



# *Clackamas River Water*

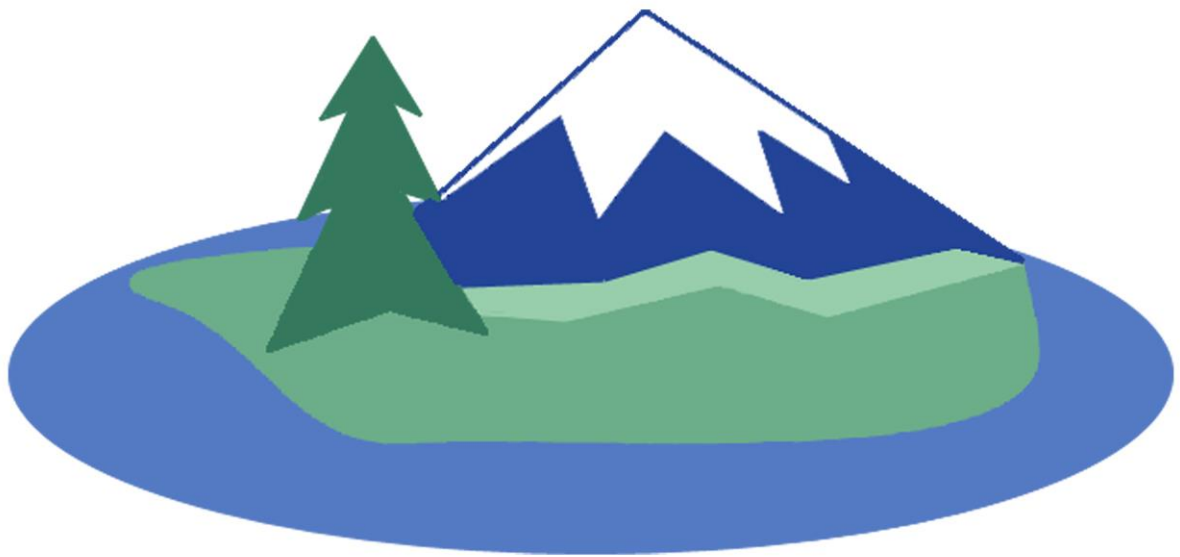
Adopted Biennial Budget

Biennium 2017 - 2019

*Clackamas River Water*

16770 SE 82<sup>nd</sup> Drive  
Clackamas, Oregon 97015  
Phone: 503.722.9220

**ADOPTED  
BUDGET DOCUMENT  
BN 2017-2019**



*Clackamas River Water*

**Prepared by:**

**Clackamas River Water Staff**

**Todd Heidgerken, General Manager**

**Carol Bryck, Chief Financial Officer/Budget Officer**

Cover picture courtesy of Suzanne DeLorenzo  
Clackamas River, April 2016



### **OUR VISION**

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

### **OUR MISSION**

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

### **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.

### **Budget Committee Members**

#### **Board of Commissioners:**

Naomi Angier, President  
Hugh Kalani, Secretary  
David McNeel, Treasurer  
William Blanas  
Larry Sowa

#### **Citizen Members:**

Paul Arrol  
Erin Blue  
Sheryl French  
Gary Kerr  
Nick Thiel

## **Leadership Team**

Todd Heidgerken, General Manager

Carol Bryck, Chief Finance Officer

Robert George, Chief Engineer

Rob Cummings, Production Manager

Donn Bunyard, Emergency Preparedness Manager

Kham Keobounnam, Information Technology Manager

Adam Bjornstedt, Engineering/System Operations Manager

Joe Eskew, Engineer Manager

Suzanne DeLorenzo, Water Quality Manager

Adora Campbell, HR Generalist

GOVERNING BODY UNDER ORS 264.410

BOARD OF COMMISSIONERS

16770 SE 82ND DRIVE, P.O. BOX 2439,

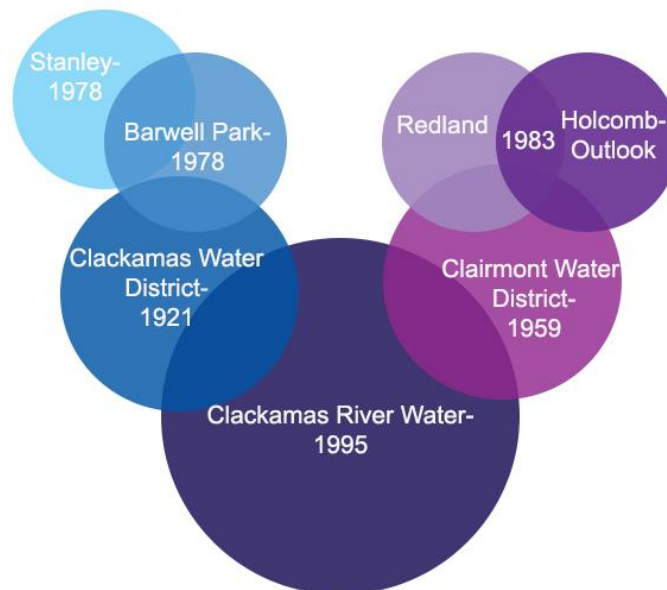
CLACKAMAS, OREGON 97015

503-722-9220, [www.cewater.com](http://www.cewater.com)

# 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 or CRWSC or the Commission. The District accounts for its activities related to the Commission in the CRWSC Activity Fund.

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.

### **General Statistics**

- Service territory: 42.6 square miles
- District population: about 56,500 directly, up to 81,000 including wholesale customers
- Service connections: nearly 12,000
- Retail customer base (FY2016): 88.8% single & multi-family residential, 7.1% commercial & industrial, fire service 2.7%, other 1.4%
- Water sales (FY2016, % volume): 30.7% residential & multi-family, 38.2% commercial & industrial, 31.1% wholesale
- Percent of total water sales by ten largest customers (2016): 45.6%
- Number of District employees (BN2017-19): 41.2 FTE

### **Water System**

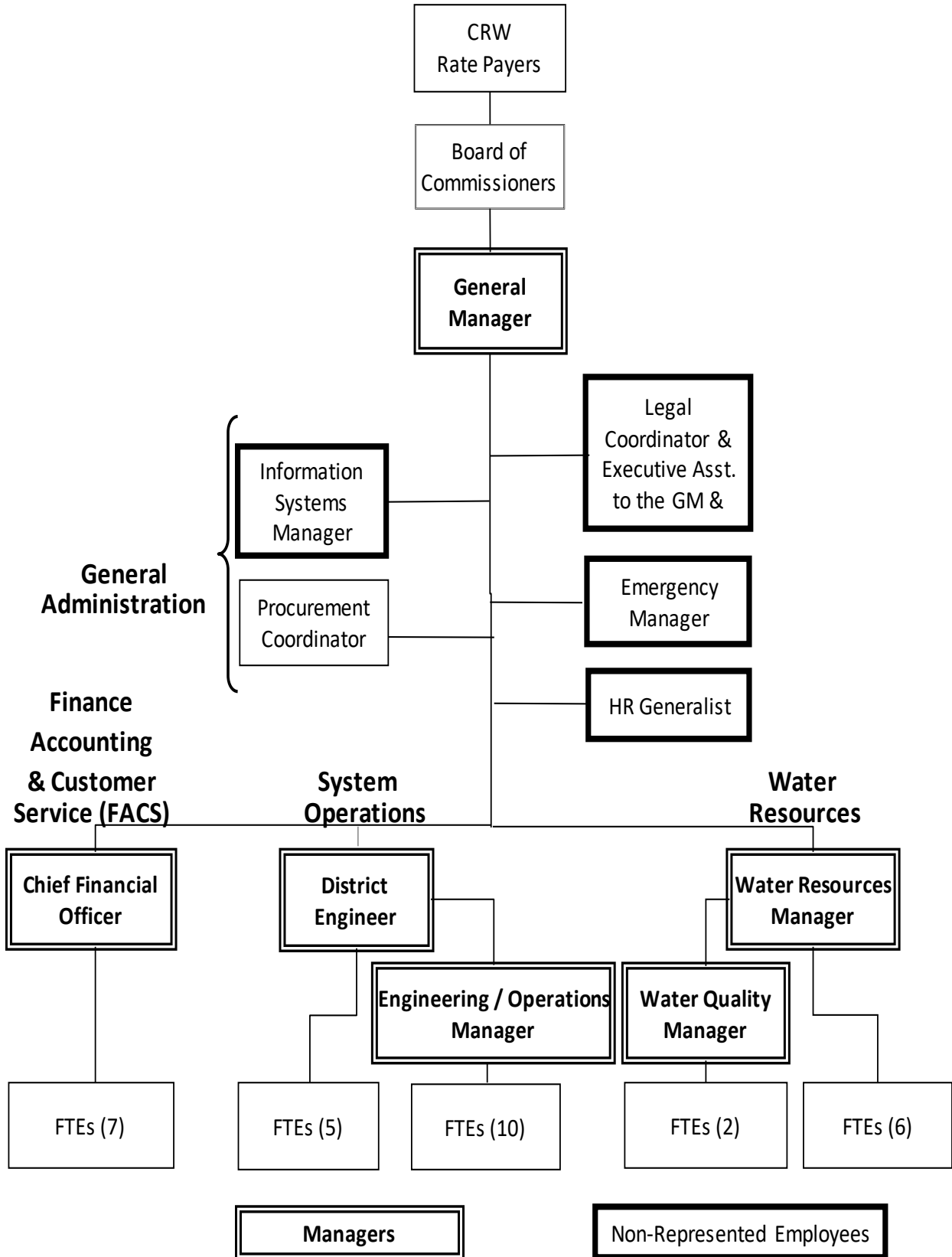
- Water Treatment Plant production capacity: 30 million gallons/day
- Production (FY2016):
  - Annual - 3,448,384 hundred cubic feet (CCF)
  - Average daily - 7.05 million gallons
  - Peak day - 14.76 million gallons
- South Fork Water Board purchases (FY2016): 829,715 CCF (1.7 million gallons/day average)
- Number of reservoirs: 14
- Reservoir storage: 24.35 million gallons
- Number of pump stations: 11
- Miles of pipeline: 262
- Water sources: CRW Water Treatment Plant and water purchased from South Fork Water Board for customers in the south service area (both use water from the Clackamas River)

### **District Profile**

CRW serves customers primarily in unincorporated Clackamas County, although some of our customers live within the city limits of Oregon City, City of Milwaukie, and City of Happy Valley. In addition to providing retail service within its jurisdictional boundaries, CRW also serves Sunrise Water Authority on a wholesale basis (2.5 MGD). A population of up to 81,000 people is served when the wholesale customers are included. Volumes sold have stabilized in the past three years. The District's service area is largely single-family residential and multi-family and is home to Precision Castparts, 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.



# Organizational Chart





## Awards

*Budget Award:* The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Distinguished Budget Presentation Award to CRW for its Adopted Budget for the biennium beginning July 1, 2015. This award is the highest form of recognition in governmental budgeting and reflects a commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity must satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as a policy document, financial plan, operations guide and a communications device. Budget documents must be rated proficient in all four categories, and the fourteen mandatory criteria with those categories, to receive the award.

A Distinguished Budget Presentation is valid for one biennium only. The 2015-17 biennium is the third time in a row we have submitted our adopted budget.

We believe that our current budget for the 2017-19 biennium continues to meet requirements of the Distinguished Budget Presentation Awards program and we will submit it to the GFOA to determine its eligibility for another award.



*Comprehensive Annual Financial Report:* The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to CRW for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We have received this award since 1996 with the exceptions of fiscal years 2008 through 2010 when we did not apply for the award.



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Clackamas River Water  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

A handwritten signature in black ink, reading "Jeffrey R. Emmer". The signature is written in a cursive style.

Executive Director/CEO

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## **BUDGET MESSAGE**

### **LETTER OF TRANSMITTAL**

June 30, 2017

To: The Clackamas River Water Budget Committee

We are pleased to present the Clackamas River Water (CRW or District) budget for the biennium 2017-2019. This is the second biennial budget prepared by the District. The budget was adopted by the Board of Commissioners on June 08, 2017 following a public hearing. Also, the budget was unanimously approved by the District's Budget Committee on April 20, 2017. This budget message provides background information and highlights portions of the budget document to aid your review of the Adopted Budget. The budget message is organized into the following sections:

- Letter of Transmittal
- Planning, Key Initiatives and Priorities
- Financial Summaries
- Capital Improvement Plans and Relationship to Annual Budget
- Concluding Thoughts and Future Planning
- Acknowledgements

As a special district and water utility, CRW's budget and planning efforts reflect our vision and mission to provide high quality, safe drinking water to our customers at rates consistent with responsible planning. The budget and message are focused on the District's strategic planning efforts and Board priorities to implement capital improvements, update the Water System Master Plan, begin developing a Facilities Maintenance Plan (Water Treatment Plant), and further develop relationships with neighboring jurisdictions.

This budget includes a significant number of capital projects in the Capital Improvement Projects (CIP) Fund and the CIP Bond Construction Fund. The CIP Fund includes several waterline projects, electrical upgrades at pump stations and dollars set aside for potential Oregon Department of Transportation (ODOT), and city or county transportation and development (DTD) work. The CIP Bond Construction Fund includes projects funded with bond proceeds from Series 2016 bonds issued in March 2016. These projects, known as the Backbone Projects, will not only provide the ability to deliver water from the District's water treatment plant, but will also improve fire flows in the south service area and provide additional water flow to Sunrise Water Authority as part of the cooperation between the agencies via the Clackamas Regional Water Supply Commission.

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. We hope this document provides information about the District that will assist in the understanding of your water provider and costs associated with delivering water from the river to your faucet.

## PLANNING, KEY INITIATIVES AND PRIORITIES

District management and the Board of Commissioners specified key initiatives, priorities and strategies 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 aspect of the organization, which works in combination with the other focus areas to achieve the desired vision and mission. Key initiatives, priorities and strategies employed have broad application and take into account the cause-and-effect relationships between various actions and choices.



**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 highly qualified workforce allows us to provide excellent customer service, manage all District assets, and attend to process. Employees maintain certifications in their specialties and the District's budget provides funding for continuing education and certification renewal. This provides assurance that our employees have current knowledge in their fields of expertise. Additionally, five of the 41 employees at CRW have over 25 years of service with the District and eight 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 a great benefit to the District. This budget also includes estimated costs pertaining to potential retirements, including leave pay-outs per District policy and the labor contract. The labor contract is currently being negotiated.

**Assets:** This biennium in particular 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. The spending plan for the CIP Bond Construction Fund is ambitious with an intent to spend at least 85% of the bond proceeds this biennium to comply with our bond covenants. 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 exceed 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 Key Initiatives are incorporated into the biennial budget, Water System Master Plan, Continuity of Operations Plan and Emergency Operations Plan.

## BOARD INITIATIVES AND PRIORITIES

| LAST BIENNIUM   | THIS BIENNIUM   |
|---|---|
| Continue to Identify and develop shared resources and activities within ORS 190 partnership with Sunrise Water Authority (CRWSC):   | Implement Backbone Projects   |
| Continue developing agreements with Cities of Milwaukie and Oregon City   | Continue developing agreements with Regional Partners   |
| Identify short- and long-term capital projects to be completed within next 5-10 years: <ul style="list-style-type: none"> <li>• Water System Master Plan</li> <li>• Carver Bridge Transmission Main</li> <li>• Update Regional Emergency Inter-tie Study (Portland and East-side metro area)</li> </ul> | Identify short- and long-term capital projects to be completed within next 5-10 years: <ul style="list-style-type: none"> <li>• Water System Master Plan</li> <li>• Facilities Master Plan for Water Treatment Plant</li> <li>• Emergency Communication System</li> </ul> |

There are a few changes to Board priorities from the 2015-2017 biennium. The primary difference is a shift in focus from the Clackamas Regional Water Supply Commission to Backbone Project implementation. CRWSC is a formal ORS 190 partnership with Sunrise Water Authority to share resources. While development of the partnership with SWA is ongoing, the relationship is well established freeing time for CRW staff to shift efforts to other priorities. The District received bond funding in March 2016, providing the financial means to move forward with the Backbone projects. The CIP Bond Construction Fund totals \$20,193,000 for BN2017-19, an increase of \$14,193,000 over BN 2015-17.

The development of short- and long-term capital projects is a priority in both bienniums, but some key projects are changing. The Carver Bridge Transmission Main is in place but inoperable at this time due to technical difficulties. It's anticipated the District will accept the waterline once the issues have been resolved.

On behalf of the Regional Water Providers Consortium, Murraysmith led an update to the Regional Emergency Inter-tie Database; all consortium members were requested to participate. The District's updates are complete. CRW reviewed inter-connections data, geodatabase and mapping data and provided additional updates and information as requested.

Commissioners are putting an emphasis on emergency communications in the 2017-19 budget. In BN2015-17 CRW procured used analog two-way radios for use on the C800 public safety radio system (C800 PSRS), as well as a public safety license and public works industrial license. This was the first step in moving forward with development and deployment of a communications system. The analog radios have reached their life span and will no longer be supported by the C800 PSRS. This budget allocates \$115,000 for the development of a digital mobile radio system.



The Facilities Master Plan priority was added in recognition of the advanced age of the Water Treatment Plant and other District owned facilities. The Plant is over 50 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 Facilities Master plan will determine the scope of repairs, modernization, upgrades and/or new construction to serve the future needs of the District and its customers. It will also assess funding sources available and determine the scope of projects that may reasonably be accomplished with available funds. Updates to the Water System Master Plan and development of agreements are priorities in both bienniums; the focus was changed to reflect District's plans to expand cooperative efforts with multiple organizations and jurisdictions.

CRW Board of Commissioner priorities for the 2017-19 biennium and beyond are detailed below:

- The Backbone project is a high priority for the District. There are a number of projects included in this biennial budget and listed in the CIP Bond Construction Fund.
- Continue the development of agreements with regional partners:

City of Milwaukie:

- The city began billing CRW water costs to customers that were inside city limits and were also provided other services by the City of Milwaukie. This budget includes the administrative cost of having the City provide those billing services. Our analysis estimates the five percent administrative cost is close to the actual cost of CRW providing those billing services to the specified customers. This budget also includes the intergovernmental agreement for the City of Milwaukie to provide maintenance services for CRW's vehicles and equipment.

City of Oregon City:

- CRW continues to identify properties that have been annexed by Oregon City but not withdrawn from CRW territory.
- CRW and Oregon City are sharing costs of an engineering study to determine who best to serve customers based on hydraulic modeling of both systems.
- The Oregon City Right of Way (ROW) usage fee has an impact on CRW directly and indirectly through our purchase of water from South Fork Water Board. Revenue from our customers and expenditure for payment of the ROW usage fee is included in this budget.
- Identify both short- and long-term capital projects that need to be completed within the next five to ten years:
  - A consulting firm has been identified to complete the 2017 Water System Master Plan, which will identify capital projects that meet District needs and serve as a road map for improvements to the District's infrastructure. The Master Plan will also help us achieve our long-range goal to develop our infrastructure to provide reliable customer service well into the future.
  - The District will hire a consulting firm to begin development of a Facilities Master plan, primarily for the Water Treatment Plant, to determine upgrades and modifications to keep the plant operating effectively and efficiently into the future.

- The District continues to look at emergency preparedness, emergency management and development of an emergency communication system for internal and external communication in the event of an emergency.

The following table illustrates the link between the District's key initiatives and each of the four focus areas, as well as each department's involvement in implementing these priorities. Goals associated with the initiatives are assigned to the various departments and are listed in the General Fund section of the budget within the departmental budget descriptions. Each goal specifies the focus and initiative it supports.

