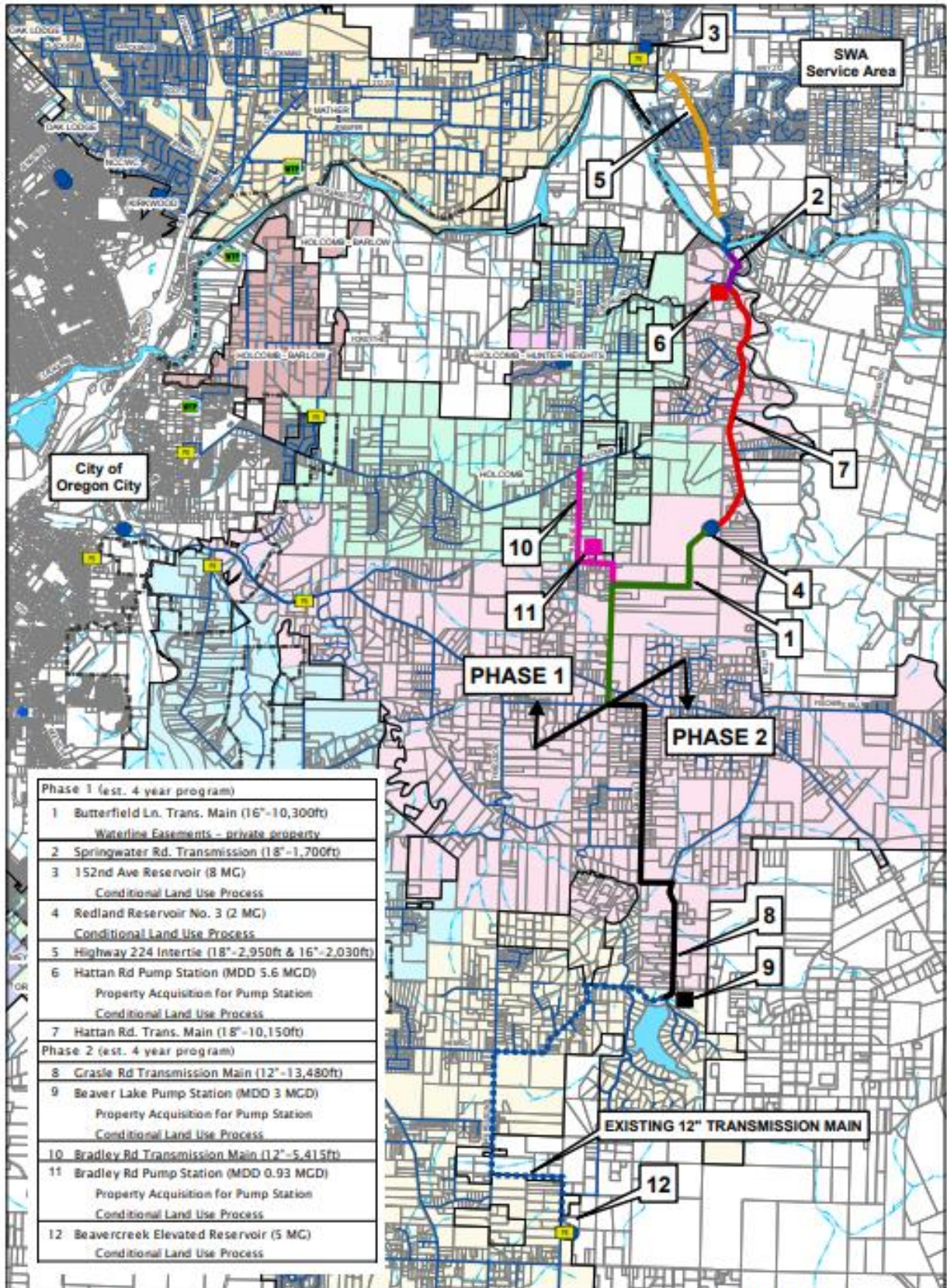
Footnote: ¹ Project locations identified on CRW Service District map on next page.

152nd Ave. Reservoir



BACKBONE PROJECTS

FIGURE 1



Date: November 2015
 Drawing Name: BACKBONE_PROJECTS_Plan_2015-12-03.mxd
 Drawing Location: F:\GIS\Board Mapping\Work Sessions\2015-12-03
 Drawing by: M. Orsini



CLACKAMAS RIVER WATER
 GEOGRAPHIC INFORMATION SYSTEM
97000 00000 00000 00000

**PROJECT DESCRIPTIONS
BN 2019-2021**

3 - 152nd Avenue Reservoir

Purpose: This project will install an approximately 6 million gallon (MG) concrete reservoir and ductile iron transmission main at CRW's 152nd Reservoir property (Tax Lot 3607). It will provide operational storage for CRW's Mather Pressure Zone and south service area, as well as additional storage for Sunrise Water Authority (SWA) demands.

Analysis: This project is required to provide necessary storage to CRW's Mather Pressure Zone and south service area (by way of the Carver Bridge crossing). The project also includes a component for additional storage for SWA demands.

Description: The 152nd Avenue Reservoir project will construct a 6 MG pre-stressed, partially buried concrete reservoir on property owned by the District. The project also includes transmission piping (inlet/outlet piping) and other improvements on CRW property, public right-of-way, and easements. Through an intergovernmental agreement, SWA is contributing funds to a cost share portion of the reservoir facility for future demands of up to 2 MG of storage. This project will complete all reservoir construction activities initiated in the prior fiscal year. This is a multi-year project from the prior fiscal period, and construction is projected to be completed in January 2020.

PROJECT INFORMATION:

PROJECT MANAGER: Adam Bjornstedt
PROJECT NO: 5188

BUDGET & PROJECT COSTS

FY 2019-20 Budget:	\$ 2,910,000
(Less approximately \$1.5M SWA share)	<u>\$ (1,500,000)</u>
FY 2019-2021 Total:	\$1,410,000
FY 2017-2019 approximate Total:	\$10,990,000
Estimated Project Total:	\$13,900,000
(Less approximately \$4.5M SWA share)	<u>\$ (4,500,000)</u>
	\$ 9,400,000

**PROJECT DESCRIPTIONS
BN 2019-2021**

6 - Hattan Road Pump Station

Purpose: This project will install an approximately 5.6 million gallon per day (MGD) pump station, including piping and site improvements, on property owned by the District.

Analysis: This project is required to pump water supplied from the 152nd Avenue Reservoir into the south service area Redland Pressure Zone.

Description: The Hattan Road Pump Station project will install a building and pump station facility capable of pumping an estimated maximum daily demand of 5.6 MGD into the Redland Pressure Zone, via the Hattan Road Transmission Main (separate project). This project will complete all pump station construction activities initiated in the prior fiscal year. This is a multi-year project from the prior fiscal period, and construction is projected to be completed in summer 2019.

PROJECT INFORMATION:

PROJECT MANAGER: Adam Bjornstedt
PROJECT NO: 5190

BUDGET & PROJECT COSTS

FY 2019-21 Budget: \$ 1,322,000

FY 2019-2021 Total: \$ 1,322,000

FY 2017-2019 approximate Total: \$ 3,081,000

Estimated Project Total: \$ 4,402,000

**PROJECT DESCRIPTIONS
BN 2019-2021**

7 - Hattan Road Transmission Main

Purpose: This project will install approximately 10,150 LF of 18" and 20" ductile iron transmission main on Hattan Road to the Redland Reservoir site.

Analysis: This project is required to allow distribution of water from the Hattan Road Pump Station (separate project), down Hattan Road to the Redland Reservoir site (Redland pressure zone).

Description: The Hattan Road Transmission Main will install approximately 10,150 LF of 18-inch ductile iron transmission main from the Hattan Road Pump Station at the intersection of Gronlund and Hattan Roads, approximately 1.6 miles down Hattan Road, and then off-road approximately 0.4 miles to the Redland Reservoir site along existing and expanded waterline easements. This project will provide a sufficiently sized transmission main to meet current and future demands, as well as replacing outdated and substandard 6- and 8-inch cast iron waterlines. All service connections, fire hydrants, and other features on the existing Hattan Road waterline will be replaced and transferred to the new transmission main. The waterline will be fully restrained to meet the District's resiliency needs. This project will complete all water main construction activities initiated in the prior fiscal year. This is a multi-year project from the prior fiscal period, and construction is projected to be completed in summer 2019.

PROJECT INFORMATION:

PROJECT MANAGER: Adam Bjornstedt

PROJECT NO: 5191

BUDGET & PROJECT COSTS

FY 2019-21 Budget: \$ 382,000

FY 2019-2021 Total: \$ 382,000

FY 2017-2019 approximate Total: \$ 3,441,000

Estimated Project Total: \$ 3,823,000

**CIP Bond Construction 5-Year Plan
For Fiscal Years 2020 through 2024**

Project Title <i>in Thousands</i>	FY20	FY21	FY22	FY23	FY24	5-Year Total
Springwater Road Transmission Main						\$ -
152nd Ave. Reservoir	\$ 2,910					\$ 2,910
152nd Ave. Reservoir (SWA portion)	\$(1,500)					\$ (1,500)
Redland Reservoir #3						\$ -
Highway 224 Intertie						\$ -
Hattan Road Pump Station	\$ 1,322					\$ 1,322
Hattan Road Transmission Main	\$ 382					\$ 382
Bradley Rd (Butterfield Ln) Pump Station						\$ -
General Project Administration	25					\$ 25
Project Totals by Year	\$3,139	\$0	\$0	\$0	\$0	\$3,139

Hattan Road Pump Station



OTHER FUNDS

CRWSC Activity Fund

The CRWSC Activity Fund accounts for the District's support of the Clackamas Regional Water Supply Commission (CRWSC), an ORS 190 agreement with Sunrise Water Authority. The primary source of revenue is wholesale water sales and services provided to Sunrise Water Authority.

Capital Reserve Fund

The Capital Reserve Fund accounts for funds reserved for future expansion and improvements to the water system. The primary resources are interest earnings, Sunrise Water Authority, and transfers from the General Fund.

Rate Stabilization Reserve Fund

The Rate Stabilization Reserve Fund accounts for funds reserved for stabilizing the revenues of the District to maintain bond covenants on the 2009 and 2016 Revenue Bond issues. The primary resources are interest earnings.