## DEPARTMENT INVOLVEMENT IN KEY INITIATIVES

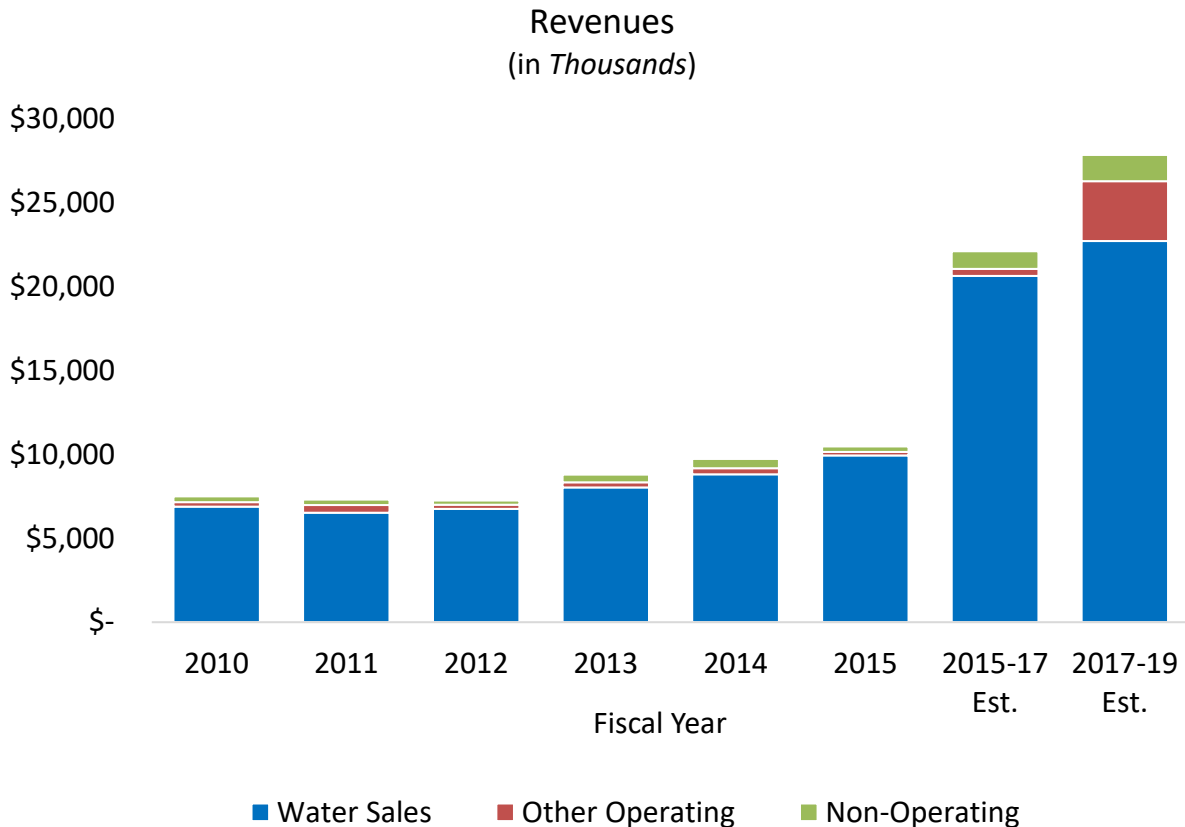
| Focus                   | Key Initiatives  | BRD | ADM  | WR                                       | OPS | ENG | FACS |
|-------------------------|--|-----|------|--|-----|-----|------|
| <b>Customers</b>        |  |     |      |  |     |     |      |
| 1                       | Provide excellent customer service   |     |      |  | ○   |     | ●    |
| 2                       | Meet or exceed water quality standards   |     |      | ●  |     |     |      |
| 3                       | Provide uninterrupted flow   |     |      | ●  | ○   |     |      |
| 4                       | Set billing rates that meet customer, operational & infrastructure needs   | ★   | ○    |  |     |     | ●    |
| <b>Employees</b>        |  |     |      |  |     |     |      |
| 1                       | Provide support to Board, oversight & leadership to departments  |     | ●    |  |     |     |      |
| 2                       | Provide Financial oversight, leadership to Depts.  |     |      |  |     |     | ●    |
| 3                       | Provide continuing education, training & certification renewal   |     | ●    | ○  | ○   | ○   | ○    |
| <b>Assets</b>           |  |     |      |  |     |     |      |
| 1                       | Implement Capital Improvements   | ★   | ○    |  | ○   | ●   | ○    |
| 2                       | Update Water System Master Plan  | ★   | ○    | ○  | ○   | ●   | ○    |
| 3                       | Develop a Facilities Master Plan for Water Treatment Plant   | ★   | ○    | ●  | ○   | ○   |      |
| 4                       | Continue developing emergency mgmt system  | ★   | ●    |  |     |     |      |
| 5                       | Repair & Maintain Infrastructure   |     |      | ○  | ●   |     |      |
| 6                       | Safeguard Assets   |     |      |  |     |     | ●    |
| <b>Process</b>          |  |     |      |  |     |     |      |
| 1                       | Develop, nurture relationships w/ neighboring jurisdictions & stakeholders   | ★   | ●    | ○  | ○   | ○   | ○    |
| 2                       | Comply with or exceed federal and state laws, rules & regulations; Ensure accurate & timely reporting & filing of required documents |     | ●    | ○  | ○   | ○   | ○    |
| 3                       | Increase efficiencies & reduce costs   |     | ●    | ○  | ○   | ○   | ○    |
| <b>Legend:</b>          |  |     |      |  |     |     |      |
| <u>CRW Departments:</u> |  |     |      |  |     |     |      |
| ADM:                    | Administration   | ★   | BRD: | Board Initiative, Priority               |     |     |      |
| WR:                     | Water Resources  |     |      |  |     |     |      |
| OPS:                    | System Operations  | ●   |      | Lead Department                          |     |     |      |
| ENG:                    | Engineering  | ○   |      | Other significant department involvement |     |     |      |
| FACS:                   | Finance, Accounting & Customer Svc.  |     |      |  |     |     |      |

## 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 91.3% of the District’s total revenue. Other operating revenues are charges that support the production and distribution of water including system development charges, fire hydrant water usage 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.

Revenues for all funds for fiscal years 2010 through 2015 actuals, with current biennium budget, and the two-year adopted budget for 2017-2019 are shown in the following chart and table.



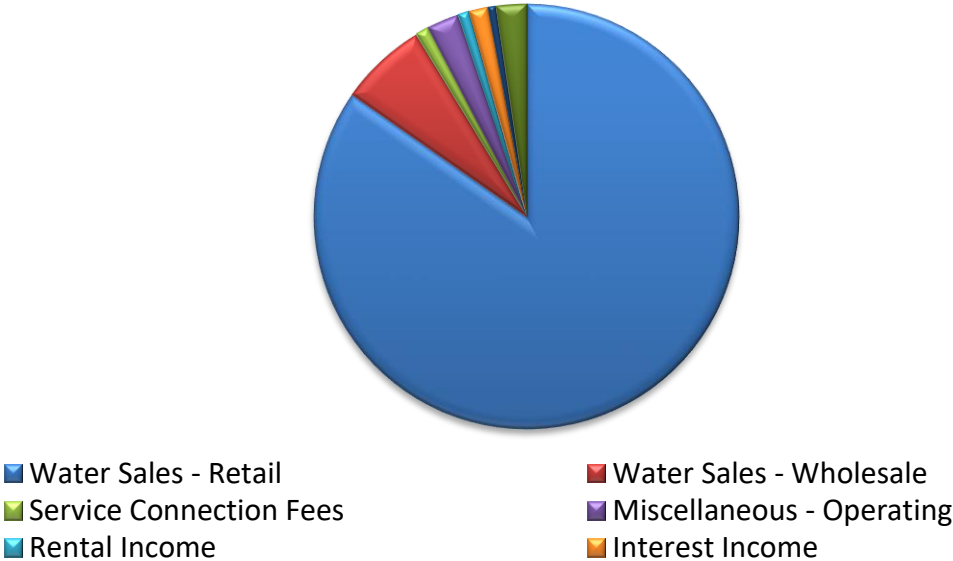
| Revenues - All Funds |                 |                 |                 |                 |                 |                  |                  |                  |
|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| <i>in Thousands</i>  | FY2010          | FY2011          | FY2012          | FY2013          | FY2014          | FY2015           | BN2015-17        | BN2017-19        |
|                      | Actual          | Actual          | Actual          | Actual          | Actual          | Actual           | Budget           | Proposed         |
| Revenues:            |                 |                 |                 |                 |                 |                  |                  |                  |
| Water Sales          | \$ 6,886        | \$ 6,523        | \$ 6,761        | \$ 8,035        | \$ 8,815        | \$ 9,956         | \$ 20,655        | \$ 22,726        |
| Other Operating      | 279             | 460             | 247             | 301             | 364             | 202              | 418              | 3,576            |
| Non-Operating        | 334             | 334             | 252             | 471             | 565             | 325              | 1,055            | 1,570            |
| <b>Total Revenue</b> | <b>\$ 7,499</b> | <b>\$ 7,317</b> | <b>\$ 7,260</b> | <b>\$ 8,807</b> | <b>\$ 9,744</b> | <b>\$ 10,483</b> | <b>\$ 22,128</b> | <b>\$ 27,872</b> |

The significant increase in water revenues in FY2013 was due to a rate increase approved by the CRW Board of Commissioners on March 29, 2012, effective May 1, 2012, with a second increase effective May 1, 2013. The Board approved an eight-year rate plan on March 31, 2014, effective May 1, 2014, which accounts for increasing water sales from FY14 through BN2015-17, as well as rising projections for BN2017-2019.

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 adopted budget:

- Water Sales – retail                   \$21,088,000
- Water Sales – Wholesale           1,638,000
- Service connection fees           264,000
- Miscellaneous – Operating       598,800
- Rental Income                       219,100
- Interest Income                       \$364,100
- Miscellaneous – Non-operating 143,500
- Surplus Property Sales           10,000
- System Development Charges   560,900

**REVENUE EXCLUDING TRANSFERS**

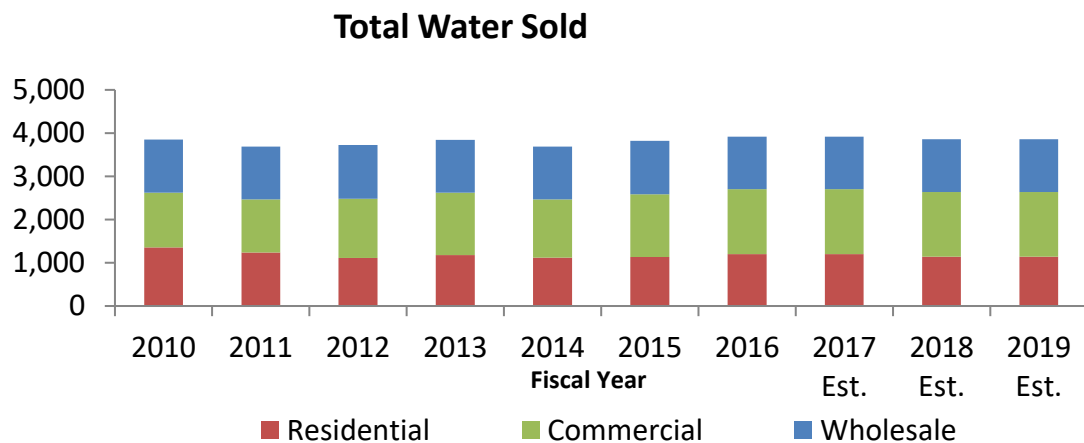


## TRENDS, DECISION FACTORS

Water revenue forecasts are based on trends in consumption, weather patterns, billing rates, and other factors. Historically, water revenues remain relatively stable over time due to adjustments in our billing rates to cover costs and stability in our customer base and external environmental factors such as rainfall, snowmelt, and temperature.

### Consumption and Customer Base

The following chart depicts total water sold in hundred cubic feet for FY2010 - FY2016, with estimates for FY2017 - FY2019.



Water consumption remains relatively stable across years and we anticipate it will continue to do so in the coming biennium. Slight fluctuations between fiscal years is largely due to decreased consumption in wetter summers.

Water is sold to various types of customers, both retail and wholesale. The retail customer base for FY 2016 is 88.8 % residential and multi-family and 7.1% commercial and industrial, while fire service and other make up the remaining 4.1%. Our residential customers reside in single family homes, duplexes, multiplexes, apartment complexes, trailer parks/mobile home parks, and condominiums. Commercial and industrial accounts include business parks, retail stores, restaurants, office buildings, medical offices, and accounts that manufacture or create goods.

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

| <b>Retail Accounts by Customer Type</b> |                                       |          |                                    |          |                     |          |              |          |                |
|---|---------------------------------------|----------|------------------------------------|----------|---------------------|----------|--------------|----------|----------------|
| <b>June 30</b>                          | <b>Residential &amp; Multi-Family</b> |          | <b>Commercial &amp; Industrial</b> |          | <b>Fire Service</b> |          | <b>Other</b> |          | <b>Total #</b> |
|   | <b>#</b>                              | <b>%</b> | <b>#</b>                           | <b>%</b> | <b>#</b>            | <b>%</b> | <b>#</b>     | <b>%</b> |                |
| 2007                                    | 11,714                                | 89.2%    | 873                                | 6.7%     | 311                 | 2.4%     | 227          | 1.7%     | 13,125         |
| 2008                                    | 11,625                                | 89.4%    | 893                                | 6.9%     | 304                 | 2.3%     | 184          | 1.4%     | 13,006         |
| 2009                                    | 11,606                                | 89.4%    | 877                                | 6.8%     | 317                 | 2.4%     | 184          | 1.4%     | 12,984         |
| 2010                                    | 11,714                                | 89.5%    | 871                                | 6.7%     | 324                 | 2.5%     | 184          | 1.4%     | 13,093         |
| 2011                                    | 11,730                                | 89.4%    | 875                                | 6.7%     | 327                 | 2.5%     | 184          | 1.4%     | 13,116         |
| 2012                                    | 11,824                                | 89.6%    | 857                                | 6.5%     | 328                 | 2.5%     | 182          | 1.4%     | 13,191         |
| 2013                                    | 10,961                                | 89.1%    | 854                                | 6.9%     | 328                 | 2.7%     | 153          | 1.2%     | 12,296         |
| 2014                                    | 10,845                                | 89.1%    | 854                                | 7.0%     | 330                 | 2.7%     | 148          | 1.2%     | 12,177         |
| 2015                                    | 10,882                                | 89.2%    | 852                                | 7.0%     | 334                 | 2.7%     | 138          | 1.1%     | 12,206         |
| 2016                                    | 11,102                                | 88.8%    | 884                                | 7.1%     | 340                 | 2.7%     | 181          | 1.4%     | 12,507         |

Fire service accounts are specific meters installed for fire protection of a commercial or industrial space. All other types of accounts are listed as 'Other' and could include schools, churches, and governmental facilities.

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

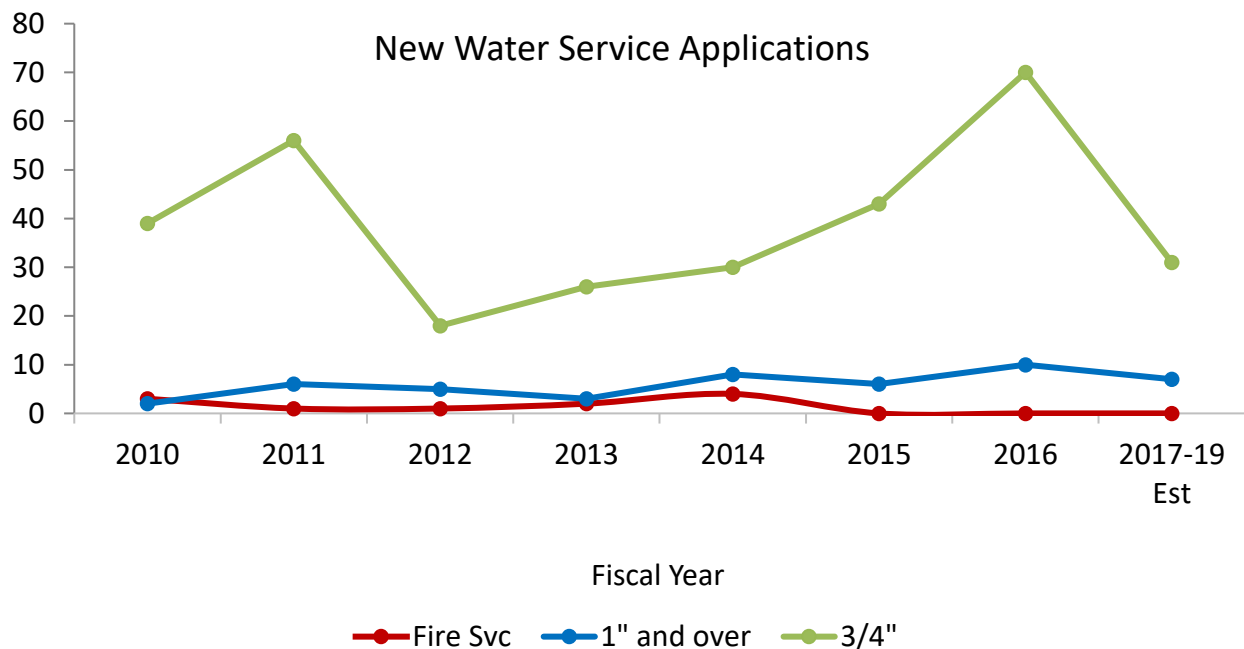
| <b>CLACKAMAS RIVER WATER<br/>LARGEST WATER CONSUMERS<br/>FOR THE YEARS ENDED JUNE 30, 2016 and 2007</b> |   |  |   |  |
|---|---|--|---|--|
| <b>Consumer</b>   | <b>2016</b>                                     |  | <b>2007</b>                                     |  |
|   | <b>Consumption<br/>(Hundred<br/>Cubic Feet)</b> | <b>Percent of<br/>District<br/>Total</b> | <b>Consumption<br/>(Hundred<br/>Cubic Feet)</b> | <b>Percent of<br/>District<br/>Total</b> |
| <b>Wholesale:</b>   |   |  |   |  |
| Sunrise Water Authority   | 1,219,751                                       | 33.12%                                   | -   | 0.0%                                     |
| No. Clackamas County Water Comm.  | -   | -  | 1,272,448                                       | 37.5%                                    |
| <b>Commercial:</b>  |   |  |   |  |
| Precision Castparts Corporation   | 163,632   | 4.4                                      | 132,553   | 3.9                                      |
| Safeway   | 67,355  | 1.8                                      | 82,128  | 2.4                                      |
| Fred Meyer, Inc.  | 42,058  | 1.1                                      | 36,668  | 1.1                                      |
| Clackamas Town Center   | 25,229  | 0.7                                      | 21,630  | 0.6                                      |
| Pacific Seafood   | 19,730  | 0.5                                      | 10,620  | 0.3                                      |
| Interstate Meats  | 18,886  | 0.5                                      | 13,992  | 0.4                                      |
| Larsen Creamery Inc   | 14,865  | 0.4                                      | -   | 0.0                                      |
| No. Clackamas Parks & Recreation  | 13,854  | 0.4                                      | 24,829  | 0.7                                      |
| Unified Western Grocers   | 11,785  | 0.3                                      | 14,699  | 0.4                                      |
| Kaiser FDN Hospital   | -   | -  | 64,487  | 1.9                                      |
| <b>Multi-family:</b>  |   |  |   |  |
| Country Village Mobile Home Park  | 45,243  | 1.2                                      | 57,372  | 1.7                                      |
| Lake Crest Apartment (GSL Properties)   | 38,470  | 1.0                                      | 30,021  | 0.9                                      |
| Monterey Springs Apartments   | 32,457  | 0.9                                      | 34,382  | 1.0                                      |
| Johnson City  | 25,982  | 0.7                                      | 29,848  | 0.9                                      |
| Clackamas Trails  | 24,413  | 0.7                                      | 27,834  | 0.8                                      |
| Overlook at Causey  | 23,485  | 0.6                                      | 20,074  | 0.6                                      |
| Easton Ridge Apartments   | 20,317  | 0.6                                      | 24,243  | 0.7                                      |
| Reflections at Happy Valley   | 19,155  | 0.5                                      | -   | 0.0                                      |
| Giadan K Estates  | 16,091  | 0.4                                      | 16,598  | 0.5                                      |
| The Fountains at Town CTR   | 12,527  | 0.3                                      | 15,339  | 0.5                                      |
| Oak Acres Mobile Home Park  | 8,765   | 0.2                                      | 24,605  | 0.7                                      |
| Crown Court Apartments  | -   | 0.0                                      | 19,780  | 0.6                                      |
| <b>All Other Consumers</b>  | <b>1,818,614</b>                                | <b>49.4</b>                              | <b>1,421,946</b>                                | <b>41.9</b>                              |
| <b>Total</b>  | <b>3,682,664</b>                                | <b>100.0%</b>                            | <b>3,396,096</b>                                | <b>100.0%</b>                            |



Water is also sold wholesale to Sunrise Water Authority. Sunrise purchases an average of 5 million gallons of water a day, approximately 50% annually from CRW and 50% from North Clackamas County Water Commission in which it owns a 48% interest. Emergency water supplies can be purchased from the South Fork Water Board. SWA provides this water to nearly 50,000 people across a 22-square mile service area encompassing Happy Valley and Damascus, along with surrounding areas of unincorporated Clackamas County. Within that service area, Sunrise maintains about 16,000 connections.

About half of Sunrise’s district is developed, while the other half is untouched green land that will be developed over time. They currently serve about 400 new connections each year and those numbers are expected to increase to 600-900 new connections each year for several years to come. CRW has reserved up to 10 MGD for purchase by SWA or other potential CRWSC partners in future. We don’t anticipate additional wholesale customers in the 2017-19 biennium.

New development is limited within District boundaries due to land use restrictions in the area south of the Clackamas River and small parcels for infill in the area north of the Clackamas River. Customers annexed into the cities of Oregon City and Milwaukie are withdrawn from our services and provided water by the cities. CRW has an agreement with the City of Milwaukie for Milwaukie to bill customers served by CRW. The City of Happy Valley does not provide 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. This budget estimates 38 new accounts in this biennium.



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 in FY15 and FY16. We don't expect this growth pattern to continue, however. This budget estimates 38 new service applications for the 2017-19 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 four 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 408,062 (2016). 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 new development and future growth potential for CRW's service area is limited due to zoning regulations and lack of developable space, Clackamas County continues to fare better than Oregon as a whole on personal income and employment. Income and unemployment rates for the District are unavailable, but per capita personal income for Clackamas County came in at \$49,656 for 2015, compared to \$43,783 for the state. The unemployment rate has been improving and stands at 3.1% for Clackamas County, with Oregon at 3.5 effective April 2017. Population, income and unemployment trends for the past 10 years are displayed below.

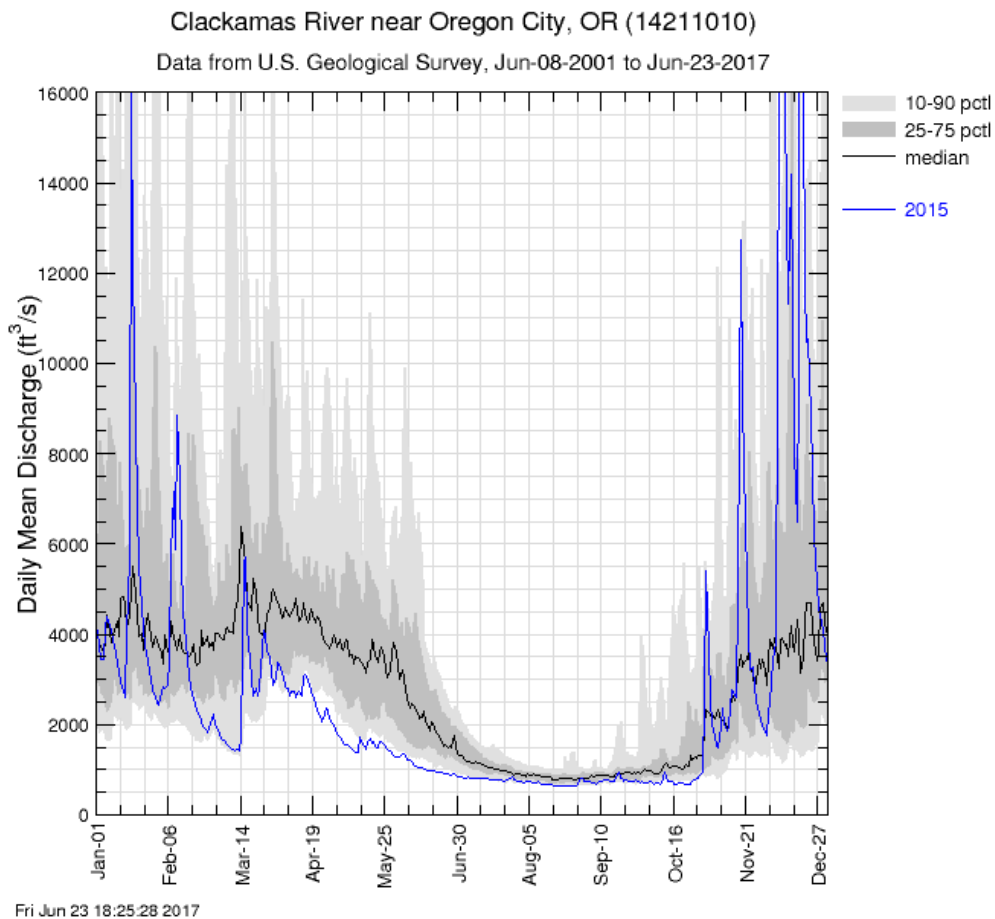
| CLACKAMAS OREGON<br>DEMOGRAPHIC STATISTICS<br>2007 - 2016 |            |  |                                  |              |
|---|------------|--|----------------------------------|--------------|
| Year  | Population | Personal<br>Income<br><i>Thousands</i> | Per Capita<br>Personal<br>Income | Unemployment |
| 2016  | 408,062    | N/A                                    | N/A                              | 4.4%         |
| 2015  | 401,515    | \$ 19,901,091                          | \$ 49,565                        | 6.2%         |
| 2014  | 394,972    | \$ 19,240,271                          | \$ 48,713                        | 6.2%         |
| 2013  | 388,263    | \$ 19,200,770                          | \$ 49,453                        | 7.1%         |
| 2012  | 383,857    | \$ 18,534,919                          | \$ 48,286                        | 8.0%         |
| 2011  | 379,984    | \$ 17,583,760                          | \$ 46,275                        | 8.9%         |
| 2010  | 381,775    | \$ 17,162,313                          | \$ 44,954                        | 10.1%        |
| 2009  | 379,845    | \$ 16,578,715                          | \$ 43,646                        | 10.4%        |
| 2008  | 376,660    | \$ 16,875,498                          | \$ 44,803                        | 5.7%         |
| 2007  | 372,270    | \$ 16,366,851                          | \$ 43,965                        | 4.6%         |

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, 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.

Although drier summers are predicted in future, the District makes conservative revenue projections based on the assumption that June and the fall months will be wetter and consumption and revenues will decline. The BN2017-2019 revenue projection incorporates record snow pack for summer 2017 while snow melt for summer 2018 is unknown at this time.

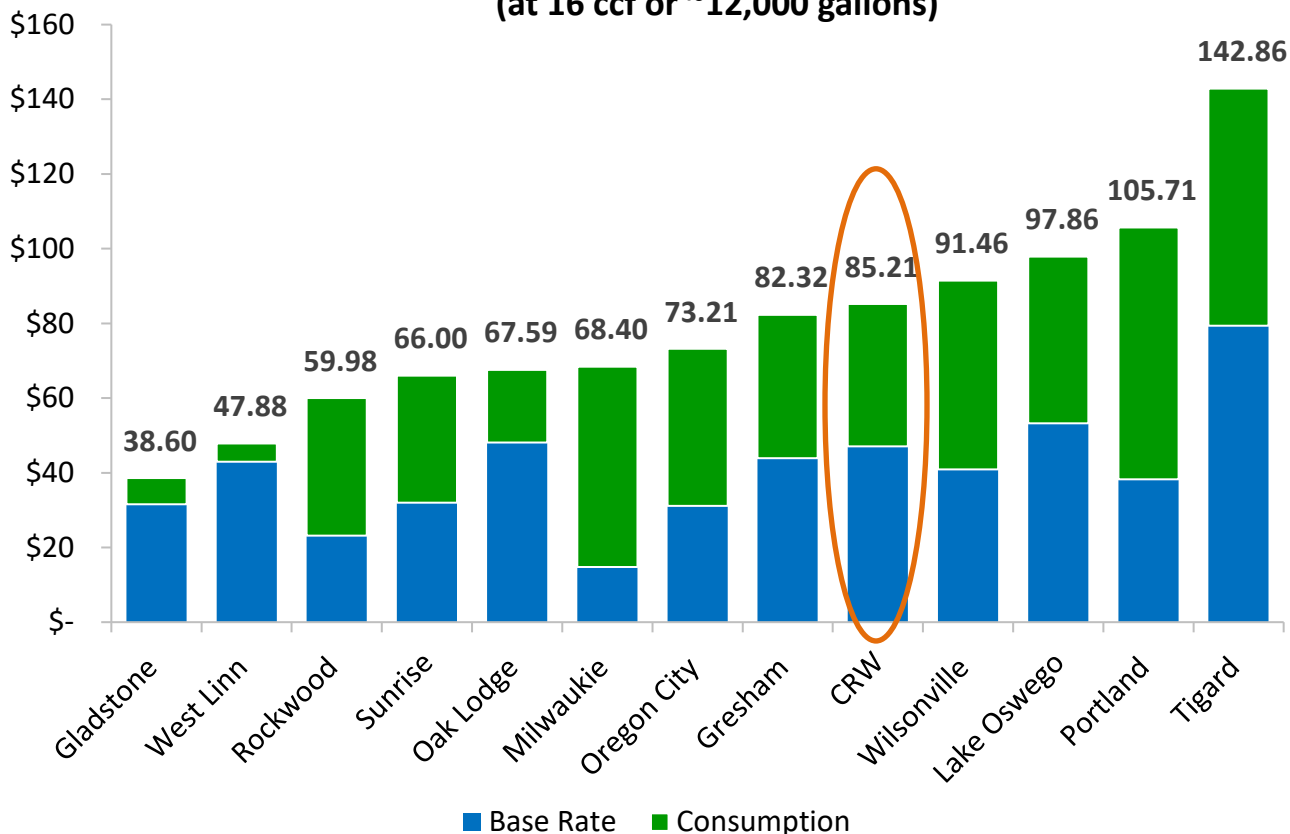
### Water Rates

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 (first 6 years). Rates for other meter sizes are also included in the plan and change similarly.

| <b>WATER RATES FOR RESIDENTIAL CUSTOMERS WITH A ¾ INCH METER</b> |                 |                |                |                 |                      |
|--|-----------------|----------------|----------------|-----------------|----------------------|
| <b>Year</b>  | <b>Base Fee</b> | <b>1-4 CCF</b> | <b>5-8 CCF</b> | <b>9-24 CCF</b> | <b>25 and up CCF</b> |
| <b>May 2014</b>  | \$26.90         | \$1.90         | \$2.11         | \$2.51          | \$3.20               |
| <b>May 2015</b>  | \$35.24         | \$1.90         | \$2.11         | \$2.51          | \$3.20               |
| <b>May 2016</b>  | \$44.49         | \$1.90         | \$2.11         | \$2.51          | \$3.20               |
| <b>May 2017</b>  | \$47.05         | \$2.01         | \$2.23         | \$2.65          | \$3.38               |
| <b>May 2018</b>  | \$49.76         | \$2.12         | \$2.36         | \$2.81          | \$3.58               |
| <b>May 2019</b>  | \$52.62         | \$2.25         | \$2.50         | \$2.97          | \$3.78               |

The following table compares CRW’s current single family billing rate (¾ 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 Neighboring Districts  
Bi-Monthly Water Bills  
(at 16 ccf or ~12,000 gallons)**

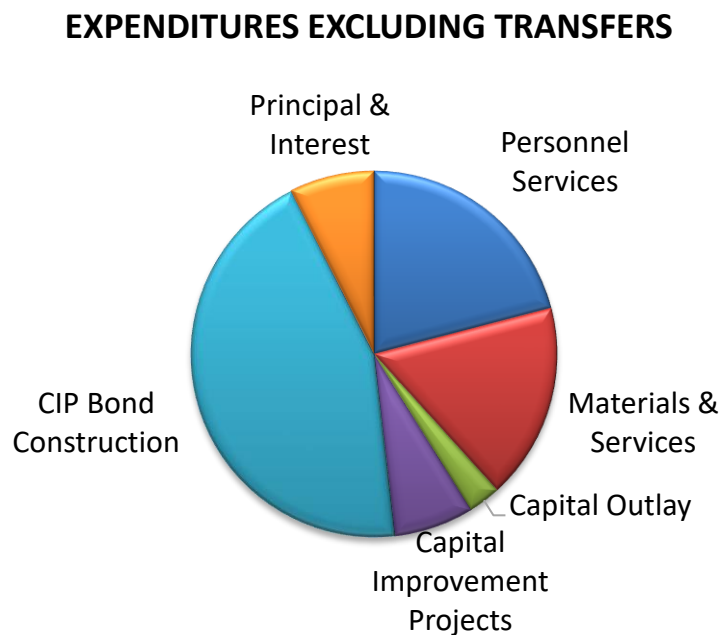


**Electricity**

Electricity is a significant cost of production as it powers our Water Treatment Plant, pump stations, reservoirs 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

## 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 Construction in Progress Fund and CIP Bond Construction Fund expenses are capital outlay and principal and interest are recorded in the Revenue Bond Fund.



Expenditures for all funds for fiscal years 2013 through 2015 actuals, with the current biennium budget, and the two-year adopted budget for 2017-19 are shown in the following table.

| <b>Expenditures - All Funds</b>        |                 |                  |                 |                  |                  |
|--|-----------------|------------------|-----------------|------------------|------------------|
|  | FY2012-13       | FY2013-14        | FY2014-15       | BN2015-17        | BN2017-19        |
|  | Actual          | Actual           | Actual          | Budget           | Adopted          |
| <i>in Thousands</i>                    |                 |                  |                 |                  |                  |
| <b>Expenditures</b>                    |                 |                  |                 |                  |                  |
| Personnel Services                     | \$ 3,919        | \$ 4,071         | \$ 3,937        | \$ 8,920         | \$ 9,533         |
| Materials & Services                   | 3,105           | 3,190            | 3,249           | 8,910            | 7,882            |
| <b>Subtotal Operating Expenditures</b> | <b>7,024</b>    | <b>7,261</b>     | <b>7,186</b>    | <b>17,830</b>    | <b>17,415</b>    |
| Capital Outlay                         | 830             | 2,650            | 1,558           | 10,134           | 24,700           |
| Debt Service                           | 655             | 446              | 455             | 1,829            | 3,387            |
| <b>Total Expenditures</b>              | <b>\$ 8,509</b> | <b>\$ 10,357</b> | <b>\$ 9,199</b> | <b>\$ 29,793</b> | <b>\$ 45,502</b> |

Expenditures increase in FY 2013-14 and succeeding years due in part to Federal and State water quality guidelines that put pressure on costs to meet stringent requirements. However, the primary reason for the increase is due to a rise in capital expenditures. FY2013-14 includes an emergency generator for the Water Treatment Plant, while BN2015-17 and BN2017-19 include the Backbone projects.

Eighty-three percent (\$7,345,807) of the Materials and Services budget of \$8,897,600 is externally or internally mandated. The balance of the budgeted Materials and Services, \$1,551,793 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 a limited duration Engineering Manager hired to manage the CIP program. An Inspector Trainee position will be filled in FY18, increasing the FTE to 41.2 for the upcoming biennium. The two added positions allow other staff to manage the Backbone capital projects.

| Personnel Services by FTE |                     |                    |                      |             |      |              |
|---------------------------|---------------------|--------------------|----------------------|-------------|------|--------------|
| As of June 30,            | Adminis-<br>tration | Water<br>Resources | System<br>Operations | Engineering | FACS | Total<br>FTE |
| <b>2013</b>               | 6.2                 | 10                 | 11                   | 5           | 7    | 39.2         |
| <b>2014</b>               | 5.2                 | 10                 | 11                   | 5           | 8    | 39.2         |
| <b>2015</b>               | 6.2                 | 10                 | 11                   | 4           | 8    | 39.2         |
| <b>2016</b>               | 6.2                 | 10                 | 11                   | 5           | 8    | 40.2         |
| <b>2017</b>               | 6.2                 | 10                 | 11                   | 5           | 8    | 40.2         |
| <b>2018<br/>(budget)</b>  | 6.2                 | 10                 | 11                   | 6           | 8    | 41.2         |
| <b>2019<br/>(Budget)</b>  | 6.2                 | 10                 | 11                   | 6           | 8    | 41.2         |

Staffing is distributed across five departments: Water Resources, System Operations, Finance Accounting and Customer Service (FACS), Engineering, and Administration. Additional information on departments can be found in the Financial Structure, Policy and Process section of this budget.

CRW budgets Personnel Services into four funds as shown below. The CIP Fund and the CIP Bond Construction Fund do not include a formal Personnel Services category as they are capital improvement funds and all expenditures are capitalized.

| <b>Personnel Services by Fund</b> |                   |                   |                   |                   |                   |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <i>in thousands</i>               | <b>FY 2012-13</b> | <b>FY 2013-14</b> | <b>FY 2014-15</b> | <b>BN 2015-17</b> | <b>BN 2017-19</b> |
|                                   | <b>Actual</b>     | <b>Actual</b>     | <b>Actual</b>     | <b>Budget</b>     | <b>Adopted</b>    |
| General Fund                      | \$ 3,730          | \$ 3,868          | \$ 3,937          | \$ 8,454          | \$ 9,171          |
| CIP Fund                          | 189               | 204               | 226               | 283               | 403               |
| CIP Bond Const                    | -                 | -                 | -                 | -                 | 450               |
| CRWSC Activity Fund               | -                 | -                 | -                 | 466               | 362               |
| <b>Total Personnel Services</b>   | <b>\$ 3,919</b>   | <b>\$ 4,072</b>   | <b>\$ 4,163</b>   | <b>\$ 9,203</b>   | <b>\$ 10,385</b>  |

**Materials and Services:** Expenditures in the General Fund are broken into several categories and comprise costs necessary for operation of the District:

- Customer Services include credit card processing fees, customer statement processing, bad debt, promotional items and public notices.
- Facilities and Security includes building and grounds maintenance, assessments and taxes, and security.
- General Administration is made up of insurance and insurance risk pool, dues and memberships, and bank fees.
- Materials include inventory and maintenance supplies.
- Office expenditures include office supplies, postage, printing and miscellaneous. For the biennium this category budgets the cost of the May 2019 Board of Commissioner's election.
- Other support costs include books and publications, certifications, employee relations, medical exams, payroll processing fees, protective clothing, safety and health, training and local travel.
- Professional and Contracted Services include the cost of the annual audit, contract work (such as meter reading), engineer and legal service, and maps.
- Equipment includes computers, peripherals and software, small tools, vehicle and equipment maintenance, equipment rental, and maintenance agreements.
- Utilities include telecommunications, gas, electric, sewer, surface water, and garbage services.
- Water Purchases and Treatment includes water purchases, water treatment and analysis, permits, telemetry, and watershed management.

**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 2017-19 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 \$38,371,000.

| <i>in thousands</i> |                  |                 |                    | <b>Series 2009 Bonded Debt</b> |  |
|---------------------|------------------|-----------------|--------------------|--------------------------------|--|
| <b>Fiscal Year</b>  | <b>Principal</b> | <b>Interest</b> | <b>Total</b>       |                                |  |
|                     |                  |                 | <b>Series 2009</b> |                                |  |
| 2018                | \$ 390           | \$ 60           | \$ 450             |                                |  |
| 2019                | 415              | 44              | 459                |                                |  |
| 2020                | 430              | 27              | 457                |                                |  |
| 2021                | 450              | 9               | 459                |                                |  |
| <b>Total</b>        | <b>\$ 1,685</b>  | <b>\$ 140</b>   | <b>\$ 1,825</b>    |                                |  |

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 outstanding balance of the revenue bonds is \$1,825,000 and will be paid off by November 2020. The biennium debt service payments are \$908,100. Principal payments of \$390,000 and \$415,000 are due November 1, 2017 and 2018, respectively. Interest payments of \$59,600 and \$43,500 are paid November 1 and May 1 during fiscal years 2017-18 and 2018-19, respectively.

| <i>in thousands</i> |                  |                  |                    | <b>Series 2016 Bonded Debt</b> |  |
|---------------------|------------------|------------------|--------------------|--------------------------------|--|
| <b>Fiscal Year</b>  | <b>Principal</b> | <b>Interest</b>  | <b>Total</b>       |                                |  |
|                     |                  |                  | <b>Series 2016</b> |                                |  |
| 2018                | \$ 325           | 914              | \$ 1,239           |                                |  |
| 2019                | 335              | 904              | 1,239              |                                |  |
| 2020                | 345              | 894              | 1,239              |                                |  |
| 2021                | 355              | 881              | 1,236              |                                |  |
| 2022-2026           | 2,005            | 4,187            | 6,192              |                                |  |
| 2027-2031           | 2,475            | 3,120            | 5,595              |                                |  |
| 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              |                                |  |
| <b>Total</b>        | <b>\$ 19,475</b> | <b>\$ 17,071</b> | <b>\$ 36,546</b>   |                                |  |

\$19,790,000 in bonded debt was issued in March 2016 (Series 2016). The outstanding balance of the revenue bonds is \$19,475,000 and will be paid off by November 2046. The biennial debt service payments are \$2,477,650. Principal payments of \$325,000 and \$335,000 are due November 1, 2017 and 2018, respectively. Interest payments of \$913,775 and \$903,875 are paid November 1 and May 1 during fiscal years 2017-18 and 2018-19, 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. For fiscal year 2016 the District ratio was 994%. The second ratio is net revenue less system development charges at 100%. For fiscal year 2016 the District ratio was 850% for the second ratio. This adopted budget exceeds these requirements.

## 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 is for all funds for fiscal years 2013 through 2015 actuals, with current biennial budget, and the two-year adopted budget for 2017-2019.

| <b>Operating Revenue to Operating Expenditures - All Funds</b> |                   |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <i>in thousands</i>  | <b>FY 2012-13</b> | <b>FY 2013-14</b> | <b>FY 2014-15</b> | <b>BN 2015-17</b> | <b>BN 2017-19</b> |
|  | <b>Actual</b>     | <b>Actual</b>     | <b>Actual</b>     | <b>Budget</b>     | <b>Adopted</b>    |
| <b>Operating Revenue</b>                                       |                   |                   |                   |                   |                   |
| Water Sales  | \$8,035           | \$8,815           | \$9,956           | \$20,655          | \$22,726          |
| CRWSC Operating Revenue  | \$0               | \$0               | \$25              | \$54              | \$162             |
| Operating Revenue  | \$180             | \$197             | \$168             | \$364             | \$414             |
| <b>Total Operating Revenue</b>                                 | <b>\$8,215</b>    | <b>\$9,012</b>    | <b>\$10,149</b>   | <b>\$21,073</b>   | <b>\$23,302</b>   |
| <b>Operating Expenditures</b>                                  |                   |                   |                   |                   |                   |
| Personal Services  | \$3,730           | \$3,868           | \$3,937           | \$8,920           | \$9,533           |
| Materials & Services   | \$3,105           | \$3,189           | \$3,300           | \$8,909           | \$7,882           |
| <b>Total Operating Expenditures</b>                            | <b>\$6,835</b>    | <b>\$7,057</b>    | <b>\$7,237</b>    | <b>\$17,829</b>   | <b>\$17,415</b>   |
| <b>Total Operating Revenue to Operating Expenditures</b>       | <b>\$1,379</b>    | <b>\$1,955</b>    | <b>\$2,912</b>    | <b>\$3,244</b>    | <b>\$5,887</b>    |

The General Fund and CRWSC Activity Fund are the only funds with operating revenue and expenditures. Since fiscal year 2012-13, operating revenues have been sufficient for operating expenditures. Excess operating revenues can be used for capital outlay purchases or to build reserves. This budget transfers an extra \$500,000 over fiscal policy to the CRW Reserve Fund for future capital investments.

## 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 is for all funds for fiscal years 2013 through 2015 actuals, with the current biennial budget, and the two-year adopted budget for 2017-2019.

| <b>Changes in Fund Balance - All funds</b>       |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
| <i>in Thousands</i>                              | <b>FY2012-13</b> | <b>FY2013-14</b> | <b>FY2014-15</b> | <b>BN2015-17</b> | <b>BN2017-19</b> |
|  | <b>Actual</b>    | <b>Actual</b>    | <b>Actual</b>    | <b>Budget</b>    | <b>Adopted</b>   |
| Beginning Fund Balance                           | \$ 9,385         | \$ 9,684         | \$ 9,071         | \$ 9,469         | \$ 33,513        |
| Ending Fund Balance                              | 9,684            | 9,070            | 10,546           | 13,838           | 15,100           |
| Excess (Deficiency of Revenue over Expenditures) | \$299            | (\$614)          | \$1,475          | \$4,370          | (\$18,413)       |

Beginning Fund Balance increased significantly in BN2017-19 due to a 2016 bonded debt issuance to finance capital improvements to the District's facilities. It is anticipated the beginning fund balance will be higher at the start of this adopted budget than the ending fund balance at the close of fiscal year 2017. Many capital outlay expenditures are dependent on outside agencies for timing of expenditures.