SDC Reserve Fund

The SDC Reserve Fund accounts for funds reserved for future expansion and improvements to the water system. The primary resources are interest earnings and systems development charges.

Revenue Bond Fund

The Revenue Bond Fund accounts for the redemption of revenue bonds principal and interest expenditures. The primary resources are transfers from the General Fund and interest earnings.

Revenue Bond Proceeds Fund

The Revenue Bond Proceeds Fund accounts for the proceeds of revenue bonds. The primary resources are interest earnings.

CRWSC ACTIVITY FUND

Overview

The CRWSC Activity Fund accounts for costs related to Clackamas Regional Water Supply Commission created by the ORS 190 agreement (the Commission) with Sunrise Water Authority (SWA). The primary resources of the fund are payments from SWA for wholesale water and services provided, and transfers from the General Fund.

This fund was created by Resolution No. 17-2014 adopted March 13, 2014.

Where the money comes from...

- Wholesales water sales
- Payments for services provided

Where the money goes...

- Personnel Services expenditures
- Materials & Services expenditures
- Transfers to the General Fund

CRWSC ACTIVITY FUND						
Summary	Total BN 2017-2019	Adopted BN 2019-2021			Change to 2019-2021 from 2017-2019	
		Year 1 2019-20	Year 2 2020-21	Total 2019-2021	\$	%
RESOURCES:						
Beginning Fund Balances	\$ 98,000	\$ 150,000		\$ 150,000	\$ 52,000	53.1%
Water Sales	1,638,000	835,000	\$ 850,000	1,685,000	47,000	2.9%
Other Operating Revenue	161,600	56,000	57,000	113,000	(48,600)	-30.1%
Non-Operating Revenue	348,200	83,000	85,000	168,000	(180,200)	-51.8%
TOTAL RESOURCES	\$ 2,245,800	\$ 1,124,000	\$ 992,000	\$ 2,116,000	\$ (129,800)	-5.8%
REQUIREMENTS:						
Personnel Services	\$ 267,694	\$ 64,700	\$ 67,600	\$ 132,300	\$ (135,394)	-50.6%
Materials & Services	71,600	74,500	74,400	148,900	77,300	108.0%
Transfers to Other Funds	1,690,000	857,000	865,600	1,722,600	32,600	1.9%
Reserved for Future Expenditure	216,507		112,200	112,200	(104,307)	-48.2%
TOTAL REQUIREMENTS	\$ 2,245,800	\$ 996,200	\$ 1,119,800	\$ 2,116,000	\$ (129,800)	-5.8%

Summary of Fund's Approved Budget: The approved budget for the CRWSC Activity Fund totals \$2,116,000, a decrease of \$129,800 as compared to the FY 2017-19 biennial budget. Highlights of the approved budget include:

- Wholesale water sales are based on Clackamas Regional Water Supply Commission budget and wholesale water sales agreement.
- Other Operating revenues are based on current service level agreements.
- Non-Operating revenues are based on CRWSC budget for resource sharing through intergovernmental agreements.
- Personnel Services are CRW's expenditures attributable to Commission activity.
- Materials & Services are expenditures attributable to Commission activity.
- Transfers to Other Funds are to the General Fund for wholesale water sales and other revenue above expenditures.

Please see Oregon Budget Law required reports located in the Appendix section

CAPITAL RESERVE FUND

Overview

The Capital Reserve Fund accounts for funds reserved for future expansion and improvements to the water system. The primary resources of the fund are interest earned on investments and transfers from the General Fund.

Where the money comes from...

- Transfers from General Fund
- Capital Contribution from SWA
- Earnings on investments

Where the money goes...

- Transfers to the CIP Fund
- Transfers to CIP Bonds Construction Fund
- Reserved for Future Expenditures

CAPITAL RESERVE FUND						
Summary	Total BN 2017-2019	Adopted BN 2019-2021			Change to 2019-2021 from 2017-2019	
		Year 1 2019-20	Year 2 2020-21	Total 2019-2021	\$	%
RESOURCES:						
Beginning Fund Balances	\$ 5,300,000	\$ 5,750,000		\$ 5,750,000	\$ 450,000	8.5%
Other Operating Income	3,000,000	-	\$ -	-	(3,000,000)	-100.0%
Non-Operating Resources	70,400	35,000	\$ 37,200	72,200	1,800	2.6%
Transfers	4,000,000	3,500,000	2,000,000	5,500,000	1,500,000	37.5%
TOTAL RESOURCES	\$ 12,370,400	\$ 9,285,000	\$ 2,037,200	\$ 11,322,200	\$ (1,048,200)	-8.5%
REQUIREMENTS:						
Transfers to Other Funds	\$ 6,185,000	\$ 3,570,000	\$ 1,560,000	\$ 5,130,000	\$ (1,055,000)	-17.1%
Reserved for Future Expenditures	6,185,400		6,192,200	6,192,200	6,800	0.1%
TOTAL REQUIREMENTS	\$ 12,370,400	\$ 3,570,000	\$ 7,752,200	\$ 11,322,200	\$ (1,048,200)	-8.5%

Summary of Fund's Approved Budget: The approved budget for the Capital Reserve Fund totals \$11,322,100, a decrease of \$1,048,300 as compared to the FY 2017-19 biennial budget. Highlights of the approved BN 2019-2021 budget include:

- Beginning Fund Balance increases to \$5,750,000 due to an estimated balance in Reserved for Future Expenditures at the end of fiscal year 2018-19.
- Transfers remain at \$2,000,000 per year per fiscal policies adopted by the Board of Commissioners, and a Capital Contribution from SWA for the final payment for 152nd Ave reservoir.
- Transfer to Other Funds decrease by \$1,055,000 as this budget includes the final payment for CIP Bond Construction Fund shared costs, reducing transfers by \$1,500,000 offset by an increase in CIP projects for the biennium. (See CIP section of Budget for schedule of planned capital projects)
- Reserved for Future Expenditures increases to \$6,192,200.

Please see Oregon Budget Law required reports located in the Appendix section.

RATE STABILIZATION RESERVE FUND

Overview

The Rate Stabilization Reserve Fund accounts for funds reserved for stabilizing the revenues of the District to maintain the bond covenants on the 2009 and 2016 revenue bond issues. The primary resources are interest earned on investments.

Where the money comes from...

- Earnings on investments

Where the money goes...

- Transfers to the General Fund
- Reserved for Rate Stabilization

RATE STABILIZATION RESERVE FUND						
Summary	Total BN 2017-2019	Adopted BN 2019-2021			Change to 2019-2021 from 2017-2019	
		Year 1 2019-20	Year 2 2020-21	Total 2019-2021	\$	%
RESOURCES:						
Beginning Fund Balance	\$ 1,149,000	\$ 1,183,000		\$ 1,183,000	\$ 34,000	3.0%
Non-Operating Resources	26,600	18,000	18,000	36,000	9,400	35.3%
TOTAL RESOURCES	\$ 1,175,600	\$ 1,201,000	\$ 18,000	\$ 1,219,000	\$ 43,400	3.7%
REQUIREMENTS:						
Reserved for Rate Stabilization	1,175,600		1,219,000	1,219,000	43,400	3.7%
TOTAL REQUIREMENTS	\$ 1,175,600	\$ -	\$ 1,219,000	\$ 1,219,000	\$ 43,400	3.7%

Summary of Fund's Approved Budget: The approved budget for the Rate Stabilization Reserve Fund totals \$1,219,000, an increase of \$43,400 as compared to the BN 2017-19 adopted budget. Highlights of the approved budget include:

- Beginning Fund Balance increases \$34,000 based on increased interest earnings from the Local Government Investment Pool for the prior budget cycle.
- Non-Operating Resources increase by \$9,400 due to higher reserve balance and increase in interest rates.

Please see Oregon Budget Law required reports located in the Appendix section.

SDC RESERVE FUND

Overview

The SDC Reserve Fund accounts for funds reserved for future expansion and improvements to the water system. The primary resources are interest earned on investments and system development charges (SDC) on new service applications. The monies in the SDC Reserve Fund are restricted by ORS 223 on system development charges.

Where the money comes from...

- SDC Reimbursements
- SDC Improvements
- Earnings on investments

Where the money goes...

- Transfers to the CIP Bond Construction Fund
- Reserved for Future Expenditures

SDC RESERVE FUND						
Summary	Total BN 2017-2019	Adopted BN 2019-2021			Change to 2019-2021 from 2017-2019	
		Year 1 2019-20	Year 2 2020-21	Total 2019-2021	\$	%
RESOURCES:						
Beginning Fund Balances	\$ 1,180,000	\$ 2,300,000		\$ 2,300,000	\$ 1,120,000	94.9%
SDC Reimbursement/Improvements	560,900	816,000	\$ 816,100	1,632,100	1,071,200	191.0%
Non-Operating Resources	8,900	11,800	11,900	23,700	14,800	166.3%
TOTAL RESOURCES	\$ 1,749,800	\$ 3,127,800	\$ 828,000	\$ 3,955,800	\$ 2,206,000	126.1%
REQUIREMENTS:						
Transfers to Other Funds	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 2,000,000	N/A
Reserved for Future Expenditures	1,749,800	-	1,955,800	1,955,800	206,000	11.8%
TOTAL REQUIREMENTS	\$ 1,749,800	\$ 2,000,000	\$ 1,955,800	\$ 3,955,800	\$ 2,206,000	126.1%

Summary of Fund's Approved Budget: The approved budget for the SDC Reserve Fund totals \$3,955,800, an increase of \$2,206,000 as compared to the BN 2017-19 adopted budget. Highlights of the approved budget include:

- Beginning Fund Balance is estimated at \$2,300,000 as SDC revenue for BN 2017-2019 has exceeded forecast.
- SDC Reimbursement/Improvements increases \$1,071,200 due to anticipated new service requests including two service requests for large meters.
- Transfers to Other Funds increased by \$2,000,000 as SDC Reserves can be used for planned CIP Bond Construction projects. (See Capital section of the budget for a schedule of Planned Projects).
- Reserves for Future Expenditures is estimated at \$1,955,800.

Please see Oregon Budget Law required reports located in the Appendix section.

REVENUE BOND FUND

Overview

The Revenue Bond Fund accounts for the redemption of revenue bonds principal and interest expenditures. The primary resources are transfers from the General Fund.