**SUMMARY OF ALL FUNDS, ADOPTED BUDGET FOR THE 2017-2019 BIENNIUM**

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

| <b>Summary of All Funds Adopted Budget for the 2017-2019 Biennium</b> |               |              |                       |                   |                            |                      |                             |                     |                  |                 |
|---|---------------|--------------|-----------------------|-------------------|----------------------------|----------------------|-----------------------------|---------------------|------------------|-----------------|
| <i>in thousands</i>   | General Fund  | CIP Fund     | CIP Bond Constr. Fund | Revenue Bond Fund | Revenue Bond Proceeds Fund | Capital Reserve Fund | Rate Stabiliz. Reserve Fund | CRWSC Activity Fund | SDC Reserve Fund | Total All Funds |
| Revenues and other sources:   |               |              |                       |                   |                            |                      |                             |                     |                  |                 |
| Water Sales   | \$21,088      | \$ -         | \$ -                  | \$ -              | \$ -                       | \$ -                 | \$ -                        | \$ 1,638            | \$ -             | \$ 22,726       |
| Other Operating   | 414           | -            | -                     | -                 | -                          | -                    | -                           | 162                 | 561              | 1,137           |
| Non-Operating   | 357           | -            | -                     | 11                | 201                        | 3,070                | 27                          | 348                 | 9                | 4,024           |
| Transfers in  | 1,790         | 3,185        | 20,192                | 3,386             | -                          | 4,000                | -                           | -                   | -                | 32,553          |
| <b>Total Revenues</b>   | <b>23,649</b> | <b>3,185</b> | <b>20,192</b>         | <b>3,397</b>      | <b>201</b>                 | <b>7,070</b>         | <b>27</b>                   | <b>2,148</b>        | <b>570</b>       | <b>60,439</b>   |
| Expenditures and other uses:  |               |              |                       |                   |                            |                      |                             |                     |                  |                 |
| Personnel Services  | 9,171         | -            | -                     | -                 | -                          | -                    | -                           | 362                 | -                | 9,533           |
| Materials & Services  | 7,810         | -            | -                     | -                 | -                          | -                    | -                           | 72                  | -                | 7,882           |
| Capital Outlay  | 1,321         | 3,186        | 20,193                | -                 | -                          | -                    | -                           | -                   | -                | 24,700          |
| Debt Service  | -             | -            | -                     | 3,386             | -                          | -                    | -                           | -                   | -                | 3,386           |
| Transfers to  |               |              |                       |                   |                            |                      |                             |                     |                  |                 |
| Other Funds   | 7,386         | -            | -                     | -                 | 17,292                     | 6,185                | -                           | 1,690               | -                | 32,553          |
| Contingency   | 750           | -            | -                     | -                 | -                          | -                    | -                           | -                   | -                | 750             |
| <b>Total Expenditures</b>   | <b>26,438</b> | <b>3,186</b> | <b>20,193</b>         | <b>3,386</b>      | <b>17,292</b>              | <b>6,185</b>         | <b>-</b>                    | <b>2,124</b>        | <b>-</b>         | <b>78,804</b>   |
| Excess (Deficiency) of Revenue over Expenditures                      | (2,789)       | (1)          | (1)                   | 11                | (17,091)                   | 885                  | 27                          | 24                  | 570              | (18,365)        |
| Beg. Working Capital  | \$ 6,200      | \$ 1         | \$ 1                  | \$ 484            | \$ 19,100                  | \$ 5,300             | \$ 1,149                    | \$ 98               | \$ 1,180         | \$ 33,513       |
| End. Working Capital  | \$ 3,411      | \$ -         | \$ -                  | \$ 495            | \$ 2,009                   | \$ 6,185             | \$ 1,176                    | \$ 122              | \$ 1,750         | \$ 15,148       |

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 increases transfers to the Capital Reserve Fund for future capital expenditures and Revenue Bond Fund for debt service payments. This reduces the ending working capital to about 90 days of operational expenditures in the General Fund.

Please note Transfers In and Transfers to Other Funds are equal as required by Oregon Budget Law. Please see next page for a description of transfers.

**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.

| <b>Summary of Transfers</b>              |                  |                  |
|--|------------------|------------------|
| <b>BN 2017-2019 Total Adopted Budget</b> |                  |                  |
| <i>(in Thousands )</i>                   |                  |                  |
|  | Transfers In     | Transfers Out    |
| General Fund                             | \$ 1,790         | \$ 7,386         |
| CIP Fund                                 | 3,185            | -                |
| CIP Bond Construction Fund               | 20,192           | -                |
| Revenue Bond Proceeds Fund               | -                | 17,292           |
| CRWSC Activity Fund                      | -                | 1,690            |
| Capital Reserve Fund                     | 4,000            | 6,185            |
| Revenue Bond Fund                        | 3,386            | -                |
| <b>Total Transfers</b>                   | <b>\$ 32,553</b> | <b>\$ 32,553</b> |

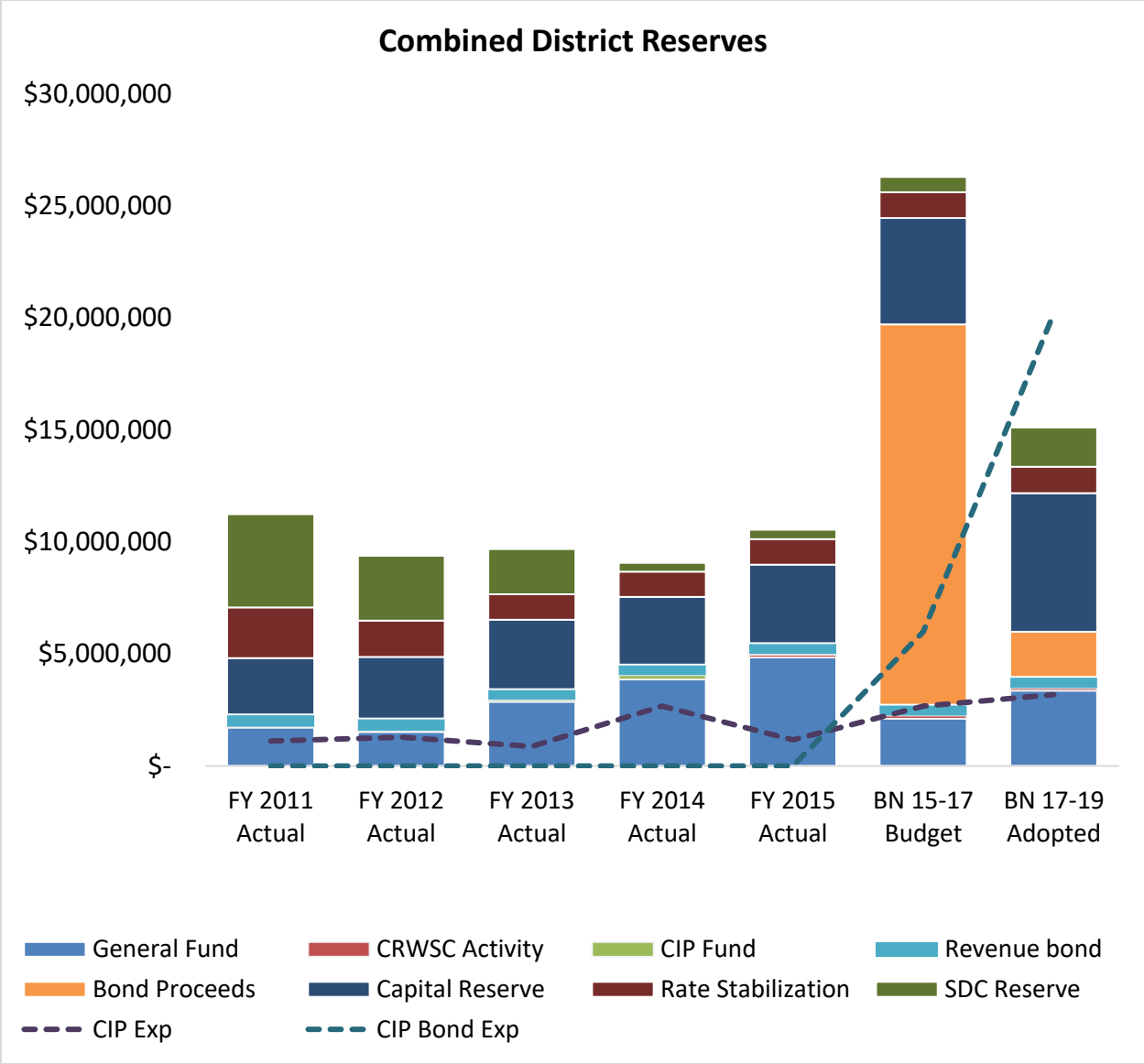
| <b>Recap of Transfers-in and Transfers-out in All Funds</b> |    |     |                       |                           |
|---|----|-----|-----------------------|---------------------------|
| Fund  | In | Out | Fund                  | Purpose                   |
| General   | X  |     | CRWSC Activity        | 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 |
| 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      |
| <i>Additional detail available in the Appendix</i>          |    |     |                       |                           |

## FINANCIAL RESERVES

This budget achieves full implementation of the financial reserve policies approved by the Board of Commissioners in April 2013. Those policies state that CRW will maintain:

- \$500,000 contingency to cover costs of unknowns that occur after the budget is adopted. The adopted 2015 – 2017 biennial budget increased contingency to \$750,000. As it proved sufficient, this budget maintains the contingency balance at \$750,000. The contingency is not discretionary; any use of this budget appropriation must be approved by the Board and transferred to Personnel Services, Materials and Services, Capital Outlay, or to other funds prior to spending the money.
- General Fund ending fund balance equal to 90 days of operating expenses, with a target of \$2.1 million for the biennial budget. This provides for covering operational costs until cash is collected from our customers. The ending fund balance in this adopted budget is \$3.4 million.
- Transfer to Capital Reserve Fund approximately equal to annual depreciation expense. The goal is to transfer to Capital Reserve for future Capital Improvement Projects (CIP) ensuring that the District has sufficient funds to complete projects as needed. The policy recommends a transfer of \$1,750,000 per year from the General Fund to the Capital Reserve Fund. This budget includes a transfer of \$2 million each year.

Transfers from the Capital Reserve Fund are budgeted at \$4 million; \$3.2 million will be used to fund Sunrise Water Authority's share of the 152<sup>nd</sup> Avenue reservoir. This money will be returned to the fund over the next three years as Sunrise repays the District. The graph that follows also displays the use of bonded proceeds for CIP Bond Construction projects.



This adopted budget estimates \$22,726,000 in wholesale and retail water sales, \$17,204,995 in operating expenditures and \$1,579,800 for Capital Outlay. Additionally, the General Fund will transfer \$3,385,750 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 four and five of the rate plan are included in this budget.

## **REVENUE BONDS – OUTSTANDING DEBT**

The outstanding balance of the Series 2009 revenue bonds is \$1,685,000 and will be paid in full November 2020. In March 2016 the District issued \$19,790,000 in Water Revenue bonds. The budget includes debt service payments for \$3,385,750 made up of \$1,465,000 in principal and \$1,920,750 in interest for both series of bonds.

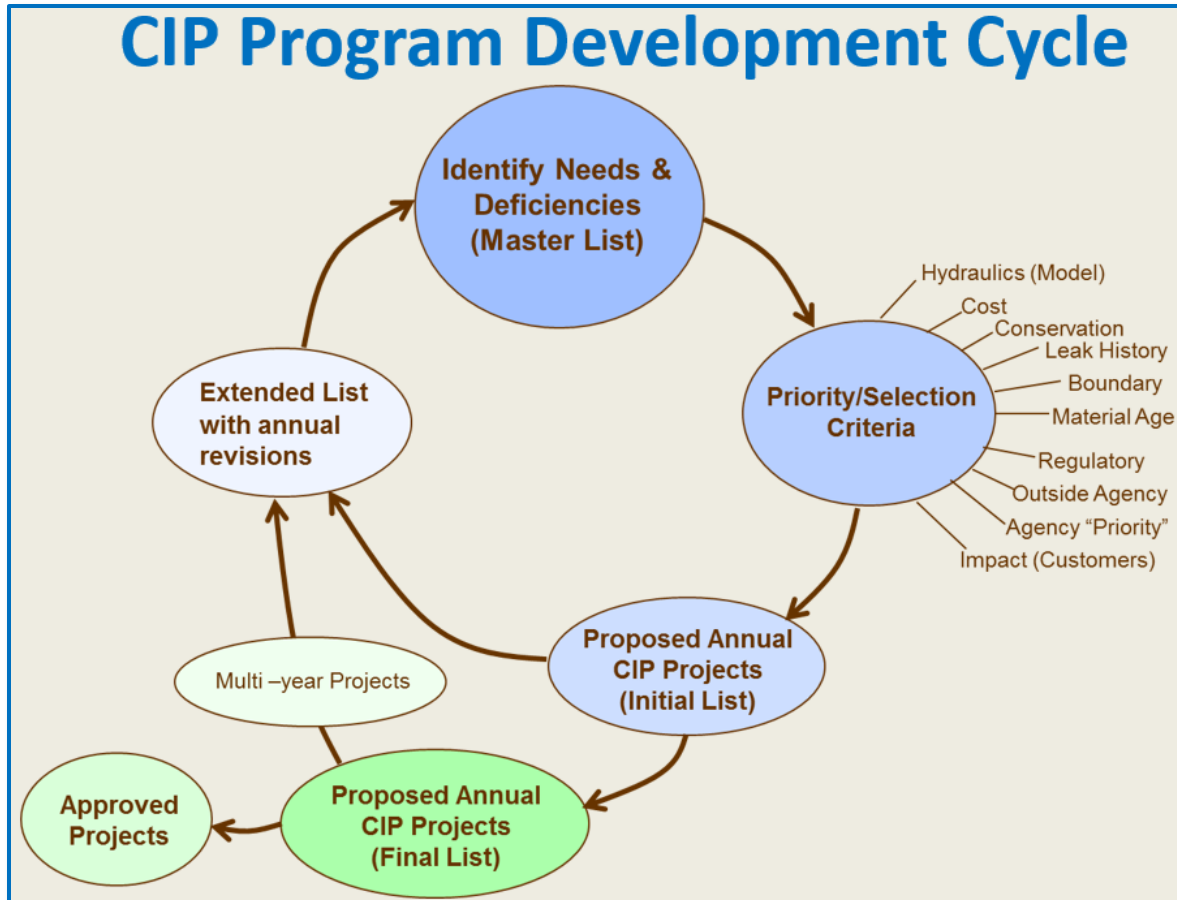
The Series 2016 Water Revenue Bonds have requirements to spend eighty-five (85) percent of the proceeds within three years of issuance. This budget includes projects to meet that requirement.

## **CAPITAL IMPROVEMENT PLANS AND RELATIONSHIP TO ANNUAL BUDGET**

The CIP Fund and CIP Bond Construction Fund are separate from General Fund activities and are based upon the Water System Master Plan, District capital improvement needs, and projects of other jurisdictions that affect CRW infrastructure. 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 construction activities of overlapping jurisdictions. The CIP Fund accounts for projects funded from the Capital Reserve Fund and include additions, replacements and improvements for storage, transmission, distribution, supply and treatment facilities of the District. The CIP Bond Construction Fund was created to track use of the Series 2016 Bond proceeds and those dollars will be used for construction of the Backbone projects and may also be used to complete other capital projects that are needed to meet the District's infrastructure objectives.

The Engineering Department leads the District's management team in the CIP program development process using a deliberate approach to select, prioritize, and recommend projects for inclusion in the biennial budget. The decision making process takes place during development of the Water System Master Plan with some updates made during the biennial budget process and more formal revisions made approximately every 10 years. The graphic below illustrates the District's CIP development process:





Selection includes identification of needs & 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 2015-2017 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
- 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 rescopeed or cancelled, cycle back into master list for future consideration.

Board initiatives pertaining to capital projects:

- 1 . Implement the Backbone project
- 2 . Identify both short- and long-term capital projects that need to be completed within the next five to ten years:
  - Complete the Water System Master Plan
  - Begin development of a Facilities Master Plan for the Water Treatment Plant
  - Continue efforts to evaluate emergency preparedness and management, and develop an emergency communication system

The preferred projects are reviewed internally by the General Manager and management team, analyzed with 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 public budget hearing noticed in the newspaper. The Board holds the budget hearing, accepts public comment and adopts the budget.

The total budget for CIP Fund for the biennium is \$3,186,000. Many CIP projects for this biennium pertain to Clackamas County and Oregon Department of Transportation (ODOT) road projects and related waterline work. Waterline relocations or adjustments are addressed in conjunction with road projects to avoid conflict with maintenance or repair of CRW waterlines in the future. Additionally, the budget includes several water line replacements, and pump station Arc-Flash upgrades. CIP expenditures within the District are funded with SDC Reserves and Capital Reserves.

We budgeted \$20,193,000 for Backbone projects to be funded primarily with bond proceeds. These projects include a six million gallon reservoir at 152<sup>nd</sup> Avenue that will be partially funded from Capital Reserve balances to be repaid by Sunrise Water Authority over a three year period.

We provided 5-year plans for each project funded through the CIP and CIP Bond Construction Funds in the 2017-2019 biennium. The plans include the following information: project descriptions; the approved budget for the 2017-19 biennium and projections for fiscal years 2020-2022; anticipated impact on future operating costs and the projects relationship to the organizations strategic focus and initiatives. The biennial 2017-2019 budget includes cost estimates for this time-frame only, based on internal and external labor and materials and overhead. The internal labor is transferred from General Fund personnel services to the CIP Fund. If internal labor is not used, personnel services remain within the General Fund.

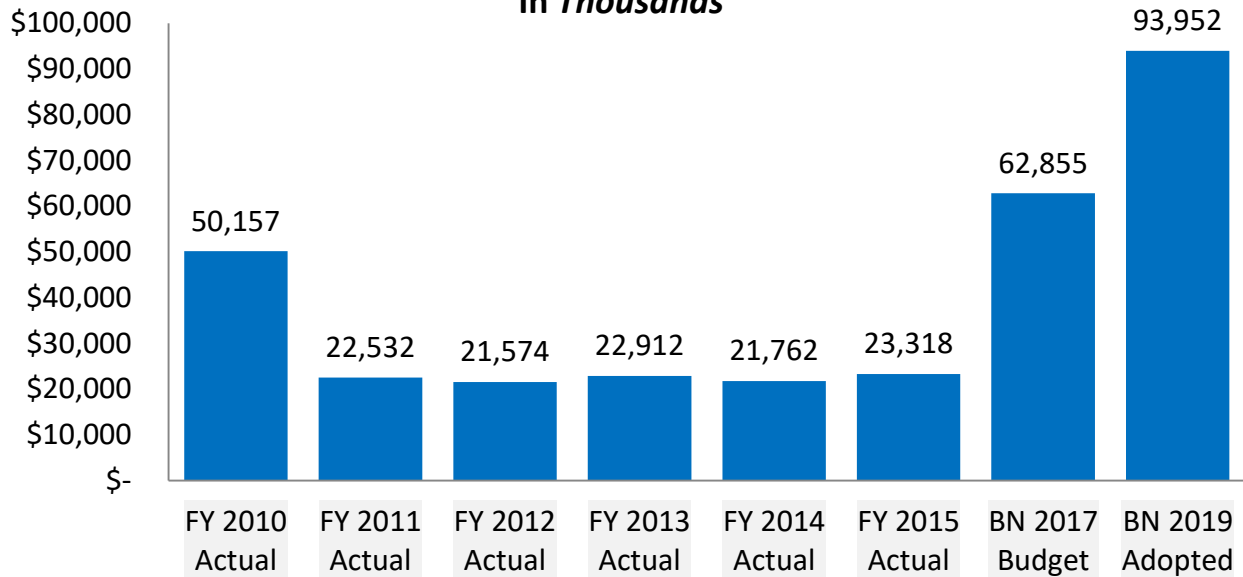
CRW has one primary directive, to supply water to our customers. The majority of CRW's capital projects involve routine upgrades or replacements to our existing water supply infrastructure. Also, the District is not experiencing significant growth in our customer base, nor does it expect to in the foreseeable 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 resulting from long-term care of equipment and facilities. 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.

## **CONCLUDING THOUGHTS AND FUTURE PLANNING**

CRW presents an Adopted 2017-19 Budget that reflects the direction provided by the Board of Commissioners and aligns with District initiatives, priorities and financial policies such as implementation of the Backbone projects, updating the Water System Master Plan, development of a Facilities Master Plan 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 fiscal year 2010 budget increase was not due to additional spending, but rather to closing the CRW Reserve Fund and opening three new reserve funds: SDC Reserve Fund, Capital Reserve Fund and Rate Stabilization Reserve Fund. The Board of Commissioners authorized biennial budgeting in December 2014 with the first being the BN2017 Budget (July 1, 2015 – June 30, 2017).

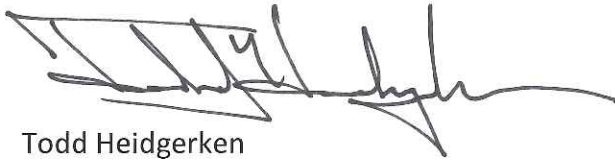
The impact of the water rate increase on revenue will allow for capital improvements within the District and will begin to rebuild reserve balances for future capital improvements. Improvements are needed to ensure flow of water from the river to your faucet 24 hours a day, 365 days a year. Many of the projects have been identified as Board of Commissioner’s priorities and will be pursued over the next several years.