The revenue bonds were originally issued November 1999. In November 2009 the revenue bonds were refunded with a new issue at a lower interest rate saving ratepayers approximately \$600,000 over the remaining bond term. The balance outstanding as of June 30, 2019 is \$880,000. The 2009 revenue bonds final payment will be November 2020.

The 2016 revenue bonds were issued March 2016 for \$19,790,000 par value. The balance outstanding as of June 30, 2019 is \$18,815,000. The 2016 revenue bonds final payment will be November 2046.

Where the money comes from...

- Transfers from the General Fund
- Earnings on investments

Where the money goes...

- Debt Service

REVENUE BOND FUND						
Summary	Total BN 2017-2019	Adopted BN 2019-2021			Change to 2019-2021 from 2017-2019	
		Year 1 2019-20	Year 2 2020-21	Total 2019-2021	\$	%
RESOURCES:						
Beginning Fund Balance	\$ 484,000	\$ 500,000		\$ 500,000	\$ 16,000	3.3%
Non-Operating Resources	11,200	6,500	\$ 6,500	13,000	1,800	16.1%
Transfers	3,385,750	1,695,275	1,695,400	3,390,675	4,925	0.1%
TOTAL RESOURCES	\$ 3,880,950	\$ 2,201,775	\$ 1,701,900	\$ 3,903,675	\$ 22,725	0.6%
REQUIREMENTS:						
Debt Service	\$ 3,385,750	\$ 1,695,275	\$ 1,695,400	\$ 3,390,675	\$ 4,925	0.1%
Unappropriated and Reserved	495,200		513,000	513,000	17,800	3.6%
TOTAL REQUIREMENTS	\$ 3,880,950	\$ 1,695,275	\$ 2,208,400	\$ 3,903,675	\$ 22,725	0.6%

Summary of Fund's Approved Budget: The approved budget for the Revenue Bond Fund totals \$3,903,675, an increase of \$22,725 as compared to the combined BN 2017-2019 adopted budget. Highlights of the approved budget include:

- Transfers increase \$4,925 and are sufficient to meet debt service payment of principle and interest.
- Debt Service increases \$4,925 based on Series 2009 and Series 2016 revenue bond principal and interest payments.

Please see Oregon Budget Law required reports located in the Appendix section.

REVENUE BOND PROCEEDS FUND

Overview

The Revenue Bond Proceeds Fund accounts for the proceeds of revenue bonds. This is a new fund created during BN 2015-2017 for tracking of proceeds from bonded debt. The primary resource is interest earnings on bond proceeds.

The revenue bonds were issued March 2016 with a par value of \$19,790,000. The bonds sold at a premium. The purpose of the bonded debt is capital improvement projects. More details on the capital projects can be found in the CIP Bond Construction Fund tab.

Where the money comes from...

- Earnings on investments

Where the money goes...

- Transfers to the CIP Bond Construction Fund
- Transfers to the General Fund

REVENUE BOND PROCEEDS FUND						
Summary	Total BN 2017-2019	Adopted BN 2019-2021			Change to 2019-2021 from 2017-2019	
		Year 1 2019-20	Year 2 2020-21	Total 2019-2021	\$	%
RESOURCES:						
Beginning Fund Balance	\$ 20,100,000	\$ 246,000		\$ 246,000	\$ (19,854,000)	-98.8%
Non-Operating Resources	201,400	1,000	\$ -	1,000	(200,400)	-99.5%
TOTAL RESOURCES	\$ 20,301,400	\$ 247,000	\$ -	\$ 247,000	\$ (20,054,400)	-98.8%
REQUIREMENTS:						
Transfers to Other Funds	\$ 20,292,000	\$ -	\$ -	\$ -	\$ (20,292,000)	-100.0%
Unappropriated and Reserved	9,400		247,000	247,000	237,600	2527.7%
TOTAL REQUIREMENTS	\$ 20,301,400	\$ -	\$ 247,000	\$ 247,000	\$ (20,054,400)	-98.8%

Summary of Fund's Approved Budget: The approved budget for the Revenue Bond Proceeds Fund totals \$247,000 a decrease of \$20,054,400 as compared to the FY 2017-19 adopted budget. Highlights of the approved budget include:

- Non-Operating Resources decrease as bond proceeds are spent down on capital improvements.
- Transfers to Other Funds decreases \$20,292,000 as the majority of bond proceeds were spent on planned capital projects in the CIP Bond Construction Fund during the biennial budget 2017-2019. The required spending within the grace period of 85 percent of the revenue bond proceeds were spent on CIP Bond Construction projects by March 2019. (See CIP Bond Construction Fund section of Budget for schedule of planned capital projects).

Please see Oregon Budget Law required reports located in the Appendix section.

GENERAL FUND RESOURCES
LB 20

HISTORIAL DATA (Annual & Biennial)			RESOURCE DESCRIPTION	BIENNIAL BUDGET FOR 2019-2021		
FY 14-15 ACTUAL	BN 15-17 ACTUAL	BN 17-19 BUDGET		PROPOSED BUDGET	APPROVED BUDGET	ADOPTED BUDGET
BEGINNING FUND BALANCE:						
\$ 3,861,753	\$ 4,846,400	\$ 6,200,000	Net Working Capital (Budget)	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000
OTHER RESOURCES:						
9,160,368	20,632,521	21,846,000	Water Sales	24,880,000	24,880,000	24,880,000
88,892	228,949	264,000	Service Connection Fees	282,000	282,000	282,000
60,830	143,429	130,000	Service Charges	136,000	136,000	136,000
18,628	115,614	20,000	Miscellaneous - Operating	20,000	20,000	20,000
9,328,718	21,120,513	22,260,000	Subtotal - Operating resources	25,318,000	25,318,000	25,318,000
104,801	213,090	219,100	Rental Income	232,400	232,400	232,400
12,624	49,884	45,600	Earnings from Investments	125,000	125,000	125,000
31,449	55,073	40,000	Miscellaneous - Non-Operating	40,000	40,000	40,000
-	-	-	Grant Funds	-	-	-
-	40,258	42,500	Right of Way Fees	43,700	43,700	43,700
23,479	29,860	10,000	Surplus Property Sale	10,000	10,000	10,000
172,353	388,165	357,200	Subtotal - Non operating resources	451,100	451,100	451,100
-	269,500	100,000	Transfer from Revenue Bond Proceeds Fund	-	-	0
785,000	1,585,000	1,690,000	Transfer From CRWSC Activity Fund	1,722,600	1,722,600	1,722,600
\$ 14,147,824	\$ 28,209,578	\$ 30,607,200	TOTAL RESOURCES	\$ 34,091,700	\$ 34,091,700	\$ 34,091,700

FY 2014-2015 is for a one year period compared to subsequent years with authorized biennial budgets
The Board of Commissioners adopted Resolution No. 05-2015 authorizing biennial budgeting beginning July 1, 2015.

**GENERAL FUND REQUIREMENTS
SUMMARY BY DEPARTMENT
LB-30**

HISTORICAL DATA (Annual & Biennial)			Description of Resources and Requirements	BIENNIAL BUDGET FOR 2019-2021		
FY 14-15 ACTUAL	BN 15-17 ACTUAL	BN 17-19 BUDGET		PROPOSED BUDGET	APPROVED BUDGET	ADOPTED BUDGET
PERSONNEL SERVICES						
\$ 734,533	\$ 1,632,312	\$ 1,769,000	Administration	\$2,394,900	\$ 2,394,900	\$ 2,394,900
91,236	187,577	-	Board	-	-	-
342,729	922,895	1,163,800	Engineering	-	-	-
767,100	1,352,817	1,719,000	FACS	1,995,700	1,995,700	1,995,700
948,996	2,167,852	2,316,600	System Operations	4,179,200	4,179,200	4,179,200
1,052,020	2,151,912	2,427,700	Water Resources	\$2,838,500	2,838,500	2,838,500
3,936,614	8,415,365	9,396,100	TOTAL PERSONNEL SERVICES	11,408,300	11,408,301	11,408,301
MATERIALS & SERVICES						
853,120	1,128,190	1,455,600	Administration	2,197,000	2,197,000	2,197,000
25,755	65,433	-	Board	-	-	-
23,358	358,540	896,100	Engineering	-	0	0
309,927	896,480	763,000	FACS	855,300	855,300	855,300
345,979	801,789	1,039,400	System Operations	1,461,400	1,461,400	1,461,400
1,716,697	3,887,022	4,108,500	Water Resources	4,337,600	4,337,600	4,337,600
3,274,836	7,137,455	8,262,600	TOTAL MATERIALS & SERVICES	8,851,300	8,851,300	8,851,300
CAPITAL OUTLAY						
60,473	193,951	573,300	Administration	323,200	323,200	323,200
-	7,229	-	Engineering	-	-	-
-	-	-	FACS	-	-	-
205,413	434,777	702,500	System Operations	838,800	838,800	838,800
118,532	176,558	230,000	Water Resources	249,000	249,000	249,000
384,418	812,515	1,505,800	TOTAL CAPITAL OUTLAY	1,411,000	1,411,000	1,411,000
7,595,868	16,365,335	19,164,500	TOTAL DEPARTMENT EXPENDITURES	21,670,600	21,670,600	21,670,600
TRANSFERS						
455,555	2,290,277	3,385,750	To Revenue Bond Fund	3,390,675	3,390,675	3,390,675
-	-	-	To CRWSC Activity Fund	-	-	-
1,250,000	4,000,000	4,000,000	To Capital Reserve Fund	4,000,000	-	-
-	-	-	Future Reserves	-	-	-
1,705,555	6,290,277	7,385,750	TOTAL TRANSFERS TO OTHER FUNDS	7,390,675	3,390,675	3,390,675
		739,000	General Operating Contingency	750,000	750,000	750,000
1,705,555	6,290,277	8,124,750	TOTAL TRANSFERS & CONTINGENCY	8,140,675	4,140,675	4,140,675
9,301,423	22,655,612	27,289,250	TOTAL EXPENDITURES	29,811,275	25,811,275	25,811,275
4,846,400	5,553,965	3,317,950	UNAPPROPRIATED FUND BALANCE	4,280,425	4,280,425	4,280,425
\$ 14,147,823	\$ 28,209,577	\$ 30,607,200	TOTAL	\$ 34,091,700	\$ 30,091,700	\$ 30,091,700

FY 2014-2015 is for a one year period compared to subsequent years with authorized biennial budgets
The Board of Commissioners adopted Resolution No. 05-2015 authorizing biennial budgeting beginning July 1, 2015.