At one time CRW could anticipate sufficient SDC reserves to cover appropriate CIP costs, but development within the District is slow due to the zoning within the District. 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. Reserve balances are expected to decrease over this biennial budget because of use of bond proceeds.

## 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.

Sincerely,



Todd Heidgerken

General Manager

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.



Carol Bryck, CPFO, CTP

Budget Officer

Chief Financial Officer

# FINANCIAL STRUCTURE, POLICY AND PROCESS

## FUND DESCRIPTIONS AND STRUCTURE

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 2017-2019 budget consists of nine funds, two which were established during the 2015-2017 biennium: 1) Revenue Bond Proceeds Fund, and 2) CIP Bond Construction Fund. These funds track resources and expenditures pertaining to the District’s new 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 Proprietary/Enterprise funds and all are major 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. CRW’s funds are detailed below.

**General Fund:** The purpose of a General Fund is to record financial transactions relating to all activities for which specific types of funds are not required. Most local governments have a General Fund. *CRW’s*

*General Fund is a general operation fund.*

**Capital Project Funds:** A Capital Project Fund is used to record all resources and expenditures used to finance building or acquisitions of capital facilities, which are non-recurring major expenditure items. Resources include the proceeds from the sale of general obligation bonds or revenue bonds. Also included are any grants, transfers from other funds, or other revenues authorized for financing capital projects. *CRW’s current Capital Project Funds are the CIP Fund and the CIP Bond Construction Fund (authorized at the March 17, 2016 Board meeting).*

**Special Revenue Funds:** A Special Revenue Fund should be set up only for special tax levies and other dedicated revenues when required by statutes, charter provisions, or the terms under which revenue is dedicated. *CRW’s Special Revenue Funds are the CRWSC Activity Fund and the Revenue Bond Proceeds Fund (authorized at the March 17, 2016 Board meeting).*

**Debt Service Fund:** A Debt Service Fund accounts for the payment of principal and interest on all general obligation long-term debt, including that payable exclusively from revenue-producing enterprises. *CRW’s Debt Service Fund is the Revenue Bond Fund.*

**Reserve Funds:** A Reserve Fund is used to accumulate money for financing the cost of any service, project, property or equipment that the District can legally

perform or acquire. Under Local Budget Law, a Reserve Fund is the appropriate way to save money from year to year. Money in a Reserve Fund can only be used for the purpose for which the fund was

established. Expenditures can be made directly from the Reserve Fund. *CRW Reserve Funds are the SDC Reserve Fund, Rate Stabilization Reserve Fund, and CRW Reserve Fund.*

## DEPARTMENTS

A department is a section within a fund to separate costs associated with a certain program or area of operation. Below we've provided a description of the Districts departments, along with a matrix that explains and illustrates the relationship between the functional units and funds.

The General Fund has five (5) departments: Administrative Services; Water Resources; System Operations; Engineering; and Finance, Accounting & Customer Service (FACS). The Board of Commissioners department has been rolled into Administrative Services and expenses are no longer charged to that department.

**Administration** includes the following: human resources management; information systems, technology and network support; emergency management; procurement of materials and services; administration of contracts, security systems and patrol, safety and health reporting, maintenance, and insurance. This department supports the organization's efforts to maintain internal controls through separation of functions. The General Manager oversees District operations and the Board of Commissioners provides policy guidance, budget oversight and compliance

monitoring.

**Water Resources** performs the following functions: treats and produces water for consumption; maintains the water treatment plant and pump stations; ensures compliance with federal and state water quality requirements, including the Safe Drinking Water Act, through sample testing and analysis; and purchases wholesale water for sale to CRW retail customers. Conservation activities are also provided to schools and other consumers.

**System Operations** maintains the distribution system to deliver treated water from the plant to individual service connections. Associated activities include the following: maintain valves, meters and fire hydrants, read commercial and residential meters for customers moving in or out of the District, locate water lines, detect leaks to reduce water loss, administer the cross connection control program to prevent backflow of non-potable water into the distribution system, and coordinate fleet maintenance.

**Engineering** provides professional technical support related to the District's water system. They also manage AutoCAD (Computer Aided Drawing), the Geographic Information System (GIS) mapping and inventory database, and the hydraulic model of our water system. Engineering's

long-term planning helps the District to meet master planning, capital improvement and other needs, including routine planning in other CRW departments and outside agencies. Engineering is also responsible for the development, design, and construction oversight of the Capital Improvement Program.

**Finance, Accounting, and Customer Service (FACS)** creates and sends bi-monthly bills, accepts and records payments, responds to customer questions

and concerns regarding their bill or water service. FACS also creates this budget document and the Comprehensive Annual Financial Report (CAFR), monitors and reconciles expenditures accounts, processes payroll and vendor payments, provides data and information to independent auditors, and oversees records and document management. FACS also ensures fiscal compliance to our debt bond holders, customers and as required by state statutes.

### DEPARTMENTAL/FUND RELATIONSHIP

The departmental/fund relationship is the relationship between the entity’s functional units, major funds, and non-major funds (the District has no non-major funds). The table below depicts the relationship between the District’s departments and funds, including the % of each department’s salary budgeted to a particular fund. CRW budgets personnel services into four of the nine funds. *Note: An “X” indicates a relationship exists between a particular department and fund, while the columns are coded a different color for each type of fund.*

| District Departments               | All are Major Proprietary/Enterprise Funds |     |                       |     |                            |     |                       |     |                            |                   |                      |                  |                             |
|------------------------------------|--|-----|-----------------------|-----|----------------------------|-----|-----------------------|-----|----------------------------|-------------------|----------------------|------------------|-----------------------------|
|                                    | General Fund                               |     | CIP Fund              |     | CIP Bond Construction Fund |     | CRWSC Activity Fund   |     | Revenue Bond Proceeds Fund | Revenue Bond Fund | Capital Reserve Fund | SDC Reserve Fund | Rate Stabiliz. Reserve Fund |
|                                    | General Fund                               |     | Capital Project Funds |     |                            |     | Special Revenue Funds |     |                            | Debt Service Fund | Reserve Funds        |                  |                             |
| Administration                     | X  | 94% |                       | 2%  |                            | 0%  | X                     | 4%  |                            | X                 | X                    |                  | X                           |
| Water Resources                    | X  | 95% | X                     | 0%  | X                          | 0%  | X                     | 5%  | X                          |                   |                      |                  |                             |
| System Operations                  | X  | 90% | X                     | 3%  | X                          | 7%  | X                     | 0%  |                            |                   |                      |                  |                             |
| Engineering                        | X  | 53% | X                     | 25% | X                          | 22% | X                     | 0%  | X                          |                   |                      | X                |                             |
| Finance, Accounting & Customer Svc | X  | 89% | X                     | 0%  | X                          | 0%  | X                     | 11% |                            | X                 | X                    |                  | X                           |



## APPROPRIATION CATEGORIES

Within each fund or each department of a fund, expenditures are grouped by appropriation categories. The usual categories are Personnel Services, Materials & Services, Capital Outlay, Debt Service, Inter-fund Transfers, and Contingency. All appropriations lapse as of the end of the budgeting period on June 30.

**Personnel Services:** Personnel Services include all of the wages, taxes and fringe benefit costs associated with employee expenditures.

**Materials & Services:** Materials & Services include operational expenses such as materials and supplies, maintenance and repairs, dues, travel and training, contracted services, utilities and water treatment supplies.

**Capital Outlay:** Capital Outlay items are expenditures that result in the acquisition of or addition to capital assets; that are significant expenditures for items that will be held or used for more than one (1) year and cost at least \$5,000.

**Debt Service:** Debt service items are expenditures for the repayment of bonded debt. Principle and interest payments are included in debt service.

**Inter-fund Transfers or Transfers:** Interfund transfers are budgeted to move money from one fund to another fund for specific allowable purposes. Examples include transferring funds from the General Fund to the Revenue Bond Fund in order to make the required payment on

the Revenue Bonds or from the CRW Reserve Fund to the CIP Fund for capital projects that improve or enhance the water system transmission or distribution mains.

**Contingency:** Contingency estimates must be reasonable, based on past experience, and in line with the purpose of the particular fund involved. It cannot be made in place of an estimate for expenditures which are known to be necessary and can be anticipated. It must not be used to cover up improper or loose budgeting practices.

Oregon Administrative Rules 150-294.388 (7) states that contingency estimates are “based on the assumption that in the operations of any municipality from an operating fund, certain expenditures will become necessary which cannot be foreseen and planned in the budget because of the occurrence of some unusual or extraordinary event.”

Expenditures cannot be made directly from the Contingency line item – the funds must be transferred to an existing appropriation. A resolution must be passed by the Board of Commissioners before any of the contingency money can be transferred. The transfer must be made to an existing appropriation. The contingency is then reduced and the receiving category increased by the same amount so the fund remains in balance. No more than 15% of the operating appropriation may be transferred from the Contingency. Transfers exceeding 15% may be made only after adopting a supplemental budget.

## EXPENDITURE ACCOUNT GROUPS

The General Fund and CRWSC Activity Fund requirements are summarized into the following groups:

**Customer Services** – Costs directly related to customers such as statement processing, public notices, credit card payment processing fees, collection of past due accounts, and conservation education.

- Bad Debt
- Credit Card Processing Fees
- Collection Expenses
- Customer Credit Allowance
- Customer Statement Processing
- Promotional Items
- Public Notices

**Facilities & Security** – Costs related to facility maintenance, security of the District, taxes due to private use, and assessments.

- Assessments & Taxes
- Building & Grounds Maintenance
- Security

**General Administration** – Costs related to general liability insurance, service fees, dues and memberships in organizations that benefit the District.

- Bank Charges
- Insurance
- Dues & Memberships
- Insurance – Risk Pool

**Materials** – Costs for material inventory and maintenance supplies needed for installing meters and maintaining the distribution system.

- Materials - Inventory
- Maintenance Supplies

**Office** – Costs related to office supplies, and printing and mailing forms and documents.

- Office Supplies
- Postage
- Printing
- Miscellaneous

**Other Support Costs** – Costs related to maintaining employees' safety and skills.

- Books & Publications
- Certifications
- Employee Relations
- Medical Exams
- Payroll Processing Fees
- Protective Clothing
- Safety & Health
- Training
- Travel-Local

**Professional & Contracted Services** – Costs related to professional and contracted services that are not provided by employees. Examples include attorneys, consultants, and meter reading.

- Audit
- Contract Work
- Engineer Service
- Legal
- Maps

**Equipment** – Costs related to equipment used by the District to maintain the distribution system and water treatment plant, computer systems, general office equipment and District vehicles.

- Computers, Peripherals & Software
- Equipment Maintenance
- Equipment Rental
- Maintenance Agreements
- Small Tools & Equipment
- Vehicle Maintenance

**Utilities** – Costs related to communication, power, heating and cooling of District facilities.

- Telecommunications
- Utilities

**Water Purchases & Treatment** – Costs related to preparing and supplying water for customer usage and maintaining the watershed.

- Permits
- Telemetry
- Water Purchases
- Watershed Management
- Water Treatment & Analysis

## **FINANCIAL GOALS and POLICIES**

This section summarizes the goals and policies the District follows in managing its finances.

### **Financial Goals**

1. Services provided by the District shall be managed to lower costs and maximize service level quality and quantity within available financial resources. As such, the District shall coordinate financing and the delivery of service with other public agencies and the private sector and ensure that services are provided in an efficient, cost-effect manner.
2. The District shall explore alternative means of providing services wherever such alternatives could significantly reduce costs or improve services.
3. The District shall provide appropriate financial capacity for current and future needs through an equitable system of rates and charges. The Board of Commissioners approved a long term rate plan in March 2014 to provide stable revenue to meet operational needs and reserve policy.
4. The District shall promote sound financial management by providing accurate and timely information about the District's financial operations.
5. The District shall maintain its good credit rating and prevent default on any debts in order to continue access to the credit markets enabling the District to finance capital projects in an efficient, cost effective manner.
6. The District shall adopt Financial and Accounting Policies that provide guidance to the Board and the District's management on decisions that have significant impact. These policies will set forth operating principles for effective management of financial risk and cost containment.

### **Financial and Accounting Policies**

1. The District shall establish and maintain its accounting systems according to generally accepted accounting practices (GAAP) and shall adhere to GAAP principles and standards promulgated by the Government Finance Officers Association (GFOA), Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).
2. An annual audit shall be performed by an independent public accounting firm, which issues an official opinion on the annual financial statements, along with a management letter identifying any areas needing improvement (ORS 297, OAR Division 10).
3. Full disclosure shall be provided in the financial statements and bond representations.

4. Quarterly budget reports showing the current status of revenues and expenditures shall be prepared and distributed to appropriate staff and management personnel in a timely manner and made available for public inspection.

### **Budget Policy**

1. The District has adopted a two-year (biennial) budget to affect an appropriate short-term planning horizon and promote efficiencies.
2. The District shall prepare, present, approve, adopt and amend its operating budget(s) in accordance with Oregon Local Budget Law (ORS 294).
3. The District shall maintain a budget system to monitor expenditures and revenues on an ongoing basis, with thorough analysis and periodic adjustment if required.
4. The District shall ensure that operating revenues are sufficient to cover operating expenditures, transfers, reserves, and contingencies.
5. 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).
6. Unless otherwise authorized by the Board of Commissioners, general unrestricted revenues shall not be earmarked for specific programs, activities or services.
7. Long-term debt or bond financing shall be used for capital purposes, not to finance current operations.
8. The District appropriates at the “category” levels of Personnel Services, Materials & Services, Transfers, Debt Service, and Contingency.

### **Capital Asset Policy**

1. The District shall periodically review and update its Water Master Plan and Water Management Plan to satisfy the requirements for these plans outlined by the Oregon Health Division and the Oregon Water Resources Department. The review and update should consider information contained in other planning documents and provide the District with a coordinated capital plan for system development and an overview of source options to meet growth needs.
2. The District shall finance capital projects with both cash and debt instruments. Normal ongoing repair and replacement projects will always be financed with cash. Debt will be

considered as an optional financing mechanism for long-lived improvements and expansions, or one-time major system component replacements. Capital projects financed through the issuance of debt shall not be financed for a period that exceeds the expected useful life of the project. As part of the CIP process, analysis shall be conducted to insure that capital expenditures are funded from an appropriate revenue source, and that sufficient cash is being re-invested in the system each year to maintain the public's investment in infrastructure.

3. The district shall use the most prudent methods of acquiring capital outlay items, including the use of lease-purchase agreements.
4. The District shall maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved.

### **Debt Policy**

1. The District may issue debt to finance capital facilities with long-term useful lives and to maintain stable water rates and spread the cost of the facilities to future users benefiting from the facility.
2. The District shall issue revenue bonds in preference to general obligation (GO) bonds as a financing instrument. This policy allows the District to issue debt on a schedule that accommodates capital system needs without waiting for a general election (required in Oregon for GO debt) and ensures that debt is serviced with water rates and charges (consistent with the "user pays" philosophy) rather than through property tax assessments.
3. The District shall comply with current bond covenants by ensuring that its operating revenues are sufficient to equal the District's operating expense and that the net operating revenues are sufficient to meet or exceed revenue bond debt service coverage tests. Debt service coverage calculations should include and exclude System Development Charge (SDC) revenues to ensure coverage requirements and targets are met.
4. The District shall periodically review its outstanding debt and debt market conditions to identify opportunities to reduce interest cost through refinancing and shall comply with applicable provision of law including interest savings of 3% or greater from refinancing.
5. When issuing debt the District shall evaluate the use of bond insurance and debt service reserve equivalents as a means of minimizing net interest cost of the financing.
6. When issuing debt the District shall comply with Internal Revenue Services' Arbitrage rules requiring 85% of bond proceeds be spent for their intended purpose within 36 months from the issuance date of the bonds.

## Reserve and Contingency Policy

The District shall maintain reserves at the levels and for the purposes indicated below. These levels represent the minimum amounts that should be maintained. Reserves may be restricted or unrestricted, and may not be expended except as allowed by local budget law.

1. Operating Reserve (working capital): 90 days' worth of operating expenses (personnel services, materials and services). This practice allows for fluctuations of cash receipts due to weather and water use.
2. Operating Contingency: A minimum of \$500,000 for unplanned and unanticipated expenditures. The funds can be accessed through Board action for revenue or expenditure fluctuations when necessary. Any depleted funds shall be replaced in the following budget period.
3. Capital Reserve: \$1,750,000, but not less than \$500,000 from water sales revenue. The funding level of this reserve is based on annual depreciation of the system infrastructure and was approved by the Board. Monies are transferred from this reserve to the Capital Improvement Projects Fund for expansion and improvement to the District's facilities. Depleted reserve funds shall be replaced by a transfer of cash from the General Fund.
4. Rate Stabilization Reserve: This reserve while not required by bond covenants provides additional revenues to meet debt service coverage requirements in years when revenues are lower than anticipated. This reserve may be accessed by Board action when needed. A higher level of rate stabilization reserve may be funded in anticipation of unusually large or frequent bond sales.
5. System Development Charge (SDC) Reserve: Monies are transferred from this reserve to the Capital Improvement Projects Fund for expansion and improvement to the system. Depleted reserve funds are replenished by SDC reimbursement and improvement revenues.

In addition to the required reserves listed above, the District shall maintain discretionary reserves when special circumstances warrant such a course of action.

## Revenue Policy

1. System development charges shall be established to fund costs of expansion and improvements to the water system to service new growth.
2. Charges for providing water services shall be sufficient to finance all operating, capital outlay and debt service expenses of the District's enterprise funds, including operating contingency and reserve requirements.

3. Other reimbursable work performed by the District (labor, contracted services, equipment and other indirect expenses) shall be billed at actual or estimated actual cost, including indirect overhead.
4. Charges for services shall accurately reflect the actual or estimated cost of providing a specific service. The cost of providing specific services shall be recalculated periodically, and the fee adjusted accordingly. The District shall maintain a current schedule of fees, showing when the fees were last reviewed and/or recalculated.
5. The District shall pursue an aggressive policy of collecting delinquent accounts including late fees, discontinuing service and collection agencies.

### **Investments**

1. The primary investment objective for the District is to invest available cash according to established policies, while providing appropriate levels of safety, liquidity, and yield, in that order. Performance against this objective is monitored on an ongoing basis. The prospect of credit risk or risk of permanent loss is avoided.

### **Operations Policy**

1. It is District policy to operate the water system without property tax support. The two elements of this policy are that (1) the system is operated to provide service to its residents and customers based upon the cost of the service, and (2) bonds issued for major improvements to the system are retired with revenue from water sales. Thus, although it has the authority to do so and has previously levied a small tax to retire debt, CRW does not currently use property taxes to finance general operations.
2. The District's operations policy also stipulates periodic review of wholesale and retail rates to ensure uniformity between policy and financial conditions. In March of 2014 the Board approved an eight year rate plan to provide revenue sufficient to meet financial reserve policies approved by the Board. The rate increase is effective with the June 30th bills of each year, just prior to the fiscal year end.

### **Risk Management**

1. The District and its employees are responsible for ensuring that District operations, programs, activities, and policies are conducted in a manner that considers risk of loss or injury in order to provide the maximum protection to District assets, both human and property, and prevent fiscal loss.



2. In order to reduce risk potential and associated losses, District risk management efforts:

- Identify risks,
- Evaluate risk potential,
- Select the best risk management techniques to mitigate and manage risks while minimizing unnecessary impacts to essential District activities, and
- Monitor and evaluate the results.

## **PLANNING AND BUDGET PROCESS**

### **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, 2017 and ends June 30, 2019. 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 years 2013-2014 and 2014-2015, and biennial amounts for 2015-2017 and 2017-2019.

### **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.

### **Overview**

The District’s Board of Commissioners holds frequent, periodic work sessions to develop policy, plan for specific actions and events, discuss progress on existing goals and to develop new key initiatives and priorities. The initiatives and priorities are divided into broad subject areas. Most key initiatives represent major multi-year efforts, but initiatives can also include incremental improvements to the day-to-day operations of the District. A summary of the District’s initiatives and priorities is shown in the Budget Message. This goal-setting session provides overall direction to management and staff, and the long range financial and capital plans are the expressions of that direction over multi-year periods. The biennial budget defines the needs and allocations of available resources to implement the first two years of the long-range plans.

## **Long Range Capital Planning**

Long range planning is essential in the utility business. A water system, including source, pumping, treatment, storage, and distribution requires ongoing maintenance and long-term improvements to continue providing safe affordable drinking water to customers. System improvements often require many years of advance planning and permitting before construction can begin. The District's Water System Master Plan covers a 20-year timeframe and is typically updated after 10 years. The five-year Capital Improvement Plan (CIP) is updated biennially in response to anticipated demand, changes in federal regulations, and ongoing maintenance needs. The plans identify short- and long-term capital needs, ranks them by priority, coordinates their scheduling and determines the best method of paying for improvements within the District's fiscal capacity.

The District does not have a Facilities Master Plan for its Water Treatment Plant, but recognizes the need for formal long-term planning, particularly as the plant nears 53 years of operation and new technological advances provide enhanced performance. Funds are provided in this budget to hire a consultant to research and prepare a facilities plan for the District. In addition, the District is involved with planning its future water supply, 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. Additional information on capital investments can be found in the "Capital Improvement Plans and Relationship to Annual Budget section of the Budget message.

## **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 calculates and sets a percentage budget increase allowed for materials and services by department 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. This document 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.

### **Budget Committee Members**

#### **Board of Commissioners:**

Naomi Angier, President  
Hugh Kalani, Secretary  
David McNeel, Treasurer  
William Blanas  
Larry Sowa

#### **Citizen Members:**

Paul Arro  
Erin Blue  
Sheryl French  
Gary Kerr  
Nick Thiel

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 and significant changes from the current budget period. The results of the financial forecast, including assumptions and risks, are also presented to the committee. 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 moved to approved status 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 then is 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 resolution changes 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.

| <b>Budget Calendar</b>           |  |  |  |
|----------------------------------|--|--|--|
| <b>Month</b>                     | <b>CRW Customers</b>   | <b>Board of Commissioners</b>  | <b>CRW Staff</b>   |
| <b>Develop Budget</b>            |  |  |  |
| <b>December</b>                  | 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<br><br>Advertise for citizen Budget Committee members                                     |
| <b>January</b>                   |  | Appoint Budget Officer and schedule Budget Committee meetings  | Prepare and distribute budget materials to departments   |
| <b>February &amp; March</b>      |  | 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<br><br>Finance compiles proposed budget                 |
| <b>April &amp; May</b>           | Budget Committee meeting(s): Committee receives 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<br><br>Prepare and publish Financial Summary and Notice of Budget Hearing |
| <b>Finalize and Adopt Budget</b> |  |  |  |
| <b>June</b>                      | 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  | Present approved budget at Public Hearing and respond to inquiries from Commissioners, citizens Budget Committee members and the public. Release Final document.                                   |
| <b>July</b>                      |  |  | Submit adopted budget to Oregon Department of Revenue and Clackamas County   |
| <b>Amend Budget</b>              |  |  |  |
| <b>Post-adoption</b>             | Public Hearing on Supplemental Budget: Committee receives public input on supplemental budget  | Supplemental Budget Hearing: Board adopts supplemental budget  | Prepare supplemental budget and publish notice of hearing  |

**Budget Format**

Understanding CRW’s Budget....

Clackamas River Water presents budgeted financial information in detailed tables by fund. Each table includes several columns:

| GENERAL FUND |                      |                   |                   |                     |    |   |
|--------------|----------------------|-------------------|-------------------|---------------------|----|---|
| Summary      | Adopted BN 2017-2019 |                   |                   | Change to 2017-2019 |    |   |
|              | Total<br>2015-2017   | Year 1<br>2017-18 | Year 2<br>2018-19 | Total<br>2017-2019  | \$ | % |

**Column 1 – Summary**

Resources are grouped by seven different revenue types and requirements are grouped by expenditure categories. Personnel Services and Materials and Services expenditure categories are summarized by expenditure account groups. Capital Outlay includes detailed descriptions of each capital item and a summary by department.

**Column 2 – Adopted budget for current biennium data**

Resources and requirements for the current biennium, 2015-17, are shown on a budgeted basis in the second column of the budget detail for each fund. This is the adopted or amended current biennial budget.

**Column 3 and 4 – Adopted budget for each fiscal year of the biennium**

Resources and requirements for the next two fiscal years, FY 2017-18 and FY 2018-19, are shown on a proposed basis in the third and fourth columns of the budget detail for each fund.

**Column 5 – Biennial budget total**

The biennial totals for the next two fiscal years, FY 2017-18 and FY 2018-19, are added together in the fifth column. This is the appropriation level at which the budget will be approved and adopted.

**Column 6 – Change in dollars**

The sixth column shows the dollar difference between columns 5 and 2, which is the increase or decrease of the proposed biennial budget compared to the prior biennial budget.

**Column 7 – Percentage change**

The seventh column shows the percentage difference between columns 5 and 2, which is the percentage increase or decrease of the proposed biennial budget compared to the prior biennial budget.

*The Oregon Budget Law required reports are in the Appendix section.*

# General Fund

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## GENERAL INFORMATION

Resources and requirements of the General Fund budget are equal, creating a balanced fund. Resources include Beginning Fund Balance or Working Capital, Revenue from water sales, other sources, and Transfers from other funds. Requirements include Expenditures, Transfers to Other Funds, Contingency and Unappropriated Fund Balance.

General Fund revenue is sufficient to cover the budgeted General Fund expenditures. Revenue from water sales is estimated at \$21.1 million with \$771,200 from other sources as identified below. Expenditures are budgeted at \$18.3 million.

The General Fund records revenue for direct water sales, system connections, service charges, as well as non-operating income for rental of building space, interest earnings, and sale of scrap, excess vehicles and equipment.

The General Fund requirements contain the District's operational expenditures, capital outlay, transfer to reserves, contingency and unappropriated ending fund balance.

## BUDGET HIGHLIGHTS

As the second biennial budget presented to our Budget Committee, the following pages compare the adopted biennial budget for 2017-19 to the prior adopted biennial budget for 2015-17.

One time expenditures included in the BN 2017-2019 adopted budget equal \$550,000 and are for the Water System Master Plan and a Facilities Master Plan.

Financial policies are met in the adopted budget. Contingency has been set at

\$750,000, transfers to reserves at least \$1.75 million per year, and ending fund balance at least 90 days of operational expenditures.

## CAPITAL CONSIDERATIONS

Capital outlay expenditures are purchases of assets that last longer than one year and exceed the capital threshold purchase price of \$5,000.

- **Water Resources:** Rebuild and replace pumps; reroof pump stations; update SCADA system; replace water treatment process analyzers, chemical feeder, and filter valves; install fall protection railings; Water Treatment plant - seal contact basin, replace second floor covering and update parking lots.
- **System Operations:** Expand equipment barn; update locker room and parking lots; replace 2 HVAC units and Office & HVAC Room Flooring; replace meters and vaults for three inch and greater services; acquire new service trucks, dump truck, Yanmar excavator track, asphalt/concrete saw, and davit arm confined space entry/rescue system.
- **Administration:** Upgrade Riverside Park facilities, Administration Office parking lot, and Information Technology and emergency communications equipment; and obtain land and easements for pump station and/or reservoir projects associated with the Backbone project (funded with bond proceeds).

See the Capital Outlay section of the budget for details on these projects.

# General Fund

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## WHAT IS NEW?

This is the second biennial budget prepared since the Board approved biennial budgeting for the District December 11, 2014. The presentation includes the budget for the prior biennium compared to the adopted biennial budget for BN 2017 - 2019.

The Board of Commissioners approved a rate plan on March 31, 2014 effective May 1, 2014. This is an eight-year plan designed to provide resources to meet fiscal policies and district infrastructure needs. Revenue from this action has been included in this budget. This budget is year four and five of the rate plan.

Transfers in are from the CRWSC Activity Fund for Wholesale Water Sales.

Revenues are forecast based on consumption similar to prior years but are conservative for the summer usage months due to limited new development within the District. Customer behavior and usage patterns may be affected by weather patterns; this has been considered in our forecast.

### Where the money comes from...

- Water Sales
- Service Connections
- Service Charges
- Miscellaneous Operating – revenue related to, but not direct water sales, transmission, or production
- Rental Income
- Miscellaneous Non-Operating
  - Services other than water production
  - Surplus Property Sales
- Municipal Right-of-Way fees – Oregon City and Happy Valley
- Interest Income
- Transfers In

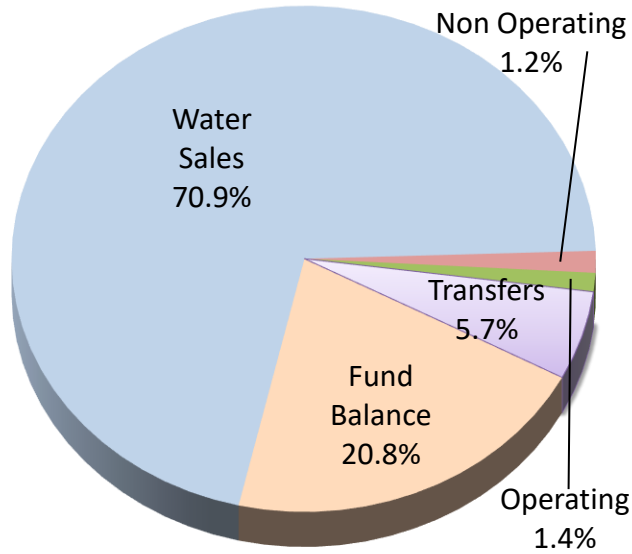
### Where the money goes...

- Personnel Services - all staffing costs including employer paid taxes and benefits
- Materials & Services - all operating costs of the District to produce and deliver water, invoice customers and collect payments, system planning and design, emergency preparedness, maintenance of the system infrastructure and administration
- Capital Outlay includes equipment replacements, and service vehicles and building improvements
- Transfers to Other Funds increases future reserves for capital improvements, and payment of bonded debt
- Operating Contingency is for unplanned and unanticipated expenditures
- Ending Fund Balance maintains adequate reserves to meet District needs and compliance with fiscal policies

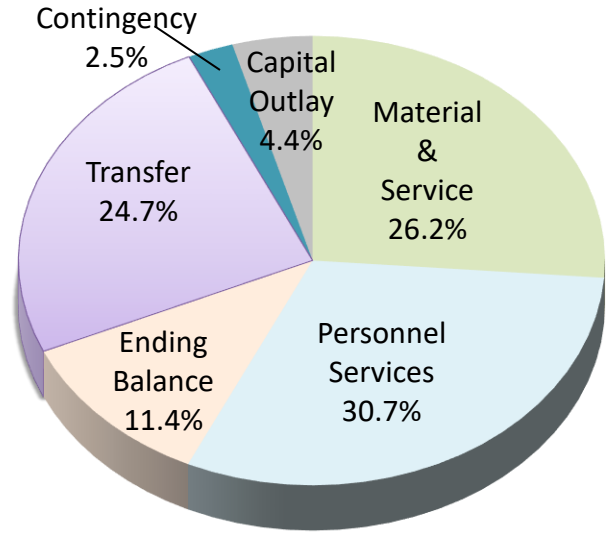


# General Fund

General Fund's resources by major category:



General Fund's requirements by major category:



The purpose of a General Fund is to record financial transactions relating to all activities for which specific types of funds are not required. The General Fund records the general operations for the District.

| GENERAL FUND              |                      |                      |                      |                      |                                       |              |
|---------------------------|----------------------|----------------------|----------------------|----------------------|---------------------------------------|--------------|
| Summary                   | Total<br>2015 - 2017 | Adopted BN 2017-2019 |                      |                      | Change to 2017-2019<br>from 2015-2017 |              |
|                           |                      | Year 1<br>2017-18    | Year 2<br>2018-19    | Total<br>2017-2019   | \$                                    | %            |
| <b>RESOURCES:</b>         |                      |                      |                      |                      |                                       |              |
| Beginning Fund Balances   | \$ 4,000,000         | \$ 6,200,000         |                      | \$ 6,200,000         | \$ 2,200,000                          | 55.0%        |
| Water Sales               | 19,065,000           | 10,287,000           | 10,801,000           | 21,088,000           | 2,023,000                             | 10.6%        |
| Operating Revenue         | 363,600              | 207,000              | 207,000              | 414,000              | 50,400                                | 13.9%        |
| Non-Operating Revenue     | 341,400              | 175,500              | 181,700              | 357,200              | 15,800                                | 4.6%         |
| Transfers                 | 1,859,500            | 940,000              | 850,000              | 1,790,000            | (69,500)                              | -3.7%        |
| <b>TOTAL RESOURCES</b>    | <b>\$ 25,629,500</b> | <b>\$ 17,809,500</b> | <b>\$ 12,039,700</b> | <b>\$ 29,849,200</b> | <b>\$ 4,219,700</b>                   | <b>16.5%</b> |
| <b>REQUIREMENTS:</b>      |                      |                      |                      |                      |                                       |              |
| Personnel Services        | \$ 8,454,163         | \$ 4,396,000         | \$ 4,775,100         | \$ 9,171,100         | \$ 716,937                            | 8.5%         |
| Materials & Services      | 8,623,500            | 4,013,700            | 3,795,900            | 7,809,600            | (813,900)                             | -9.4%        |
| Capital Outlay            | 966,500              | 833,800              | 487,000              | 1,320,800            | 354,300                               | 36.7%        |
| Transfers to Other Funds  | 6,413,590            | 3,688,375            | 3,697,375            | 7,385,750            | 972,160                               | 15.2%        |
| Contingency               | 450,000              | 750,000              | -                    | 750,000              | 300,000                               | 66.7%        |
| Ending Fund Balance       | 721,747              | -                    | 3,411,950            | 3,411,950            | 2,690,203                             | 372.7%       |
| <b>TOTAL REQUIREMENTS</b> | <b>\$ 25,629,500</b> | <b>\$ 13,681,875</b> | <b>\$ 16,167,325</b> | <b>\$ 29,849,200</b> | <b>\$ 4,219,700</b>                   | <b>16.5%</b> |

# General Fund

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## GENERAL FUND RESOURCES

The District's General Fund adopted budget includes estimated revenues for the biennium as well as beginning fund balance. Total resources include retail water sales, operating revenues (late fees, connection charges, fire hydrant usage permits and related fees), non-operating revenues (rents, damage to property, grants, sales of scrap and assets), transfers from other funds, and beginning fund balance. Water sales account for 89.6 percent of revenue including transfers from other funds. Transfers from the CRWSC Activity Fund include wholesale water sales which is 5.7 percent of revenue in the General Fund.

## GENERAL FUND REQUIREMENTS

The District's General Fund adopted budget includes all necessary appropriations for the biennium as well as unappropriated reserves. Total appropriations include expenditure categories for district-wide spending of Personnel Services, Materials and Services, Capital Outlay and Transfers, as well as the non-spendable Contingency category.

This budget includes transfers to the Capital Reserve Fund, preparation of the Water System Master Plan and a Facilities Master Plan, expenditures for emergency management activity, service vehicles, and HVAC replacements. The transfers to reserves, contingency and the unappropriated fund balance meet CRW's fiscal policies.

Personnel Services increase 8.5 percent, Materials and Services decrease 9.4 percent and Capital Outlays increase 36.7 percent. Transfers to Other Funds increase by 15.2 percent. The increase in transfers to other funds is primarily due to increase in debt service for

the Series 2016 Revenue Bonds.

### Personnel Services

Personnel Services increase 8.5 percent, while Full Time Equivalent positions increase by one FTE compared to the prior two-year budget.

Salaries and Wages increase due to wage adjustments per contract agreements, planning for staff retirement benefit payouts, inflation and one additional FTE.

Benefits and Taxes increase due to anticipated changes in costs to provide employee insurance and significant increase in pension plan contributions administered by PERS.

### Material & Services

Materials & Services decrease 9.4 percent over the prior two-year budget.

Customer Services: Costs directly related to customers such as public notices, utility bills, credit card payment processing fees and conservation education. This category has held steady over the prior biennium.

Equipment: Costs to maintain the distribution system, water treatment plant, District vehicles, computer systems, and general office equipment. These costs are anticipated to increase due to the cycle of upgrade and replacement of computer systems.

Facilities & Security: Costs for facility maintenance and security, taxes (due to private use) and assessment are increasing.

General Administration: Costs related to general liability insurance, service fees, and dues and memberships that benefit the Dis-

# General Fund

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district. These costs are lower due to the District's ability to purchase insurance through Special Districts Insurance Services.

Materials: Costs for supplies and inventory for installing meters and maintaining the distribution system. The number of new service installations are anticipated to increase, raising the costs of associated materials and inventory.

Office: Costs of office supplies, postage, and printing of forms and documents. The use of electronic and web options has lowered these costs.

Other Support Costs: Costs to maintain employee safety and skills such as participation in conferences and seminars, protective clothing allowance, and safety committee expenses are rising. They are partially offset by eliminating the one-time purchase of AED equipment included in the last budget cycle.

Overhead Reimbursement (CIP Fund): Reimbursements to the General Fund from other funds for Central Service expenses that support all programs and funds. Increases are due to planned capital outlay expenses in the CIP Bond Construction Fund.

Professional & Contracted Services: Costs incurred for legal, consulting, survey, and meter reading services provided externally are

increasing. They include recruitment services, Water Master Plan and Facilities Master Plan preparation, and a boundary study with Oregon City.

Utilities: Costs for communications, power, and heating and cooling of District facilities are increasing due to anticipated rates hikes for power.

Water Purchases & Treatment: Costs to prepare and supply water to customers and maintain the watershed. A decrease in final payments of past due joint user accounts is partially offset by increases in wholesale rates from South Fork Water Board and wheeling rates for Oregon City. Watershed management expenses were also re-classed to dues and memberships.

## **Capital Outlay**

Capital Outlay is \$1.3 million for the biennium. A listing and description of the Capital Outlay planned for this biennium can be found in the Capital Outlay Section.

Capital Outlay items are expenditures that result in the acquisition of, or addition to, capital assets and cost \$5,000 or more, with a useful life of one year or longer. Typically these items are one-time purchases. The Water Resources department has recurring purchases for SCADA system server and pump rebuilds. The System Operations department has recurring purchases for three inch and larger meter replacements.

# General Fund

| GENERAL FUND REQUIREMENTS             |                      |                      |                      |                      |                                       |              |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------------------------|--------------|
| REQUIREMENTS:                         | Total<br>2015-17     | Adopted BN 2017-2019 |                      |                      | Change to 2017-2019<br>from 2015-2017 |              |
|                                       |                      | Year 1<br>2017-18    | Year 2<br>2018-19    | Total<br>2017-2019   | \$                                    | %            |
| <b>PERSONNEL SERVICES</b>             |                      |                      |                      |                      |                                       |              |
| FTE Position                          | 40.2                 | 41.2                 | 41.2                 |                      |                                       | 2.5%         |
| Salaries & Wages                      | \$ 5,526,515         | \$ 2,794,700         | \$ 3,009,700         | \$ 5,804,400         | \$ 277,885                            | 5.0%         |
| Benefits & Taxes                      | 2,927,648            | 1,601,300            | 1,765,400            | 3,366,700            | 439,052                               | 15.0%        |
| <b>TOTAL PERSONNEL SERVICES</b>       | <b>\$ 8,454,163</b>  | <b>\$ 4,396,000</b>  | <b>\$ 4,775,100</b>  | <b>\$ 9,171,100</b>  | <b>\$ 716,937</b>                     | <b>8.5%</b>  |
| <b>MATERIALS &amp; SERVICES</b>       |                      |                      |                      |                      |                                       |              |
| Customer Services                     | \$ 307,700           | \$ 160,200           | \$ 148,300           | \$ 308,500           | \$ 800                                | 0.3%         |
| Equipment                             | 633,400              | 377,200              | 371,400              | 748,600              | 115,200                               | 18.2%        |
| Facilities & Security                 | 519,100              | 294,400              | 299,400              | 593,800              | 74,700                                | 14.4%        |
| General Administration                | 891,100              | 409,000              | 482,600              | 891,600              | 500                                   | 0.1%         |
| Materials                             | 281,500              | 155,300              | 154,600              | 309,900              | 28,400                                | 10.1%        |
| Office                                | 145,000              | 72,900               | 74,800               | 147,700              | 2,700                                 | 1.9%         |
| Other Support Costs                   | 283,800              | 148,700              | 146,200              | 294,900              | 11,100                                | 3.9%         |
| Overhead Reimbursement                | (236,200)            | (419,000)            | (669,000)            | (1,088,000)          | (851,800)                             | 360.6%       |
| Professional & Contracted Svc         | 1,860,800            | 968,000              | 903,200              | 1,871,200            | 10,400                                | 0.6%         |
| Utilities                             | 1,774,300            | 752,400              | 763,300              | 1,515,700            | (258,600)                             | -14.6%       |
| Water Purchases & Treatment           | 2,163,000            | 1,094,600            | 1,121,100            | 2,215,700            | 52,700                                | 2.4%         |
| <b>TOTAL MATERIALS &amp; SERVICES</b> | <b>\$ 8,623,500</b>  | <b>\$ 4,013,700</b>  | <b>\$ 3,795,900</b>  | <b>\$ 7,809,600</b>  | <b>\$ (813,900)</b>                   | <b>-9.4%</b> |
| CAPITAL OUTLAY                        | 966,500              | 833,800              | 487,000              | 1,320,800            | 354,300                               | 36.7%        |
| TRANSFERS TO OTHER FUNDS              | 6,413,590            | 3,688,375            | \$ 3,697,375         | 7,385,750            | 972,160                               | 15.2%        |
| CONTINGENCY (1)                       | 450,000              | 750,000              | -                    | 750,000              | 300,000                               | 66.7%        |
| ENDING FUND BALANCE (2)               | 721,747              | -                    | 3,411,950            | 3,411,950            | 2,690,203                             | 372.7%       |
| <b>TOTAL REQUIREMENTS</b>             | <b>\$ 25,629,500</b> | <b>\$ 13,681,875</b> | <b>\$ 16,167,325</b> | <b>\$ 29,849,200</b> | <b>\$ 4,219,700</b>                   | <b>16.5%</b> |

(1) Combined total uses Year 2 only of Adopted budget, adjusted to align with biennial budgeting

(2) Combined total is adjusted from adopted budget to balance budget, adjusted to align with biennial budgeting

### Transfers to Other Funds

Transfers to Other Funds is \$7,385,750 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

Contingency is \$750,000 for the biennium and meets our fiscal policy.

### Ending Fund Balance

Ending Fund Balance is \$3,411,950 for the biennium and meets our fiscal policy of 90 days of operational expenditures.

## ADMINISTRATIVE SERVICES

### BN 2015-2017 Accomplishments

Completed the transition to a new General Manager (GM) after retirement of previous GM.

Hosted 2016 emergency management exercise at Riverside Park (thanks to System Operations for set up and demonstrations.)

CRW bond rating was upgraded from A to AA in January 2016.