GENERAL FUND DETAILED REQUIREMENTS

LB-31

HISTORICAL DATA (Annual & Biennial)			Description of Resources and Requirements	BIENNIAL BUDGET FOR 2019-2021		
FY 14-15 ACTUAL	BN 15-17 ACTUAL	BN 17-19 BUDGET		PROPOSED BUDGET	APPROVED BUDGET	APPROVED BUDGET
Personnel Services:						
\$ 2,646,164	\$ 5,469,915	\$ 5,909,400	Salaries	\$6,753,800	\$ 6,753,800	\$ 6,753,800
1,290,451	2,945,450	3,486,700	Benefits and taxes	4,654,500	4,654,500	4,654,500
\$ 3,936,614	\$ 8,415,365	\$ 9,396,100	PERSONNEL SERVICES TOTAL	\$ 11,408,300	\$ 11,408,300	\$ 11,408,300
Materials & Services:						
86,382	310,854	308,500	Customer Services	342,900	342,900	342,900
302,412	531,895	748,600	Equipment	809,700	809,700	809,700
270,118	456,340	593,800	Facilities & Security	699,300	699,300	699,300
370,135	407,522	891,600	General Administration	935,500	935,500	935,500
127,191	294,853	309,900	Materials	363,600	363,600	363,600
64,391	124,502	147,700	Office	170,900	170,900	170,900
85,830	207,469	294,900	Other Support Costs	308,600	308,600	308,600
(169,688)	(408,516)	(1,088,000)	Overhead Reimbursement (CIP Fund)	(530,600)	(530,600)	(530,600)
469,983	1,492,216	2,071,200	Professional & Contracted Services	1,911,600	1,911,600	1,911,600
685,313	1,376,890	1,515,700	Utilities	1,753,400	1,753,400	1,753,400
982,768	2,343,429	2,468,700	Water Purchases & Treatment	2,086,400	2,086,400	2,086,400
3,274,836	7,137,454	8,262,600	MATERIALS & SERVICES TOTAL	8,851,300	8,851,300	8,851,300
Capital Outlay:						
-	6,505	150,000	Land	250,000	250,000	250,000
124,267	312,499	408,000	Improvements	248,000	248,000	248,000
162,693	350,826	165,000	Vehicles	294,600	294,600	294,600
25,147	73,959	548,500	General Equipment & Tools	384,200	384,200	384,200
	7,850	-	Laboratory Equipment	-	-	-
9,773	23,330	84,300	Computer Equipment	84,200	84,200	84,200
62,537	37,547	150,000	Other	150,000	150,000	150,000
384,418	812,516	1,505,800	CAPITAL OUTLAY TOTAL	1,411,000	1,411,000	1,411,000
7,595,868	16,365,335	19,164,500	DEPARTMENT TOTALS	21,670,600	20,259,600	20,259,600
Transfers & Contingency:						
455,555	2,290,277	3,385,750	To Revenue Bond Fund	3,390,675	3,390,675	3,390,675
	-	-	To CRWSC Activity Fund	-	-	-
1,250,000	4,000,000	4,000,000	To Capital Reserve Fund	4,000,000	4,000,000	4,000,000
	-	739,000	General Operating Contingency	750,000	750,000	750,000
1,705,555	6,290,277	8,124,750	TRANSFERS & CONTINGENCY TOTAL	8,140,675	8,140,675	8,140,675
4,846,400	5,553,965	3,317,950	UNAPPROPRIATED FUND BALANCE	4,280,425	4,280,425	4,280,425
\$ 14,147,823	\$ 28,209,577	\$ 30,607,200	TOTAL GENERAL FUND BUDGET	\$ 34,091,700	\$ 32,680,700	\$ 32,680,700

FY 2014-2015 is for a one year period compared to subsequent years with authorized biennial budgets

The Board of Commissioners adopted Resolution No. 05-2015 authorizing biennial budgeting beginning July 1, 2015.

[See pages 40 and 41 for expenditure account group descriptions](#)

CAPITAL IMPROVEMENT PROJECTS FUND
SPECIAL FUND - LB 10
RESOURCES AND REQUIREMENTS

HISTORICAL DATA (Annual & Biennial)			Description of Resources and Requirements	BIENNIAL BUDGET FOR 2019-2021		
FY 14-15 ACTUAL	BN 15-17 ACTUAL	BN 17-19 BUDGET		PROPOSED BUDGET	APPROVED BUDGET	ADOPTED BUDGET
RESOURCES						
BEGINNING FUND BALANCE:						
\$ 191,454	\$ 26,425	\$ 1,000	Cash on hand (cash basis):	\$ 1,000	\$ 1,000	\$ 1,000
860	3,249	-	Earnings from investments	- \$	- \$	-
-	52,077	-	ODOT-Reimbursement	- \$	- \$	-
-	-	-	PGE Grant	- \$	- \$	-
8,125	3,079	-	Other Operating Income	- \$	- \$	-
Transferred In:				\$	- \$	-
225,000	-	-	SDC Reserve Fund	- \$	- \$	-
775,000	2,700,000	3,185,000	Capital Reserve Fund	3,630,000	\$ 3,630,000	\$ 3,630,000
1,200,439	2,784,830	3,186,000	Resources Without Taxes	3,631,000	3,631,000	3,631,000
\$ 1,200,439	\$ 2,784,830	\$ 3,186,000	TOTAL RESOURCES	\$ 3,631,000	\$ 3,631,000	\$ 3,631,000
REQUIREMENTS						
Capital Outlay:						
1,174,014	2,633,585	3,186,000	Project Expenses	3,631,000	3,631,000	3,631,000
1,174,014	2,633,585	3,186,000	Capital Outlay Total	3,631,000	3,631,000	3,631,000
Reserved Future Expenditures:						
26,425	151,245	-	Reserved Future Expenditures	-	-	-
26,425	151,245	-	Reserved Future Expenditures Total	-	-	-
\$ 1,200,439	\$ 2,784,830	\$ 3,186,000	TOTAL REQUIREMENTS	\$ 3,631,000	\$ 3,631,000	\$ 3,631,000

BN 2017-2019 and BN 2015-2017 are for a two (2) year period compared to prior years annual budget
The Board of Commissioners adopted Resolution No. 05-2015 authorizing biennial budgeting beginning July 1, 2015.

**CIP Bond Construction Fund
SPECIAL FUND - LB 10
RESOURCES AND REQUIREMENTS**

HISTORIAL DATA (Annual & Biennial)			Description of Resources and Requirements	BIENNIAL BUDGET FOR 2019-2021		
FY 14-15 ACTUAL	BN 15-17 ACTUAL	BN 17-19 BUDGET		PROPOSED BUDGET	APPROVED BUDGET	ADOPTED BUDGET
RESOURCES						
BEGINNING FUND BALANCE:						
\$ -	\$ -	\$ 1,000	Cash on hand (cash basis):	\$ 1,000	\$ 1,000	\$ 1,000
Transferred In:						
-	-	3,000,000	Capital Reserve Fund	1,500,000	1,500,000	1,500,000
-	-	-	SDC Reserve Fund	2,000,000	2,000,000	2,000,000
-	3,000,000	20,192,000	Revenue Bond Proceeds Fund	-	-	-
-	-	-				
-	3,000,000	23,193,000	Resources Without Taxes	3,501,000	3,501,000	3,501,000
\$ -	\$ 3,000,000	\$ 23,193,000	TOTAL RESOURCES	\$ 3,501,000	\$ 3,501,000	\$ 3,501,000
REQUIREMENTS						
Capital Outlay:						
-	3,298,811	23,193,000	Project Expenses	3,139,000	3,139,000	3,139,000
-	3,298,811	23,193,000	Capital Outlay Total	3,139,000	3,139,000	3,139,000
Reserved Future Expenditures:						
-	(298,811)	-	Reserved Future Expenditures	362,000	362,000	362,000
-	(298,811)	-	Reserved Future Expenditures Total	362,000	362,000	362,000
\$ -	\$ 3,000,000	\$ 23,193,000	TOTAL REQUIREMENTS	\$ 3,501,000	\$ 3,501,000	\$ 3,501,000

Fund established in BN 2015-2017 with Res. No. 10-2016
FY 2014-2015 is for a one year period compared to subsequent years with authorized biennial budgets
The Board of Commissioners adopted Resolution No. 05-2015 authorizing biennial budgeting beginning July 1, 2015.

**CAPITAL RESERVE FUND
RESERVE FUND - LB 11
RESOURCES AND REQUIREMENTS**

HISTORIAL DATA (Annual & Biennial)			Description of Resources and Requirements	BIENNIAL BUDGET FOR 2019-2021		
FY 14-15 ACTUAL	BN 15-17 ACTUAL	BN 17-19 BUDGET		PROPOSED BUDGET	APPROVED BUDGET	ADOPTED BUDGET
RESOURCES						
BEGINNING FUND BALANCE:						
\$ 3,013,365	\$ 3,507,600	\$ 5,300,000	Cash on hand (cash basis):	\$ 5,750,000	\$ 5,750,000	\$ 5,750,000
-	-	3,000,000	Other Operatinag Income	-	\$ -	\$ -
Transferred From General Fund for						
1,250,000	4,000,000	4,000,000	Future Reserves	4,000,000	4,000,000	4,000,000
-	-	-	IGA Cost Share	1,500,000	1,500,000	1,500,000
19,235	80,177	70,400	Earnings from investments	72,200	72,200	72,200
4,282,600	7,587,777	12,370,400	Resources Without Taxes	11,322,200	11,322,200	11,322,200
\$ 4,282,600	\$ 7,587,777	\$ 12,370,400	TOTAL RESOURCES	\$ 11,322,200	\$ 11,322,200	\$ 11,322,200
REQUIREMENTS						
\$ 775,000	\$ 2,700,000	\$ 3,185,000	Transferred to CIP Fund	\$ 3,630,000	\$ 3,630,000	\$ 3,630,000
-	-	3,000,000	Transferred to CIP Bond Construction Fund	1,500,000	1,500,000	1,500,000
3,507,600	4,887,777	6,185,400	Reserved for Future Expenditures	6,192,200	6,192,200	6,192,200
\$ 4,282,600	\$ 7,587,777	\$ 12,370,400	TOTAL REQUIREMENTS	\$ 11,322,200	\$ 11,322,200	\$ 11,322,200

FY 2014-2015 is for a one year period compared to subsequent years with authorized biennial budgets
The Board of Commissioners adopted Resolution No. 05-2015 authorizing biennial budgeting beginning July 1, 2015.

CRWSC ACTIVITY FUND
SPECIAL FUND - LB 10
RESOURCES AND REQUIREMENTS

HISTORIAL DATA (Annual & Biennial)			Description of Resources and Requirements	BIENNIAL BUDGET FOR 2019-2021		
FY 14-15 ACTUAL	BN 15-17 ACTUAL	BN 17-19 BUDGET		PROPOSED BUDGET	APPROVED BUDGET	ADOPTED BUDGET
RESOURCES						
BEGINNING FUND BALANCE:						
\$ 415	\$ 133,178	\$ 98,000	Net Working Capital:	\$ 150,000	\$ 150,000	\$ 150,000
795,506	1,623,734	1,638,000	Wholesale Water Sales	1,685,000	1,685,000	1,685,000
25,101	107,050	161,600	Other Operating Revenue	78,000	78,000	78,000
122,749	-	287,200	Contract Services / Resource Sharing	91,700	91,700	91,700
-	389,792	61,000	Non-operating Revenue	111,300	111,300	111,300
943,771	2,253,754	2,245,800	Resources Without Taxes	2,116,000	2,116,000	2,116,000
\$ 943,771	\$ 2,253,754	\$ 2,245,800	TOTAL RESOURCES	\$ 2,116,000	\$ 2,116,000	\$ 2,116,000
REQUIREMENTS						
Personnel Services:						
\$ -	\$ 389,651	\$ 195,685	Salaries & Wages	\$ 85,600	\$ 85,600	\$ 85,600
-	-	72,009	Benefit & Taxes	46,700	46,700	46,700
-	389,651	267,694	Total Personnel Services	132,300	132,300	132,300
Material & Services:						
9,883	32,200	20,900	Equipment	79,400	79,400	79,400
545	1,024	800	Customer Services	-	-	0
1,295	98		Facilities and Security	-	-	
1,651	3,875	13,900	General Administrator	8,800	8,800	8,800
137	-	400	Materials	-	-	0
179	176	600	Office	300	300	300
1,990	4,449	8,000	Other Support Costs	3,300	3,300	3,300
-	-	-	Overhead	-	-	-
5,340	61,701	16,200	Professional & Contracted Services	9,900	9,900	9,900
3,698	9,325	6,200	Utilities	14,500	14,500	14,500
876	6,745	4,600	Water Purchases & Treatment	32,700	32,700	32,700
25,593	119,594	71,600	Material & Services Total	148,900	148,900	148,900
Transfers:						
785,000	1,585,000	1,690,000	General Fund	1,722,600	1,722,600	1,722,600
785,000	1,585,000	1,690,000	Transfers Total	1,722,600	1,722,600	1,722,600
133,178	159,509	216,507	Reserved Future Expenditures	112,200	112,200	112,200
\$ 943,771	\$ 2,253,754	\$ 2,245,800	TOTAL REQUIREMENTS	\$ 2,116,000	\$ 2,116,000	\$ 2,116,000

FY 2014-2015 is for a one year period compared to subsequent years with authorized biennial budgets
The Board of Commissioners adopted Resolution No. 05-2015 authorizing biennial budgeting beginning July 1, 2015.

**RATE STABILIZATION RESERVE FUND
RESERVE FUND - LB 11
RESOURCES AND REQUIREMENTS**

HISTORIAL DATA (Annual & Biennial)			Description of Resources and Requirements	BIENNIAL BUDGET FOR 2019-2021		
FY 14-15 ACTUAL	BN 15-17 ACTUAL	BN 17-19 BUDGET		PROPOSED BUDGET	APPROVED BUDGET	ADOPTED BUDGET
RESOURCES						
BEGINNING FUND BALANCE:						
\$ 1,131,520	\$ 1,137,350	\$ 1,149,000	Cash on Hand (cash basis):	\$ 1,183,000	\$ 1,183,000	\$ 1,183,000
5,830	19,484	26,600	Earnings From Investments	36,000	36,000	36,000
1,137,350	1,156,834	1,175,600	Resources Without Taxes	1,219,000	1,219,000	1,219,000
\$ 1,137,350	\$ 1,156,834	\$ 1,175,600	TOTAL RESOURCES	\$ 1,219,000	\$ 1,219,000	\$ 1,219,000
REQUIREMENTS						
\$ -	\$ -	\$ -	- Transfer to General Fund	\$ -	\$ -	\$ -
1,137,350	1,156,834	1,175,600	Reserved for Rate Stabilization	1,219,000	1,219,000	1,219,000
\$ 1,137,350	\$ 1,156,834	\$ 1,175,600	TOTAL REQUIREMENTS	\$ 1,219,000	\$ 1,219,000	\$ 1,219,000

FY 2014-2015 is for a one year period compared to subsequent years with authorized biennial budgets
The Board of Commissioners adopted Resolution No. 05-2015 authorizing biennial budgeting beginning July 1, 2015.

**SDC RESERVE FUND
RESERVE FUND - LB 11
RESOURCES AND REQUIREMENTS**

HISTORIAL DATA (Annual & Biennial)			Description of Resources and Requirements	BIENNIAL BUDGET FOR 2019-2021		
FY 14-15 ACTUAL	BN 15-17 ACTUAL	BN 17-19 BUDGET		PROPOSED BUDGET	APPROVED BUDGET	ADOPTED BUDGET
RESOURCES						
BEGINNING FUND BALANCE:						
\$ 394,978	\$ 415,329	\$ 1,180,000	Cash on hand (cash basis):	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000
106,034	352,320	262,000	SDC Reimbursement	797,600	797,600	797,600
137,302	554,635	298,900	SDC Improvement	834,500	834,500	834,500
2,015	17,348	8,900	Earnings from investments	23,700	23,700	23,700
640,329	1,339,632	1,749,800	Resources Without Taxes	3,955,800	3,955,800	3,955,800
\$ 640,329	\$ 1,339,632	\$ 1,749,800	TOTAL RESOURCES	\$ 3,955,800	\$ 3,955,800	\$ 3,955,800

REQUIREMENTS						
\$ 225,000	\$ -	\$ -	- Transfer to CIP Fund	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	- Transfer to CIP Bond Construction Fund	\$ 2,000,000		
-	-	-	- Transfer to Revenue Bond Fund	-	-	-
415,329	1,339,632	1,749,800	Reserved Future Expenditures	1,955,800	3,955,800	3,955,800
\$ 640,329	\$ 1,339,632	\$ 1,749,800	TOTAL REQUIREMENTS	\$ 3,955,800	\$ 3,955,800	\$ 3,955,800

FY 2014-2015 is for a one year period compared to subsequent years with authorized biennial budgets
The Board of Commissioners adopted Resolution No. 05-2015 authorizing biennial budgeting beginning July 1, 2015.

**REVENUE BOND PROCEEDS FUND
RESERVE FUND - LB 11
RESOURCES AND REQUIREMENTS**

HISTORIAL DATA (Annual & Biennial)			Description of Resources and Requirements	BIENNIAL BUDGET FOR 2019-2021		
FY 14-15 ACTUAL	BN 15-17 ACTUAL	BN 17-19 BUDGET		PROPOSED BUDGET	APPROVED BUDGET	ADOPTED BUDGET
RESOURCES						
BEGINNING FUND BALANCE:						
\$ -	\$ 23,232,246	\$ 20,100,000	Cash on hand (cash basis):	\$ 246,000	\$ 246,000	\$ 246,000
-	296,700	201,400	Earnings from investments	1,000	1,000	1,000
-	23,528,946	20,301,400	Resources Without Taxes	247,000	247,000	247,000
\$ -	\$ 23,528,946	\$ 20,301,400	TOTAL RESOURCES	\$ 247,000	\$ 247,000	\$ 247,000
REQUIREMENTS						
\$ -	\$ 74,213	\$ -	Interest on bonds	\$ -	\$ -	\$ -
-	269,500	100,000	Transfer to General Fund	-	-	-
-	3,000,000	20,192,000	Transfer to CIP Bond Construction Fund	-	-	-
-	20,185,233	9,400	Reserved for Future Expenditures	247,000	247,000	247,000
\$ -	\$ 23,528,946	\$ 20,301,400	TOTAL REQUIREMENTS	\$ 247,000	\$ 247,000	\$ 247,000

Fund established in BN 2015-2017 with Res. No. 10-2016
FY 2014-2015 is for a one year period compared to subsequent years with authorized biennial budgets
The Board of Commissioners adopted Resolution No. 05-2015 authorizing biennial budgeting beginning July 1, 2015.

**REVENUE BOND FUND
BONDED DEBT - LB 35
RESOURCES AND REQUIREMENTS**

HISTORICAL DATA (Annual & Biennial)			Description of Resources and Requirements	BIENNIAL BUDGET FOR 2019-2021		
FY 14-15 ACTUAL	BN 15-17 ACTUAL	BN 17-19 BUDGET		PROPOSED BUDGET	APPROVED BUDGET	ADOPTED BUDGET
RESOURCES:						
BEGINNING FUND BALANCE:						
\$ 477,661	\$ 479,746	\$ 484,000	Cash on hand (cash basis)	\$ 500,000	\$ 500,000	\$ 500,000
2,085	6,967	11,200	Earning From Investments	13,000	13,000	13,000
455,555	2,290,277	3,385,750	Transfer From General Fund	3,390,675	3,390,675	3,390,675
-	-	-	- Transfer From SDC Fund	-	-	-
935,301	2,776,990	3,880,950	Resources Without Taxes	3,903,675	3,903,675	3,903,675
\$ 935,301	\$ 2,773,090	\$ 3,880,950	TOTAL RESOURCES	\$ 3,903,675	\$ 3,903,675	\$ 3,903,675
REQUIREMENTS:						
\$ 360,000	\$ 1,060,000	\$ 1,465,000	Principal	\$ 1,580,000	\$ 1,580,000	\$ 1,580,000
95,555	1,230,277	1,920,750	Interest	1,810,675	1,810,675	1,810,675
479,746	486,713	495,200	Unappropriated and Reserved	513,000	513,000	513,000
\$ 935,301	\$ 2,776,990	\$ 3,880,950	TOTAL REQUIREMENTS	\$ 3,903,675	\$ 3,903,675	\$ 3,903,675