Issued \$19.8 million in revenue bonds in March 2016 for the capital improvement projects identified as “Backbone Projects”

### Budget Highlights

This Budget consolidates the Board of Commissioners charges into Administrative Services. For comparison to prior years’ budgets the Board of Commissioners expenses have been rolled into this presentation

Planning for changes in work force, costs include retirees pay out, recruitment agencies and staff skills training at conferences and seminars

### BN 2017-2019 Goals & Strategic Focus (see table, pg. 8)

Provide executive support to Board of Commissioners and financial oversight to CRW’s departments as they conduct District business – *Employee 1, 2*

Support Capital Improvement Projects (CIP) and CIP Bond Construction projects – *Assets 1*

Develop and nurture positive relationships with neighboring jurisdictions, stakeholders – *Process 1*

Ensure the District continues to comply with or exceed federal and state laws and regulations – *Customers 2, Assets 6*

Support development of Emergency Communications System – *Assets 4, 6 Process 1*

### Capital Considerations

Property acquisition related to pump station and reservoir sites

Riverside Park facilities upgrades

Administration building parking lot upgrades

Information Technology server upgrades and user workstation and laptop computer replacements

Emergency communication system radio upgrades

# General Fund

The Board of Commissioners delegates the authority and responsibility to manage and operate the District to the General Manager (GM). Administrative staff and department managers assist to enhance efficiency and effectiveness of operations. **Administrative Services** staff provide procurement, emergency management, human resources, and information systems and technology services.

| <b>ADMINISTRATIVE SERVICES</b>        |                     |                      |                     |                     |                                       |               |
|---------------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------------------------|---------------|
| <b>REQUIREMENTS:</b>                  | Total<br>2015-2017  | Adopted BN 2017-2019 |                     |                     | Change to 2017-2019<br>from 2015-2017 |               |
|                                       |                     | Year 1<br>2017-18    | Year 2<br>2018-19   | Total<br>2017-2019  | \$                                    | %             |
| <b>PERSONNEL SERVICES</b>             |                     |                      |                     |                     |                                       |               |
| FTE Position                          | 6.2                 | 6.2                  | 6.2                 |                     |                                       | 0.0%          |
| Salaries & Wages                      | \$ 1,073,602        | \$ 564,200           | \$ 573,100          | \$ 1,137,300        | \$ 63,698                             | 5.9%          |
| Benefits & Taxes                      | 572,347             | 306,300              | 318,800             | 625,100             | 52,753                                | 9.2%          |
| <b>TOTAL PERSONNEL SERVICES</b>       | <b>\$ 1,645,949</b> | <b>\$ 870,500</b>    | <b>\$ 891,900</b>   | <b>\$ 1,762,400</b> | <b>\$ 116,451</b>                     | <b>7.1%</b>   |
| <b>MATERIALS &amp; SERVICES</b>       |                     |                      |                     |                     |                                       |               |
| Customer Services                     | \$ 16,000           | \$ 5,500             | \$ 6,500            | \$ 12,000           | \$ (4,000)                            | -25.0%        |
| Equipment                             | 127,800             | 114,300              | 116,000             | 230,300             | 102,500                               | 80.2%         |
| Facilities & Security                 | 336,600             | 182,600              | 184,200             | 366,800             | 30,200                                | 9.0%          |
| General Administration                | 677,400             | 363,300              | 435,500             | 798,800             | 121,400                               | 17.9%         |
| Office                                | 55,500              | 25,400               | 31,400              | 56,800              | 1,300                                 | 2.3%          |
| Other Support Costs                   | 140,700             | 82,500               | 82,000              | 164,500             | 23,800                                | 16.9%         |
| Overhead Reimbursement                | (296,900)           | (419,000)            | (669,000)           | (1,088,000)         | (791,100)                             | 266.5%        |
| Professional & Contracted Svc         | 813,800             | 289,400              | 335,400             | 624,800             | (189,000)                             | -23.2%        |
| Utilities                             | 272,300             | 143,700              | 143,500             | 287,200             | 14,900                                | 5.5%          |
| Water Purchases & Treatment           | 1,400               | 600                  | 1,800               | 2,400               | 1,000                                 | 71.4%         |
| <b>TOTAL MATERIALS &amp; SERVICES</b> | <b>\$ 2,144,600</b> | <b>\$ 788,300</b>    | <b>\$ 667,300</b>   | <b>\$ 1,455,600</b> | <b>\$ (689,000)</b>                   | <b>-32.1%</b> |
| <b>CAPITAL OUTLAY</b>                 | <b>127,500</b>      | <b>388,300</b>       | <b>-</b>            | <b>388,300</b>      | <b>260,800</b>                        | <b>204.5%</b> |
| <b>DEPARTMENT TOTAL</b>               | <b>\$ 3,918,049</b> | <b>\$ 2,047,100</b>  | <b>\$ 1,559,200</b> | <b>\$ 3,606,300</b> | <b>\$ (311,749)</b>                   | <b>-8.0%</b>  |

**Summary of Department's Budget:** The budget for the Administrative Services department totals \$3,606,300, a decrease of \$311,749 when compared to the Biennial 2015-17 adopted budget. Adjustments to the 2017-19 budget include:

**Personnel Services:**

- Increase in personnel services due to wage changes, health insurance premium costs, and increase in PERS rates for the biennium.

**Material and Services:**

- Equipment increased due to computer change out project.
- General Administration costs increase because the Clackamas River Water Providers dues were moved here from Water Resources offset by a reduction in insurance costs.
- Professional and Contracted services decrease as prior year studies were removed from the budget.

**Capital Outlay:**

- Increase in capital outlay for purchase of IT upgrade, emergency communications equipment, and land and easements for the Backbone project. The Capital Outlay section includes current biennium descriptions and planning for the next five years.

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

## WATER RESOURCES

### BN 2015-2017 Accomplishments

Water quality met or exceeded federal and state water quality requirements

Worked with Clackamas Community College Water Environment Technology program on projects in the Clackamas River Basin

Continued support of CRWSC partnership for improved efficiencies and resource sharing by monitoring of both agencies SCADA systems, supplying water quality sampling, testing and flushing in SWA territory, and prepared the Customer Confidence Report (CCR) for SWA

### BN 2017-2019 Goals & Strategic Focus (see table, pg. 8)

Provide water quality information to our customers annually through the Consumer Confidence Report (CCR) – *Customers 1, 2 Process 1, 2*

Ensure the District continues to comply with or exceed federal and state laws and regulations – *Process 2*

Continue collaborative work with CRWP and Clackamas Community College on watershed projects – *Customers 1, 2 Process 1, 3*

### Budget Highlights

The District's dues and membership in the CRWP has been moved from Water Resources to Administrative Services

The Customer Services expense category has been reduced as a result of increasing CRW's participation for year two in CRWP to include partnering with CRWP conservation programs, including rebates and school education programs

### Capital Considerations

Rebuild and replace pumps, as required

Replace filter valves, as required

Update and replace SCADA system components, as required

Replace water treatment process analyzer equipment and chemical feeder, as needed

Replace second floor covering

Reroof pump stations

Install fall protection railings at reservoirs

Water Treatment Plant: seal contact basin, replace second floor covering and update parking lots

# General Fund

The **Water Resources** department is responsible for the District's water production: treat, filter and pump water from the treatment plant to customers; buy water from agencies; test and analyze water to ensure compliance with the Safe Drinking Water Act, and federal and state water quality requirements; participate in watershed management; and provide conservation to customers and local students.

| WATER RESOURCES                       |                     |                      |                     |                     |                                       |              |
|---------------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------------------------|--------------|
| REQUIREMENTS:                         | Total<br>2015-2017  | Adopted BN 2017-2019 |                     |                     | Change to 2017-2019<br>from 2015-2017 |              |
|                                       |                     | Year 1<br>2017-18    | Year 2<br>2018-19   | Total<br>2017-19    | \$                                    | %            |
| <b>PERSONNEL SERVICES</b>             |                     |                      |                     |                     |                                       |              |
| FTE Position                          | 10.0                | 10.0                 | 10.0                |                     |                                       | 0.0%         |
| Salaries & Wages                      | \$ 1,509,573        | \$ 755,800           | \$ 826,200          | \$ 1,582,000        | \$ 72,427                             | 4.8%         |
| Benefits & Taxes                      | 717,595             | 400,700              | 440,600             | 841,300             | 123,705                               | 17.2%        |
| <b>TOTAL PERSONNEL SERVICES</b>       | <b>\$ 2,227,168</b> | <b>\$1,156,500</b>   | <b>\$ 1,266,800</b> | <b>\$ 2,423,300</b> | <b>\$ 196,132</b>                     | <b>8.8%</b>  |
| <b>MATERIALS &amp; SERVICES</b>       |                     |                      |                     |                     |                                       |              |
| Customer Services                     | \$ 82,000           | \$ 26,500            | \$ 7,500            | \$ 34,000           | \$ (48,000)                           | -58.5%       |
| Equipment                             | 127,300             | 62,000               | 62,000              | 124,000             | (3,300)                               | -2.6%        |
| Facilities & Security                 | 137,900             | 71,200               | 71,600              | 142,800             | 4,900                                 | 3.6%         |
| General Administration                | 67,300              | 3,500                | 3,600               | 7,100               | (60,200)                              | -89.5%       |
| Office                                | 12,200              | 7,100                | 4,100               | 11,200              | (1,000)                               | -8.2%        |
| Other Support Costs                   | 47,500              | 20,600               | 18,000              | 38,600              | (8,900)                               | -18.7%       |
| Professional & Contracted Svc         | 70,700              | 30,000               | 32,000              | 62,000              | (8,700)                               | -12.3%       |
| Utilities                             | 1,102,000           | 608,700              | 619,800             | 1,228,500           | 126,500                               | 11.5%        |
| Water Purchases & Treatment           | 2,559,700           | 1,091,000            | 1,116,300           | 2,207,300           | (352,400)                             | -13.8%       |
| <b>TOTAL MATERIALS &amp; SERVICES</b> | <b>\$ 4,206,600</b> | <b>\$1,920,600</b>   | <b>\$ 1,934,900</b> | <b>\$ 3,855,500</b> | <b>\$ (351,100)</b>                   | <b>-8.3%</b> |
| <b>CAPITAL OUTLAY</b>                 | <b>218,000</b>      | <b>\$ 123,000</b>    | <b>\$ 107,000</b>   | <b>230,000</b>      | <b>12,000</b>                         | <b>5.5%</b>  |
| <b>DEPARTMENT TOTAL</b>               | <b>\$ 6,651,768</b> | <b>\$3,200,100</b>   | <b>\$ 3,308,700</b> | <b>\$ 6,508,800</b> | <b>\$ (142,967)</b>                   | <b>-2.1%</b> |

**Summary of Department's Budget:** The budget for the Water Resources department totals \$6,508,800, a decrease of \$142,967 when compared to the combined BN 2015-17 adopted budget. Adjustments to the 2017-2019 biennium budget include:

**Personnel Services:**

- Increase in salaries due to contracted agreements and planning for potential retirement of staff.
- Increase in benefits due to cost of contribution to Oregon Public Employee Retirement System.

**Material and Services:**

- Customer Services decrease due to transfer of promotional activities for customers to membership in Clackamas River Water Providers in year two of budget.
- Utilities increase due to anticipated rate increases and addition of other facilities.
- General Administration decrease due to dues and memberships transferred to Administration.
- Water Purchases decrease due to payment of outstanding Joint Users in prior period.

**Capital Outlay:**

- The Capital Outlay section includes current biennium descriptions and planning for next five years.

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



## SYSTEM OPERATIONS

### BN 2015-2017 Accomplishments

Exemplary team-work during winter 2016-17 leak events, involved coordination and cooperation internally and with on-call contractors

Equipment upgrades resulting in more efficient and safe work practices

Development of inspector trainee program to provide staff development opportunities and fill District needs

Ongoing integration of Engineering and System Operations staff

Testing of large commercial and industrial meters for accuracy in water usage reporting

### BN 2017-2019 Goals & Strategic Focus

(see table, pg. 8)

Test all large commercial and industrial meters for accuracy of reporting water usage – *Customers 1 Assets 5, 6*

Detect leaks within the water distribution system. The distribution system should deliver water to customers at 90 percent or greater efficiency – *Customers 1, 2, 3 Assets 5, 6*

Test customers' backflow devices each year to ensure the system meets safe drinking water standards and report on results – *Customers 1, 2, 3 Assets 5, 6*

### Budget Highlights

The BN 2017 – 2019 budget includes an increase in Materials to allow for anticipated increase in new service installations

The reduction in Equipment is due to the transfer of charges to Professional & Contracted Services as a more appropriate place to account for these expenses

Professional & Contracted Services has increased due to use of on-call contractors to assist with routine installs and emergency assistance with main breaks as well as the addition of service line bores to reduce the cost of pavement restoration.

### Capital Considerations

Replace 3 inch and larger meters & vaults

Upgrade parking lots

Replace Office and HVAC room flooring

Replace service and dump trucks

Replace two HVAC units

Expand Equipment barn for vehicle storage

Renovate Locker room

Replace or acquire other equipment: Yanmar excavator track, asphalt/concrete saw, and davit arm confined space entry/rescue system

## General Fund

The **System Operations** department is responsible for the day-to day preventative maintenance and repair of the District's water distribution system and customer support in the field. These actions ensure the effective operation of the distribution system, prolong asset life and meet customer need.

| System Operations                     |                     |                      |                     |                     |                                       |              |
|---------------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------------------------|--------------|
| REQUIREMENTS:                         | Total<br>2015-2017  | Adopted BN 2017-2019 |                     |                     | Change to 2017-2019<br>from 2015-2017 |              |
|                                       |                     | Year 1<br>2017-18    | Year 2<br>2018-19   | Total<br>2017-19    | \$                                    | %            |
| <b>PERSONNEL SERVICES</b>             |                     |                      |                     |                     |                                       |              |
| FTE Position                          | 11.0                | 11.0                 | 11.0                |                     |                                       | 0.0%         |
| Salaries & Wages                      | \$ 1,405,258        | \$ 690,200           | \$ 722,600          | \$ 1,412,800        | \$ 7,542                              | 0.5%         |
| Benefits & Taxes                      | 810,593             | 433,000              | 470,800             | 903,800             | 93,207                                | 11.5%        |
| <b>TOTAL PERSONNEL SERVICES</b>       | <b>\$ 2,215,851</b> | <b>\$ 1,123,200</b>  | <b>\$ 1,193,400</b> | <b>\$ 2,316,600</b> | <b>\$ 100,749</b>                     | <b>4.5%</b>  |
| <b>MATERIALS &amp; SERVICES</b>       |                     |                      |                     |                     |                                       |              |
| Equipment                             | \$ 284,900          | \$ 118,000           | \$ 115,800          | \$ 233,800          | \$ (51,100)                           | -17.9%       |
| Facilities & Security                 | 13,200              | 19,000               | 21,500              | 40,500              | 27,300                                | 206.8%       |
| General Administration                | 41,600              | 9,900                | 10,200              | 20,100              | (21,500)                              | -51.7%       |
| Materials                             | 281,500             | 155,300              | 154,600             | 309,900             | 28,400                                | 10.1%        |
| Office                                | 4,600               | 2,000                | 2,000               | 4,000               | (600)                                 | -13.0%       |
| Other Support Costs                   | 35,600              | 15,900               | 17,200              | 33,100              | (2,500)                               | -7.0%        |
| Professional & Contracted Svc         | 203,000             | 183,500              | 208,500             | 392,000             | 189,000                               | 93.1%        |
| Water Purchases & Treatment           | 2,000               | 3,000                | 3,000               | 6,000               | 4,000                                 | 200.0%       |
| <b>TOTAL MATERIALS &amp; SERVICES</b> | <b>\$ 866,400</b>   | <b>\$ 506,600</b>    | <b>\$ 532,800</b>   | <b>\$ 1,039,400</b> | <b>\$ 173,000</b>                     | <b>20.0%</b> |
| <b>CAPITAL OUTLAY</b>                 | <b>471,000</b>      | <b>\$ 322,500</b>    | <b>\$ 380,000</b>   | <b>702,500</b>      | <b>231,500</b>                        | <b>49.2%</b> |
| <b>DEPARTMENT TOTAL</b>               | <b>\$ 3,553,251</b> | <b>\$ 1,952,300</b>  | <b>\$ 2,106,200</b> | <b>\$ 4,058,500</b> | <b>\$ 505,250</b>                     | <b>14.2%</b> |

**Summary of Department's Budget:** The budget for the System Operations department totals \$4,058,500, an increase of \$505,250 when compared to the BN 2015-17 adopted budget. Adjustments to the 2017-2019 biennium budget include:

**Personnel Services:**

- Increase in salaries due to addition of summer intern assistance to accommodate cross-training of an inspector position for capital projects partially offset by labor allocated to capital projects.
- Increase in benefits related to contribution rates to Oregon Public Employee Retirement System.

**Material and Services:**

- Equipment decreases due to transfer of rental costs of HydroVac equipment to Professional & Contracted Services. See offset in Professional & Contracted Services.
- Facilities & Security budget increase due to some one-time modifications to the System Operations office to improve/correct drainage issues.
- General Administration decrease due to change in general liability insurance rates.
- Materials increase due to increased meter installations.
- Professional and Contracted services increase due to transfer of rental costs of HydroVac equipment from Equipment Rental. See offset in Equipment.

**Capital Outlay:**

- Capital Outlay increase includes 5-yard dump truck, two service trucks, an equipment barn expansion, a locker room renovation and other items detailed in the Capital Outlay section.

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

## ENGINEERING

### BN 2015 - 2017 Accomplishments

Supported improved relationships regionally to benefit all ratepayers in the region through working with City of Oregon City on service boundaries and hydraulic modeling

Awarded a contract for creation of an updated Water system Master Plan

Hired Engineering Manager (limited duration) to manage the Capital Improvement Program activity. This was to provide capacity for management of the bond funded Backbone projects

### BN 2017-2019 Goals & Strategic Focus (see table, pg. 8)

Begin update to the 2005 Water Master Plan for system improvements required over next 20 years – [Assets 2](#)

Develop a Facilities Master Plan to determine future needs for the water treatment plant – [Assets 3](#)

Complete the Joint Engineering Study with Oregon City, regarding withdrawal of territory, develop methodology to determine asset and compensation upon withdrawal – [Assets 6](#), [Process 1](#)

### Budget Highlights

Completion of the Water System Master Plan update and development of a Facilities Master Plan

Finalizing annexation of service provided to customer in south service areas

Implementation of new cloud based version of GIS software.

### Capital Considerations

No Capital outlay is anticipated in this budget cycle

## General Fund

The **Engineering** department provides professional technical engineering services in support of the District's water system: Geographic Information System (GIS); mapping and inventory databases; hydraulic modelling; and development, design, and construction oversight of our capital improvement program accounted for in the CIP Fund and the CIP Bond Construction Fund.

| ENGINEERING                           |                      |                   |                   |                     |                   |              |
|---------------------------------------|----------------------|-------------------|-------------------|---------------------|-------------------|--------------|
| REQUIREMENTS:                         | Adopted BN 2017-2019 |                   |                   | Change to 2017-2019 |                   |              |
|                                       | Total                | Year 1            | Year 2            | Total               | from 2015-2017    |              |
|                                       | 2015-2017            | 2017-18           | 2018-19           | 2017-2019           | \$                | %            |
| <b>PERSONNEL SERVICES</b>             |                      |                   |                   |                     |                   |              |
| FTE Position                          | 5.0                  | 6.0               | 6.0               |                     |                   | 20.0%        |
| Salaries & Wages                      | \$ 660,620           | \$ 274,900        | \$ 405,000        | \$ 679,900          | \$ 19,280         | 2.9%         |
| Benefits & Taxes                      | 277,573              | 160,000           | 203,900           | 363,900             | 86,327            | 31.1%        |
| <b>TOTAL PERSONNEL SERVICES</b>       | <b>\$ 938,193</b>    | <b>\$ 434,900</b> | <b>\$ 608,900</b> | <b>\$ 1,043,800</b> | <b>\$ 105,607</b> | <b>11.3%</b> |
| <b>MATERIALS &amp; SERVICES</b>       |                      |                   |                   |                     |                   |              |
| Equipment                             | \$ 22,000            | \$ 44,300         | \$ 38,500         | \$ 82,800           | \$ 60,800         | 276.4%       |
| General Administration                | 500                  | 500               | 500               | 1,000               | 500               | 100.0%       |
| Office                                | 500                  | -                 | -                 | -                   | (500)             | -100.0%      |
| Other Support Costs                   | 20,800               | 9,800             | 10,300            | 20,100              | (700)             | -3.4%        |
| Overhead Reimbursement                | 60,700               | -                 | -                 | -                   | (60,700)          | N/A          |
| Professional & Contracted Svc         | 408,600              | 366,100           | 226,100           | 592,200             | 183,600           | 44.9%        |
| <b>TOTAL MATERIALS &amp; SERVICES</b> | <b>\$ 513,100</b>    | <b>\$ 420,700</b> | <b>\$ 275,400</b> | <b>\$ 696,100</b>   | <b>\$ 183,000</b> | <b>35.7%</b> |
| CAPITAL OUTLAY                        | 10,000               | \$ -              | \$ -              | -                   | (10,000)          | N/A          |
| <b>DEPARTMENT TOTAL</b>               | <b>\$ 1,461,293</b>  | <b>\$ 855,600</b> | <b>\$ 884,300</b> | <b>\$ 1,739,900</b> | <b>\$ 278,607</b> | <b>19.1%</b> |

**Summary of Department's Budget:** The budget for the Engineering department totals 1,739,900, an increase of \$278,607 when compared to the BN 2015-17 adopted budget. Adjustments to the 2017-2019 biennium budget include:

**Personnel Services:**

- Increase in salaries and benefits is due to an added inspector position and a rise in the Oregon Public Employee Retirement System costs.