SUPPLEMENT LB-36






HISTORICAL DATA (Annual & Biennial)			Schedule of Payments	BIENNIAL BUDGET FOR 2019-2021		
FY 14-15 ACTUAL	BN 15-17 ACTUAL	BN 17-19 BUDGET		PROPOSED BUDGET	APPROVED BUDGET	ADOPTED BUDGET
BOND PRINCIPAL PAYMENTS						
Issue Date - Payment Date						
\$ 360,000	\$ 745,000	\$ 805,000	2009 - 11/1/19 & 11/1/20	\$ 880,000	\$ 880,000	\$ 880,000
-	315,000	660,000	2016 - 11/1/19 & 11/1/20	700,000	\$ 700,000	\$ 700,000
360,000	1,060,000	1,465,000	Total Principal Payments	1,580,000	1,580,000	1,580,000
BOND INTEREST PAYMENTS						
Issue Date - Payment Date						
95,555	157,375	103,100	2009 - 11/1/19, 5/1/20, 11/1/20, & 5/1/21	35,600	35,600	35,600
-	1,072,902	1,817,650	2016 - 11/1/19, 5/1/20, 11/1/20, & 5/1/21	1,775,075	1,775,075	1,775,075
95,555	1,230,277	1,920,750	Total Interest Payments	1,810,675	1,810,675	1,810,675
UNAPPROPRIATED ENDING FUND						
479,746	486,713	495,200	Unappropriated Fund Balance	513,000	513,000	513,000
\$ 935,301	\$ 2,776,990	\$ 3,880,950	TOTAL REQUIREMENTS	\$ 3,903,675	\$ 3,903,675	\$ 3,903,675

FY 2014-2015 is for a one year period compared to subsequent years with authorized biennial budgets
The Board of Commissioners adopted Resolution No. 05-2015 authorizing biennial budgeting beginning July 1, 2015.



CLACKAMAS RIVER WATER

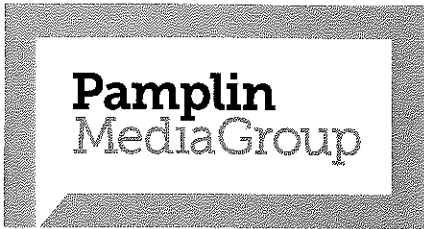
BN 2019-2021

CHANGES FROM PROPOSED TO APPROVED BUDGET

 Increase  Decrease	Description	Proposed	Approved	\$ Change	% Change
	General Fund Personnel Services	\$ 10,933,300	\$ 11,408,300	\$ 475,000	4.34%
NA	General Fund Materials & Services	\$ 8,851,300	\$ 8,851,300	\$ -	0.00%
	General Fund Unappropriated Fund Bal.	\$ 4,820,425	\$ 4,280,425	\$ (540,000)	-11.20%
	Capital Outlay	\$ 1,346,000	\$ 1,411,000	\$ 65,000	4.83%
NA	Other Funds	No Changes were made			

CHANGES FROM APPROVED TO ADOPTED BUDGET

 Increase  Decrease	Description	Approved	Adopted	\$ Change	% Change
NA	General Fund Personnel Services	No Changes were made			
NA	General Fund Materials & Services	No Changes were made			
NA	General Fund Unappropriated Fund Bal.	No Changes were made			
NA	Capital Outlay	No Changes were made			
NA	Other Funds	No Changes were made			



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E-mail: legals@commnewspapers.com

AFFIDAVIT OF PUBLICATION

State of Oregon, County of Clackamas, SS I, Charlotte Allsop, being the first duly sworn, depose and say that I am the Accounting Manager of the **Clackamas Review, Estacada News, Oregon City News**, a newspaper of general circulation, serving Clackamas, Estacada, Oregon City in the aforesaid county and state, as defined by ORS 193.010 and 193.020, that

**Clackamas River Water
Public Notices
Thursday April 18, 2019, at 6:00 p.m.
Ad#: 102813**

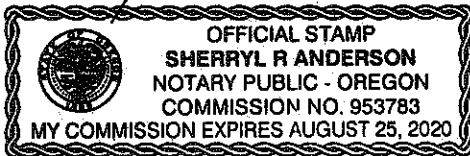
A copy of which is hereto annexed, was published in the entire issue of said newspaper(s) for 1 week(s) in the following issue(s):
04/10/2019, 04/11/2019

Charlotte Allsop

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this 04/11/2019.

Sherryl R Anderson
NOTARY PUBLIC FOR OREGON



Acct #: 116241
Attn: Karin Holzgang
CLACKAMAS RIVER WATER
16770 SE 82ND DRIVE
CLACKAMAS, OR 97015

Public Notice

A public meeting of the Budget Committee of Clackamas River Water, Clackamas County, State of Oregon, to discuss the budget for the Biennium July 1, 2019, to June 30, 2021, will be held at 16770 SE 82nd Drive, Clackamas, Oregon, 97015. The meeting will take place on **Thursday April 18, 2019, at 6:00 p.m.** Additionally, the second and third meetings are scheduled for Thursday April 25, 2017 and Tuesday April 30, 2019, if needed. The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. This is a public meeting where deliberation of the Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the Budget Committee. A copy of the budget document may be inspected or obtained on April 11, 2017, or anytime thereafter, at 16770 SE 82nd Drive, between the hours of 8:00 a.m. and 4:00 p.m. or on-line at www.cwater.com.

The budget committee meeting is open to the public and will be held at CRW Administrative Offices at 16770 SE 82nd Drive, Clackamas, in the Boardroom.
Publish April 10, 2019. CLK102813

Pamplin Media Group

6605 SE Lake Road, Portland, OR 97222
 PO Box 22109 Portland, OR 97269-2169
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 E-mail: legals@commnewspapers.com

AFFIDAVIT OF PUBLICATION

State of Oregon, County of Clackamas, SS I, Charlotte Allsop, being the first duly sworn, depose and say that I am the Accounting Manager of the **Clackamas Review, Estacada News, Oregon City News**, a newspaper of general circulation, serving Clackamas, Estacada, Oregon City in the aforesaid county and state, as defined by ORS 193.010 and 193.020, that

**Clackamas River Water
 Notice of Budget Hearing, Thursday, June
 13, 2019 at 6:00 p.m.
 Ad#: 109996**

A copy of which is hereto annexed, was published in the entire issue of said newspaper(s) for 1 week(s) in the following issue(s):
05/22/2019, 05/23/2019

Charlotte Allsop

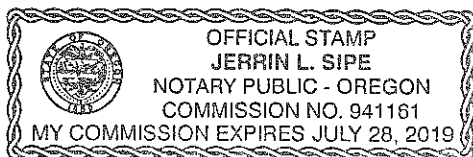
Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this
 05/23/2019.

Jerrin L. Sipe

NOTARY PUBLIC FOR OREGON

Acct #: 116241
Attn: Karen Holzgang
 CLACKAMAS RIVER WATER
 16770 SE 82ND DRIVE
 CLACKAMAS, OR 97015



FORM LB-1

NOTICE OF BUDGET HEARING

A public meeting of Clackamas River Water Board of Commissioners will be held on Thursday, June 13, 2019 at 6:00 pm at 16770 SE 82nd Drive, Clackamas, Oregon 97015. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2019 as approved by the Clackamas River Water Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at 16770 SE 82nd Drive, Clackamas, Oregon 97015, between the hours of 8:00 a.m. and 4:00 p.m. or online at WWW.CR.WATER.COM. This budget is for a biennial budget period. This budget was prepared on a basis of accounting that is the same as the preceding year.

Contact: Hugh Kalati Telephone: 722-9220 Email: hkalati@crwater.com

FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amount Prior Biennium 2015-2017	Adopted Budget This Biennium 2017-2019	Approved Budget Next Biennium 2019-2021
Beginning Fund Balance/Net Working Capital	33,778,274	34,533,000	16,791,000
Interfund Transfers / Internal Service Reimbursements	13,844,777	35,552,750	16,243,275
All Other Resources Except Current Year Property Taxes	25,015,790	28,644,400	31,013,100
Total Resources	72,638,841	98,730,150	63,987,375
FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	8,805,016	9,663,794	11,540,600
Materials and Services	7,331,261	8,334,200	9,000,200
Capital Outlay	6,744,912	27,884,800	8,181,000
Debt Service	2,250,977	3,385,750	3,390,675
Interfund Transfers	13,844,777	35,552,750	16,243,275
Contingencies	0	739,000	750,000
Unappropriated Ending Balance and Reserved for Future Expenditure	33,622,098	13,149,856	14,881,625
Total Requirements	72,638,841	98,730,150	63,987,375
FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *			
Name of Organizational Unit or Program	FTE for that unit or program		
Board of Commissioners Department	253,010	0	0
Administration Department	0.9	0.0	0.0
Water Resources Department	2,954,453	3,797,900	4,915,100
System Operations Department	5.3	6.2	5.8
Engineering Department	6,215,492	6,766,200	7,425,100
	10.0	10.0	10.0
	3,404,418	4,058,500	5,679,400
	11.0	11.0	16.0
	1,288,664	2,059,900	0
	5.0	7.0	0.0

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Contact: Hugh Kalani

Telephone: 722-9220

Email: hkalani@crwater.com

FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amount	Adopted Budget	Approved Budget
	Prior Biennium 2015-2017	This Biennium 2017-2019	Next Biennium 2019-2021
Beginning Fund Balance/Net Working Capital	33,778,274	34,513,000	16,731,000
Interfund Transfers / Internal Service Reimbursements	13,844,777	35,552,750	16,243,275
All Other Resources Except Current Year Property Taxes	25,015,290	28,644,400	31,013,100
Total Resources	72,638,341	98,710,150	63,987,375

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	8,805,016	9,663,794	11,540,600
Materials and Services	7,331,261	8,334,200	9,000,200
Capital Outlay	6,744,912	27,884,800	8,181,000
Debt Service	2,290,277	3,385,750	3,390,675
Interfund Transfers	13,844,777	35,552,750	16,243,275
Contingencies	0	739,000	750,000
Unappropriated Ending Balance and Reserved for Future Expenditure	33,622,098	13,149,856	14,881,625
Total Requirements	72,638,341	98,710,150	63,987,375

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *			
Name of Organizational Unit or Program	FTE for that unit or program		
Board of Commissioners Department	253,010	0	0
FTE	0.9	0.0	0.0
Administration Department	2,954,453	3,797,900	4,915,100
FTE	5.3	6.2	5.8
Water Resources Department	6,215,492	6,766,200	7,425,100
FTE	10.0	10.0	10.0
System Operations Department	3,404,418	4,058,500	6,479,400
FTE	11.0	11.0	18.0
Engineering Department	1,288,664	2,059,900	0
FTE	5.0	7.0	0.0
Finance, Accounting and Customer Services Department	2,249,297	2,482,000	2,851,000
FTE	8.0	8.0	8.0
CRWSC Activity Fund	509,245	339,294	281,200
FTE	0.0	0.0	0.0
Not Allocated to Organizational Unit or Program	55,763,762	79,206,356	42,035,575
FTE	0.0	0.0	0.0
Total Requirements	72,638,341	98,710,150	63,987,375
Total FTE	40.2	42.2	41.8

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

Clackamas River Water switched from an annual to a biennial budget effective July 1, 2015. This is the District's third biennial budget. The total 2019-2021 biennium budget is down by 35.2 percent, or \$34,722,775, over the 2017-2019 adopted biennial budget.

Resources: The District's beginning fund balance decreased by \$17,782,000, 51.5%, from the 2017-2019 biennium. In March 2016 (2015-2017 biennium), CRW issued revenue bonds to finance a new capital project program. Most of these funds were spent during the 2017-2019 biennium, while no additional bond issues were budgeted for the 2017-2019 or 2019-2021 bienniums. This led to high beginning fund balances in the prior and current bienniums with a significant drop in the next biennium. Interfund transfers decrease 54.3 percent, or \$19,309,475, over the 2017-2019 adopted budget as capital improvement projects related to revenue bond funds near completion. Other Resources increase 8.3 percent due to increases in water rates and sales; this is the sixth year of the eight year rate plan.

Requirements: Capital Outlay and Interfund Transfers decrease significantly for CIP bond construction improvements and associated revenue bond proceeds. This is partially offset by increases in personnel services, materials and services, debt service and contingencies.

FTE's: The total FTE's decrease by 0.4 from the 2017-2019 biennium. A part-time (0.4) Executive Assistant to the GM & Board position was eliminated.

STATEMENT OF INDEBTEDNESS		
LONG TERM DEBT	Estimated Debt Outstanding on July 1.	Estimated Debt Authorized, But Not Incurred on July 1
Other Bonds	\$19,695,000	\$20,305,000
Total	\$19,695,000	\$20,305,000

CLACKAMAS RIVER WATER

RESOLUTION No. 08-2019

A RESOLUTION FOR ADOPTING THE BUDGET AND MAKING APPROPRIATIONS FOR CLACKAMAS RIVER WATER FOR THE 2019-2021 BIENNIUM

WHEREAS, pursuant to the requirements of ORS Chapter 294, the Board of Commissioners for Clackamas River Water is required to adopt the budget and make appropriations for the District for the 2019-2021 biennial period; and,

WHEREAS, on April 18, 2019, following public notice and meetings thereon, the duly appointed and authorized Budget Committee approved the biennial budget proposed for the 2019-2021 period, on file at the District office, and recommended adoption by the Board of Commissioners; and,

WHEREAS on April 18, 2019, Clackamas River Water has the authority to levy taxes and that the Budget Committee declared No Tax Levy be imposed on the ratepayers of Clackamas River Water for the 2019-2021 period; and,

WHEREAS, on June 13, 2019, the Board of Commissioners held the Budget Hearing following public notice thereon as required by ORS 294.453.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CLACKAMAS RIVER WATER THAT:

Section 1: The Board of Commissioners of Clackamas River Water hereby adopts the biennial budget as approved by the Budget Committee and for BN 2019-2021 in the total sum of \$63,987,375 now on file at the district office as required by ORS 294.556.

Section 2: That the amounts for the biennium beginning July 1, 2019 and for the purposes shown below are hereby appropriated as follows:


GENERAL FUND	
Appropriations:	
Personnel Services	\$ 11,408,300
Materials & Services	8,851,300
Capital Outlay	1,411,000
Interfund Transfers	7,390,675
Operating Contingency	<u>750,000</u>
Appropriation Total (General Fund)	\$ 29,811,275

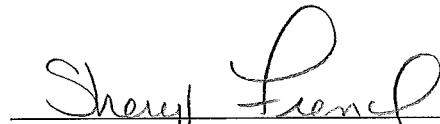
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CAPITAL RESERVE FUND	
Interfund Transfers Appropriation	\$ 5,130,000
CAPITAL IMPROVEMENT PROJECTS FUND	
Capital Outlay Appropriation	\$ 3,631,000
CIP BOND CONSTRUCTION FUND	
Capital Outlay Appropriation	\$ 3,139,000
SYSTEM DEVELOPMENT CHARGES RESERVE FUND	
Interfund Transfers Appropriation	\$ 2,000,000
CRWSC ACTIVITY FUND	
Appropriations:	
Personnel Services	\$ 132,300
Materials & Services	148,900
Interfund Transfers	<u>1,722,600</u>
Appropriation Total (CRWSC Activity Fund)	\$ 2,003,800
REVENUE BOND FUND	
Debt Service Appropriation	\$ 3,390,675
TOTAL APPROPRIATIONS:	\$ 49,105,750
Unappropriated Ending Fund and Reserved for Future Expenditures	<u>\$14,881,625</u>
Total Budget	\$ 63,987,375

Section 3: The General Manager or his designee shall file with Clackamas County and Oregon Department of Revenue information as required by ORS 294.458.

This resolution shall be deemed effective upon adoption. This resolution ADOPTED by the Clackamas River Water Board of Commissioners on this 13th day of June, 2019.


 Hugh Kalani, Board President


 Sheryl French, Board Secretary

BUDGET CALENDAR
BN 2017-2019

- | | |
|--|--------------------------------------|
| 1. Appoint budget officer | January 10, 2019 |
| 2. Publish notice of budget committee meeting in the Clackamas Review, Estacada News, and Oregon City News, and post on District web site | April 10, 2019
and April 11, 2019 |
| 3. Hold budget committee meeting | April 18, 2019 |
| 4. Approve budget | April 18, 2019 |
| 5. Publish hearing notice in the Clackamas Review, Estacada News, and Oregon City News | May 22, 2019
and May 23, 2019 |
| 6. Hold budget hearing | June 13, 2019 |
| 7. Adopt the budget and make appropriations by Resolution No. 17-2015 with no taxes to levy | June 13, 2019 |
| 8. Submit budget to State, County Assessor, Treasurer and Clerk | July 15, 2019 |

Glossary of Terms and Acronyms

Actual: Actual financial results reported in summaries of funds, revenues, and expenditures. This category is presented on a budgetary basis, and excludes full-accrual audit items such as depreciation and amortization.

Adopted Budget: is the final budget approved by the Board of Commissioners. It is used in fund, revenue and expenditure summaries.

The adopted budget is effective July 1st.

AICPA: American Institute of Certified Public Accountants.

AIM: Available in Map. In-house Geographic Information System (GIS).

Approved Budget: Proposed budget modified for any changes made by the Citizens Budget Committee. It is used in fund, revenue and expenditure summaries.

Appropriations: Legal authorization granted by the Board of Commissioners to spend public funds. Appropriations within each budget category may not be exceeded.

As-built: Engineering drawings or maps with notations of the changes as the system is built.

Assets: Resources having a monetary value that are owned or held by the District.

Audit: Systematic examination of financial or accounting records by an independent accounting firm to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. The auditor's responsibility is to express an opinion on the financial statements based on audit findings. The results of the audit are published in the

District's Comprehensive Annual Financial Report (CAFR).

AWWA: American Water Works Association. Nonprofit dedicated to managing and treating water and setting uniform standards for water professionals.

Backbone Projects: Eight-year (2016-2023), \$40 million infrastructure improvement plan funded through municipal bonds. The 12 projects improve pumping, distribution and storage and enhance water quality provision of fire flows, and system pumping efficiencies. The projects also connect the CRW treatment plant and northern distribution system to our south service area.

Base Budget: Cost of continuing the existing levels of service in the current budget year. It is the current year's adopted budget less one-time purchases included in the adopted budget.

Beginning Fund Balance: Residual fund balances representing unused funds brought forward from the previous financial year (ending fund balance).

Biennial: Two-year period.

Biennium (BN): Budgetary two-year period.

Board: Board of Commissioners that oversees operations of Clackamas River Water.

Bonds or Bond Issues: Debt instruments that require repayment of specified principal amounts on a certain date (maturity date), together with interest at a stated rate or calculated variable rate of interest.

Bond Fund: Established to account for bond proceeds received from the sale of bonds

Glossary of Terms and Acronyms

and repayment of bond issues. The Revenue Bond Fund is the District's Bond Fund.

Budget: Financial operational plan including an estimate of proposed expenditures and the means of financing them. Budgets are for a set period, usually one year. Oregon Budget Laws allows the adoption of a biennial or two year budget. The District has prepared annual budgets through fiscal year 2015. On December 11, 2014, Resolution 05-2015 was adopted allowing the District to prepare a biennial budget.

Budget Calendar: Schedule of key dates the District follows to prepare and adopt the budget by June 30th.

Budget Committee: Group comprised of CRW Board of Commissions (elected officials) and an equal number of district citizens for the purpose of reviewing the proposed budget and recommending changes leading to an approved budget.

Budget Document: Report showing the District's financial plan for a specified period, typically one or two years, that includes both operational and capital expenditures.

Budget Message: Written explanation of the budget as proposed by the GM and CFO. It includes the District's financial priorities, policies, and major changes within the document.

Budget Officer: District employee appointed by resolution of the Board of Commissioners with primary responsibility for preparing the proposed budget and following Oregon Budget Law.

Budgetary Basis: Method used to prepare the budget that is consistent with Generally Accepted Accounting Principles (GAAP), with the exception that neither depreciation nor

amortization is included in budgeted expenditures.

CAD: Computer Aided Drawing.

CAFR: Comprehensive Annual Financial Report or Audit Report. Set of U.S. government financial statements comprising the financial report of a governmental entity, which is audited by an external AICPA certified accounting firm for compliance with GAAP and GASB and includes the auditor's opinion and comments.

Capital Budget: Portion of the District's budget slated for projects and major repairs, improvements or additions to the Districts capital assets.

Capital Expenditures: Defined as expenditures that are 1) greater than \$5,000, 2) have a useful life greater than one year, and 3) result in the creation or revitalization of a fixed asset.

Capital Improvement: Defined in the ORS 310-410 (10) to include land, structures, facilities, machinery, equipment, or furnishings having a useful life longer than one year.

Capital Improvement Project (CIP): Improvement to District's infrastructure including transmission or distribution waterlines, reservoirs, pump stations, buildings, and the water treatment plant.

Capital Outlay (CO): Money spent to acquire, repair and maintain, or upgrade (increase capacity, efficiency or useful life) capital assets: land, machinery, equipment, vehicles, facilities and other infrastructure. Criteria to qualify: 1) useful life greater than one year, 2) cost at least \$5,000, and 3) be an improvement. Expenditures not meeting

Glossary of Terms and Acronyms

the qualifications are included in materials and services.

CCF: Centum Cubic Feet is a measure of water consumption. One CCF equals 100 cubic feet and is equivalent to 748 gallons.

CCR: Customer Confidence Report is the annual drinking water quality report.

CFO: Chief Financial Officer.

Charges for Service: Includes a variety of fees charged for services provided to the public and other entities.

CIP: Capital Improvement Projects.

CO: Capital Outlay. Appropriation category included in the budget document and Resolution.

COOP: Continuity of Operations Plan. A plan at the agency level that ensures the agency can continue or recover its vital services in the event of a disaster or emergency (NSPD-51, HSPD-20 and NCPIP).

Consumer Price Index: Statistical description of price levels provided by the US Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency: Budgetary reserve set aside for unforeseen expenditures not otherwise budgeted due to the occurrence of unusual or extraordinary events. The Board of Commissioners must adopt a resolution to appropriate Contingency for a specific purpose and the funds must be transferred to an existing appropriation prior to using the funds.

CRW: Clackamas River Water or District

CRWP: Clackamas River Water Providers is a coalition of municipal water providers that get their drinking water from the Clackamas River and coordinate efforts to address water resource issues.

CRWSC: Clackamas Regional Water Supply Commission or the Commission. An Overarching government structure formed by CRW and SWA through an ORS 190 Intergovernmental Agreement, which consolidates operations between the two agencies, maximizing the return of investment through shared labor, equipment, facilities and resources.

Debt Service: Principal and interest on outstanding bonds due and payable during the fiscal year. Debt service is an appropriation category within the budget. All debt service is included in the Revenue Bond Fund.

Department: Functional area of the District. The District has five departments: Administrative Services, Engineering, System Operations, Water Resources, and Finance, Accounting and Customer Service.

Depreciation: Expiration in the service life of capital assets attributable to its use, deterioration, action of physical elements, or obsolescence.

District: Clackamas River Water or CRW.

DTD: Department of Transportation and Development, Clackamas County.

Employee Benefits: Contributions made by the District to meet commitments or obligations for employee-related expenses. This includes the District's share of social security, pension, medical and insurance plans.

Glossary of Terms and Acronyms

Ending Fund Balance: Residual non-restricted funds that are expendable or available for appropriation after the end of the fiscal year or during the fiscal year if a state of emergency is declared by the General Manager.

EOP: Ongoing plan that describes how people and property will be protected in disaster and emergency situation: details responsible individual(s) and actions, identifies resources available and outlines coordination of all actions.

EPA: Environmental Protection Agency, US Federal government.

Expenditures: Requirements of a fund and represent a decrease in net financial resources. Expenditures include operating expenses, debt service, and capital outlay.

FACS: Finance, Accounting and Customer Service, a department of CRW.

Fees: Charges for specific services in connection with providing a service.

Fiscal Year: Twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The District's fiscal year is July 1 through June 30.

FTE: Full time equivalents.

Fund: Fiscal and accounting entity with a self-balancing set of accounts to record cash and other financial resources together with related liabilities, balances and charges, all segregated for specific purposes.

Fund Balance: Net ending balance of a fund's financial resources that are expendable or available for appropriation.

GAAP: Generally Accepted Accounting Principles.

GAAS: Generally Accepted Auditing Standards.

GASB: Governmental Accounting Standards Board.

General Fund: Primary operating fund of the District. It exists to account for the resources devoted to finance the services to provide water service to our ratepayers and customers.

GFOA: Government Finance Officers Association of the United States and Canada.

GIS: Geographic Information System, a system designed to capture and present all types of geographical data.

GM: General Manager.

GPM: Gallons per Minute, a measure used in water production to describe flow rates.

Grant: Contribution by one government unit to another. The contribution is usually made to aid in the support of a specific function or activity.

HSPD: Homeland Security Presidential Directive

HVAC: Heating, ventilation, and air conditioning, the technology of indoor environmental comfort.

IGA: Intergovernmental Agreement.

Infrastructure: Public domain capital assets that are immovable, such as transmission or distribution water lines, reservoirs, pump stations, buildings and the water treatment plant water.

Glossary of Terms and Acronyms

Interfund Transfers: Appropriation category used in the District's budget resolution which includes amounts transferred from one fund to another. Transfers are appropriated as expenditures.

JTA: Jobs and Transportation Act, U.S. Federal Government.

LB reports: Local Budget Law reports as required by ORS 294.

LCRB: Local Contract Review Board, Oregon Revised Statutes (ORS) ORS 279A.060 provides procedure for public contracting and procurement.

Local Budget Law: ORS 294 dictates local budgeting practices, which regulates roles, authorities, and process.

M & S: Materials & Services. An appropriation category included in the budget document and resolution.

Master Plan: Identifies and forecasts capital water system improvements needed over the next 20 years (through 2025).

Materials & Services: Expendable (not of a capital nature) items purchased by the District: supplies, dues, repairs, printing, small tools, and contract and legal services. This is an appropriation category included in the budget document and resolution.

MGD: Million Gallons per Day. Unit of measurement used in production of water available for use by customers.

Mission: Defines the primary purpose of the District and is intended to guide all organizational decisions, policies and activities (internal and external) on a daily basis.

NCPIP: National Continuity Policy Implementation Plan. List of directives to ensure the effectiveness and survivability of our national continuity capability.

Net Working Capital: Measure of a company's operating liquidity - expressed as current assets minus current liabilities - available to continue operations or build the business. District policy stipulates that 60 to 90 days' worth of operations expenses should be maintained to start a new fiscal year.

Non-Operating Budget: Composed of the following categories: debt service, interfund transfers, capital outlay, contingency, and unappropriated ending fund balance.

Non-Operating Revenues: Proceeds paid to the District, which are unrelated to our primary water supply function. This includes interest and rental income, surplus property sales and grants.

NSPD: National Security Presidential Directive.

OAR: Oregon Administrative Rules.

ODOT: Oregon Department of Transportation.

Operating Budget: is a plan for current expenditures and the proposed means of financing them. The operating budget includes personnel services and materials & services budget categories.

Operating Revenues: is income received by the District for supplying water service to our ratepayers and customers. It includes water consumption and meter base rates, fire services, service connections, and penalties for non-payment. Operating revenues pay for day-to-day services.

Glossary of Terms and Acronyms

ORS: Oregon Revised Statutes

ORS190: Oregon Revised Statute for intergovernmental cooperation.

Outstanding Debt: Balance due at any given time resulting from the borrowing of money or from the purchase of goods and services.

Personnel Services (PS): Includes compensation paid to employees plus the district's contribution to employee benefits: retirement, social security, health and dental insurance, and worker's compensation.

PERS: Public Employee Retirement System is the retirement system for Oregon public employees.

PMEF: Organization level functions that should be performed in order to support or implement the performance of National Essential Functions before, during, and in the aftermath of an emergency.

Proposed Budget: Comprised of operating, non-operating, and reserve estimates prepared by the Budget Officer, which are presented to the Citizen Budget Committee for their review, approval, and recommendation to the Board of Commissioners.

PS: Personnel Services. An appropriation category included in the budget document and Resolution.

Ratepayer: Customer of the District.

Requirements: Use of funds on budgetary statements. Categories include Personnel Services, Materials & Services, Capital Outlay, Debt Service, Transfers, Contingency, Reserved for Future, and unappropriated ending fund balance.

Reserve Funds: Established to account for reserves set aside for a specific purpose. These funds accumulate until a need is identified and included in the proposed budget. The funds are then transferred to the appropriate fund for expenditures.

Resolution: Special order adopted by the Board of Commissioners.

Resources: Represent the total of all revenues, transfers, and beginning fund balances.

Reserved for Future Expenditures: Portion of ending fund balance not appropriated to be spent in the current year.

Revenues: Funds received by the District for payment of services provided, and from other sources such as grants and interest and rental income.

Revenue Bonds: Bonds payable from a pledged source of revenue such as water sales.

ROW: Right of Way.

SCADA: Supervisory Control and Data Acquisition. Computer system for gathering and analyzing real time data and monitoring and controlling plant and equipment processes in water collection, treatment and distribution facilities and other industries.

SDC: System Development Charges. A reimbursement or improvement fee assessed when a request to connect to our water distribution system is received.

SFWB: South Fork Water Board.

Special Revenue Funds: Established to account for proceeds of specific revenue sources, which are restricted to expenditures for specified purposes. SDC

Glossary of Terms and Acronyms

revenue is recorded in the SDC Reserve Fund.

Sunrise: Sunrise Water Authority or SWA.

Supplemental Budget: Process by which additional appropriations are established to meet needs not anticipated at the time the budget was originally adopted.

SWA: Sunrise Water Authority or Sunrise.

SysOps: An abbreviation for the System Operations Department.

System Development Charges: Fees paid by developers and builders to fund expansion of infrastructure systems necessary due to the increased demand. The District collects improvement and reimbursement SDC's on new service applications.

Transfers: Authorized exchange of cash or other resources between funds that is appropriated in expenditures of the adopted budget. This is the same as interfund transfers.

Unappropriated Ending Fund Balance: Portion of ending fund balance that is not appropriated to be spent in the current year. It's segregated for future use: not available for current appropriation or expenditure unless the General Manager declares an emergency.

User Fees: Often referred to as charges for services.

VA: Vulnerability Assessment. The process of identifying, quantifying, and prioritizing the vulnerabilities of a system.

WTP: Water Treatment Plant