**Material and Services:**

- Equipment increase due to the transition from web based software to a full cloud hosted version of ARC GIS. The prior version is no longer supported by the provider.
- Professional and Contracted Services increase due to the carryover of the Water Master Plan contract and the addition of a Water Treatment Plant Facilities Plan.

**Capital Outlay:**

- No Capital Outlay is anticipated for engineering this budget cycle.

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

## FINANCE, ACCOUNTING, & CUSTOMER SERVICE

### BN 2015 - 2017 Accomplishments

Received GFOA awards for distinguished budget presentation for BN 2015-17 adopted budget and CAFR presentation for the period ending June 30, 2016

Added paperless billing option for customers to ensure delivery of bill and reduce costs to CRW of paper and postage

Began development and implementation of Oregon Records Management System (ORMS)

Supported ORS190 partnership with SWA for improved efficiencies and resource sharing in financial services management

### BN 2017-2019 Goals & Strategic Focus (see table, pg. 8)

Submit BN 2017-19 budget for GFOA Budget Award and FY CAFR's for Excellence in Financial Reporting – *Assets 6, Process 2*

Provide ongoing financial reporting to managers and the Board of Commissions to assist with planning and decision making  
– *Employees 2, Process 2*

Maintain expenditures within appropriations  
– *Process 2, 3*

Investigate customer payment methods not currently provided – *Customer 1*

Support ORS190 partnership with SWA for improved efficiencies and resource sharing through financial services management  
– *Process 1, 3*

### Budget Highlights

The overall FACS budget is reduced primarily due to the lack of Capital Outlay dollars

The remainder of the budget is status quo to include the basic requirements for FACS to provide customer service on billing, payment and other services expected by our customers

Additionally, the FACS department is responsible for monitoring, managing and reporting on all financial activities of the District, including debt service, investments, fixed assets, and internal controls

### Capital Considerations

FACS does not anticipate any capital outlay for this budget cycle. Consideration was given to implementation of a new financial and billing software in the prior biennium but the current system is functioning well and providing for our needs so new software implementation has been delayed

## General Fund

The **Finance, Accounting, & Customer Service (FACS)** department manages the utility billing, accounting, and records management computer systems, provides customer service to the public, processes payroll and payments to vendors, tracks expenditures on capital projects, prepares fiscal reports, and provides financial and budget advice and assistance to operating departments.

| <b>FINANCE, ACCOUNTING &amp; CUSTOMER SERVICE</b> |                      |                     |                     |                     |                      |               |
|---|----------------------|---------------------|---------------------|---------------------|----------------------|---------------|
| <b>REQUIREMENTS:</b>                              | Adopted BN 2017-2019 |                     |                     |                     | Change to 2017-2019  |               |
|   | Total<br>2015-2017   | Year 1<br>2017-18   | Year 2<br>2018-19   | Total<br>2017-2019  | from 2015-2017<br>\$ | %             |
| <b>PERSONNEL SERVICES</b>                         |                      |                     |                     |                     |                      |               |
| FTE Position                                      | 8.0                  | 8.0                 | 8.0                 |                     |                      | 0.0%          |
| Salaries & Wages                                  | \$ 888,963           | \$ 509,600          | \$ 482,800          | \$ 992,400          | \$ 103,437           | 11.6%         |
| Benefits & Taxes                                  | 538,039              | 301,300             | 331,300             | 632,600             | 94,561               | 17.6%         |
| <b>TOTAL PERSONNEL SERVICES</b>                   | <b>\$ 1,427,002</b>  | <b>\$ 810,900</b>   | <b>\$ 814,100</b>   | <b>\$ 1,625,000</b> | <b>\$ 197,998</b>    | <b>13.9%</b>  |
| <b>MATERIALS &amp; SERVICES</b>                   |                      |                     |                     |                     |                      |               |
| Customer Services                                 | \$ 209,700           | \$ 128,200          | \$ 134,300          | \$ 262,499          | \$ 52,799            | 25.2%         |
| Equipment   | 71,400               | 38,600              | 39,100              | 77,700              | 6,300                | 8.8%          |
| Facilities & Security                             | 36,400               | 21,600              | 22,100              | 43,700              | 7,300                | 20.1%         |
| General Administration                            | 93,400               | 31,800              | 32,800              | 64,600              | (28,800)             | -30.8%        |
| Office  | 78,100               | 38,400              | 37,300              | 75,700              | (2,400)              | -3.1%         |
| Other Support Costs                               | 39,900               | 19,900              | 18,700              | 38,600              | (1,300)              | -3.3%         |
| Professional & Contracted Svc                     | 363,900              | 99,000              | 101,200             | 200,200             | (163,700)            | -45.0%        |
| <b>TOTAL MATERIALS &amp; SERVICES</b>             | <b>\$ 892,800</b>    | <b>\$ 377,500</b>   | <b>\$ 385,500</b>   | <b>\$ 763,000</b>   | <b>\$ (129,801)</b>  | <b>-14.5%</b> |
| <b>CAPITAL OUTLAY</b>                             | <b>140,000</b>       | <b>\$ -</b>         | <b>\$ -</b>         | <b>-</b>            | <b>(140,000)</b>     | <b>N/A</b>    |
| <b>DEPARTMENT TOTAL</b>                           | <b>\$ 2,459,802</b>  | <b>\$ 1,188,400</b> | <b>\$ 1,199,600</b> | <b>\$ 2,388,000</b> | <b>\$ (71,803)</b>   | <b>-2.9%</b>  |

**Summary of Department's Budget:** The budget for the FACS department totals \$2,388,000, a decrease of \$71,803 when compared to the BN 2015-17 adopted budget. Adjustments to the 2017-2019 biennium budget include:

**Personnel Services:**

- Increase in personnel services is due to anticipation of staff retirement and associated pay off costs.
- Also included an increase in costs of contribution to Oregon Public Employee Retirement System.

**Materials and Services:**

- Customer Services increase due to increasing electronic payment options, continuation of customer assistance program, and administrative costs of collection of water revenue by the City of Milwaukie.
- Facilities & Security includes the right-of-way fees paid to the City of Oregon City effective FY 2014-15 and the City of Happy Valley effective July 1, 2016.
- General Administration costs are down due to costs associated with issuance of the Series 2016 bonds in BN 2015-17.
- Prior year Professional & Contracted Services included fees associated with the issuance of Series 2016 Bonds, so costs were reduced for BN 2017 – 2019.

**Capital Outlay:**

- There is no Capital Outlay anticipated for the FACS department in this biennium. The Capital Outlay section includes planning for the next five years.

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

## 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 Master Plan. Projects for years after the 2017-19 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.

CIP projects that cannot be bonded include maintenance or replacement of in-kind distribution and transmission lines, which require full funding. 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

| Summary                         | Total<br>2015-2017  | Adopted BN 2017-2019 |                     |                     | Change to 2017-2019<br>from 2015-2017 |              |
|---------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------------------------|--------------|
|                                 |                     | Year 1<br>2017-2019  | Year 2<br>2017-2019 | Total<br>2017-2019  | \$                                    | %            |
|                                 |                     | <b>RESOURCES:</b>    |                     |                     |                                       |              |
| Beginning Fund Balances         | \$ 1,000            | \$ 1,000             |                     | \$ 1,000            | \$ -                                  | 0.0%         |
| Transfers                       | 2,666,000           | 1,713,000            | 1,472,000           | 3,185,000           | 519,000                               | 19.5%        |
| <b>TOTAL RESOURCES</b>          | <b>\$ 2,667,000</b> | <b>\$ 1,714,000</b>  | <b>\$ 1,472,000</b> | <b>\$ 3,186,000</b> | <b>\$519,000</b>                      | <b>19.5%</b> |
| <b>REQUIREMENTS:</b>            |                     |                      |                     |                     |                                       |              |
| Capital Outlay                  | \$ 2,667,000        | \$ 1,714,000         | \$ 1,472,000        | \$ 3,186,000        | \$519,000                             | 19.5%        |
| Reserved for Future Expenditure | -                   | -                    | -                   | -                   | -                                     | N/A          |
| <b>TOTAL REQUIREMENTS</b>       | <b>\$ 2,667,000</b> | <b>\$ 1,714,000</b>  | <b>\$ 1,472,000</b> | <b>\$ 3,186,000</b> | <b>\$519,000</b>                      | <b>19.5%</b> |

### Summary of Fund’s Adopted Budget

The adopted budget for the Capital Improvement Projects Fund totals \$3,186,000, an increase of \$519,000 over the 2015-17 biennium budget. Highlights of the adopted budget include:

- Transfers In consists of \$3,185,000 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 \$519,000 due to a rise in planned projects for BN 2017-19. See Projects Listing on page CIP 3 for breakdown of planned projects.

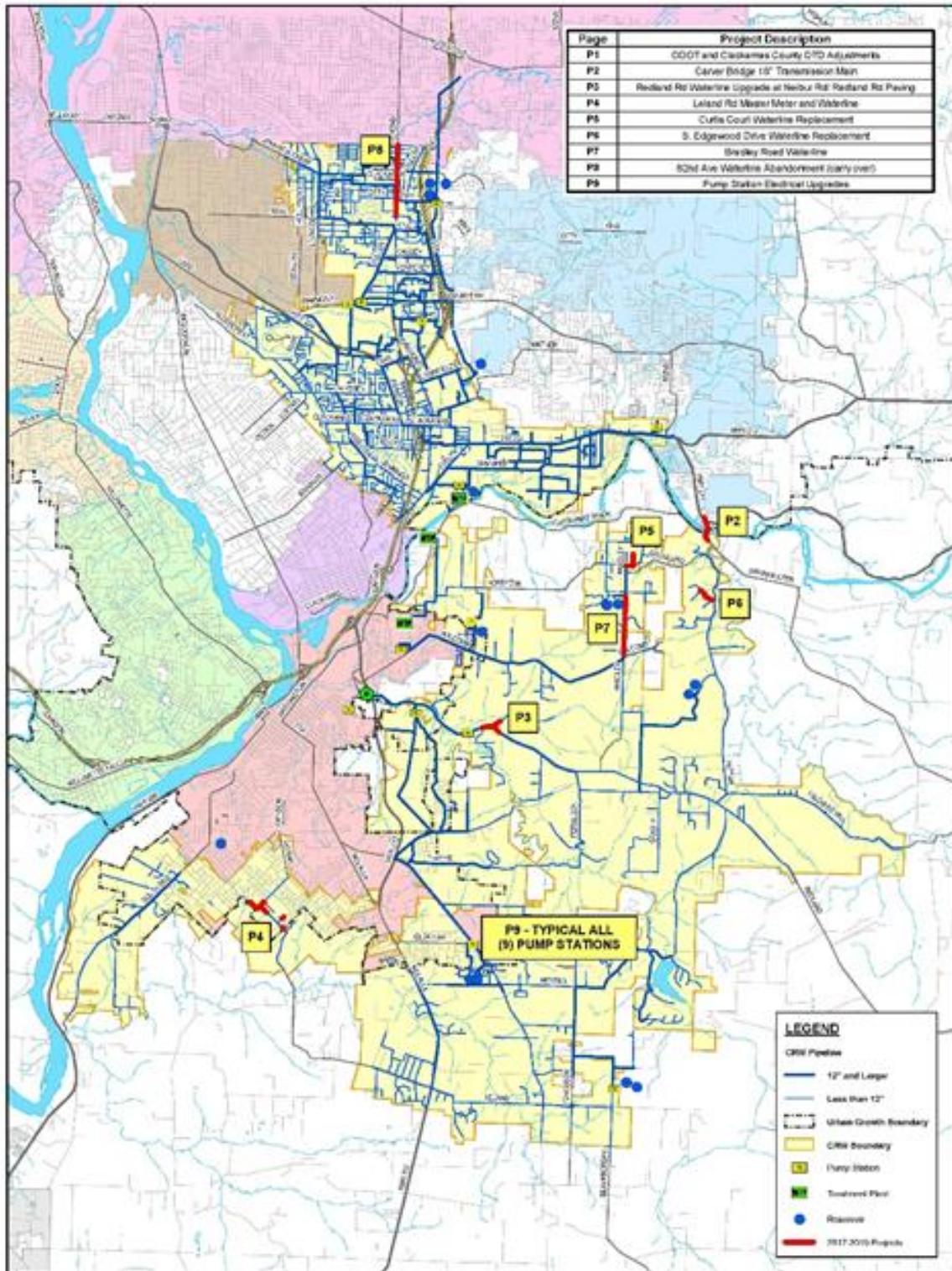
**CAPITAL IMPROVEMENT PROJECTS FUND  
PROJECTS LIST  
BN 2017-2019**


| Project Number <sup>1</sup> and Description                       | Project ID# | BN 2017-2019 Budget |
|---|-------------|---------------------|
| P1 ODOT/City/Clackamas County DTD Adjustments                     |             | \$ 278,000          |
| P2 Carver Bridge 18" Transmission Main                            | 5072        | \$ 572,000          |
| P3 Redland Rd Waterline Upgrade at Neibur Rd/ Redland Rd Repaving | 5162        | \$ 150,000          |
| P4 Leland Rd Master Meter and Waterline                           |             | \$ 597,000          |
| P5 Curtis Ct Waterline Replacemnt                                 | 5199        | \$ 441,000          |
| P6 S. Edgewood St Waterline Replacement                           |             | \$ 375,000          |
| P7 Bradley Rd Waterline   | 5210        | \$ 199,000          |
| P8 82nd Ave Waterline Abandonment (carry over)                    | 5204        | \$ 100,000          |
| P9 Pump Station Electrical Upgrades                               | 1121        | \$ 474,000          |
| <b>Total Capital Improvement Project Fund BN 2017-2019</b>        |             | <b>\$ 3,186,000</b> |

Footnote: <sup>1</sup> Project locations identified on CRW Service District map on next page.



# CLACKAMAS RIVER WATER PROPOSED CAPITAL IMPROVEMENT PROJECTS FY 2017-2019




 Date: April 10, 2017  
 Drawing Title: CIP - P&ID 2017-19.mxd  
 Drawing Location: F:\GIS\Map\MO Project Files  
 Drawing By: R. Green



**CLACKAMAS RIVER WATER**  
 GEOGRAPHIC INFORMATION SYSTEM  
© 2017 Clackamas River Water

**PROJECT DESCRIPTIONS  
BN 2017-2019**

**ODOT/City/and Clackamas County DTD Adjustments**

*Strategic Focus: Assets 1, 5 Process 1 (see table, pg 8)*

**Description:** To provide resources to make adjustments to water mains and services necessitated by surrounding cities, Oregon Department of Transportation (ODOT) and Clackamas County Department of Transportation for Development (DTD) projects.

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.

**Impact:** If these projects are not completed, CRW's 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.

FY 2017-18 Budget:           \$ 158,000

FY 2018-19 Budget:           \$ 120,000

**FY 2017-2019 Total:           \$ 278,000**

Estimate Project Total:       \$ 653,000

**PROJECT DESCRIPTIONS**  
**BN 2017-2019**

**Carver Bridge 18" Transmission Main**

*Strategic Focus: Assets 1, 5 Process 1 (see table, pg. 8)*

**Description:** This project will make payment for a successfully completed 18" transmission main installed by Clackamas County on the Carver Bridge. Installation by the County's contractor occurred in 2014, but the District was not able to accept the waterline due to technical reasons.

The transmission main installation has been plagued with multiple failures to pass the required pressure test. To date, the District has not accepted the waterline or made payment for it. It is anticipated that the County will resolve the technical difficulties associated with the installation of the transmission main and the District will be able to accept the complete and functioning waterline.

**Impact:** Construction of the new Carver Bridge and a waterline crossing by Clackamas County is an opportunity for CRW to complete an intertie with its south side service area. It will allow the District to provide water to south side customers at a lower cost than the current arrangement, purchasing water through South Fork Water Board. In addition to the capital cost of the waterline, it is anticipated that District engineering staff will continue to participate in the effort to achieve the project goals.

FY 2017-18 Budget:           \$ 429,000

FY 2018-19 Budget:           \$ 143,000

**FY 2017-2019 Total:           \$ 572,000**

**PROJECT DESCRIPTIONS  
BN 2017-2019**

**Redland Road Waterline Upgrade at Neibur Rd / Redland Rd Repaving**

*Strategic Focus: Assets 1, 5 Process 1 (see table, pg. 8)*

**Description:** To design and construct a street crossing consisting of approximately 80 lineal feet of 8-inch waterline at the intersection of Redland Road and Neibur Road. In conjunction with the waterline work, CRW is repaving a portion of Redland Road where multiple waterline breaks have caused pavement damage.

Clackamas County is requiring CRW to repave portions of damaged pavement on Redland Road between the Redland Pump Station and Neibur Road. During the past 15 years, the original 1960s-era 8-inch cast iron waterline along Redland Road (and located on the high pressure side of the Redland Road Pump Station) has seen an above average number of main breaks. Just in the past six years two major breaks have occurred, costing CRW more than \$40,000 in waterline repairs and property damage.

Based on field investigation of the damaged pipe sections and hydraulic modeling, it has been determined that corrosive factors in conjunction with high system pressures (200 psi) are the main causes of the breaks. Hydraulic modeling has determined that the newer 12-inch ductile iron waterline that parallels the 8-inch can meet current water demands, thereby allowing the abandonment of the older 8-inch waterline. Based on these facts, last year CRW abandoned approximately 1,300 feet of the 8-inch waterline. Prior to paving the damaged pavement, CRW will use this opportunity to abandon an additional 300 feet of 8-inch main and update the waterline crossing at the Neibur/Redland intersection. The design and construction is estimated to occur between July and September 2017.

**Impact:** This work will minimize future main breaks and associated costly repairs.

FY 2017-18 Budget:           \$ 150,000

FY 2018-19 Budget:           \$       0

**FY 2017-2019 Total:           \$ 150,000**

**PROJECT DESCRIPTIONS**  
**BN 2017-2019**

**Leland Rd Master Meter and Waterline**

*Strategic Focus: Assets 1, 5 Process 1 (see table, pg. 8)*

**Description:** To design and construct 1,500 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 provide water to the 8-inch Leland Road waterline.

This work is part of the ongoing dual service area cleanup precipitated by annexation of CRW territory by the City of Oregon City. 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. This project is part of a transition plan between Oregon City and CRW to logically and economically divide this service area as the City annexes properties.

**Impact:** 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. Retention of these mains will increase maintenance costs within an area outside the CRW service boundary.

|                            |                   |
|----------------------------|-------------------|
| FY 2017-18 Budget:         | \$ 0              |
| FY 2018-19 Budget:         | <u>\$ 597,000</u> |
| <b>FY 2017-2019 Total:</b> | <b>\$ 597,000</b> |

**PROJECT DESCRIPTIONS  
BN 2017-2019**

**Curtis Ct Waterline Replacement**

*Strategic Focus: Assets 1, 5 (see table, pg. 8)*

**Description:** To design and construct 470 feet of 12-inch (S. Forsythe Rd.) and 770 feet of 8-inch (S. Curtis Rd.) ductile iron waterline to replace existing 4-inch 1960's-era OD steel and AC water mains, as well as water service upgrades and other related water infrastructure.

These lines have been identified by the Water System Master Plan as hydraulically deficient and in need of upgrade. The segment in need of replacement also has a significant number of leaks causing ongoing maintenance issues. CRW's design will include hydraulic analysis and confirm main sizing, routing, and upgrades to existing water services and fire hydrants. These waterlines will provide a planned upgrade to both local customers and future northerly water needs in the S. Carlson Road and S. Cliffview Road areas.

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

|                            |                   |
|----------------------------|-------------------|
| FY 2017-18 Budget:         | \$ 441,000        |
| FY 2018-19 Budget:         | \$ <u>    0</u>   |
| <b>FY 2017-2019 Total:</b> | <b>\$ 441,000</b> |

**PROJECT DESCRIPTIONS**  
**BN 2017-2019**

**S. Edgewood Street Waterline Replacement**

*Strategic Focus: Assets 1, 5 (see table, pg. 8)*

**Description:** To design and construct an upgraded waterline to replace an existing 6-inch 1960's-era OD steel main. This line has been identified for upgrades by the Water System Master Plan due to a significant number of leaks and ongoing maintenance issues.

CRW's design will include hydraulic analysis, confirmation on main size, routing upgrades to existing water services and a fire hydrant. This waterline will provide a planned upgrade to local customers. The construction portion of the project consists of replacing 1,150 feet of 6-inch OD steel with new 8-inch DI waterline, water service upgrades and other related water infrastructure along S. Edgewood Street, between S. Edgewood Court and S. Edgewood Lane.

**Impact:** 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.

|                            |                   |
|----------------------------|-------------------|
| FY 2017-18 Budget:         | \$ 0              |
| FY 2018-19 Budget:         | <u>\$ 375,000</u> |
| <b>FY 2017-2019 Total:</b> | <b>\$ 375,000</b> |

**PROJECT DESCRIPTIONS**  
**BN 2017-2019**

**Bradley Rd Waterline**

*Strategic Focus: Assets 1, 5 (see table, pg. 8)*

**Description:** To upgrade approximately 4000 feet of Bradley Road waterline, between the Hunter Heights Reservoirs and Holcomb Road. As a condition to providing water service to the Abernethy Landing Subdivision for adequate fire flows, CRW is entering into an agreement with the developer to increase the size of the replacement water main to 12-inches.

The budget includes cost share to upsize the water main and construction is to be performed by the developer.

**Impact:** If the water main size is not increased to a 12-inch diameter, the local area will have adequate domestic and fire flow capacity, but the future ability for the district to serve the developable area in the vicinity will be limited. This is an opportunity to increase the needed system capacity at a fraction of the cost of a standalone project when the need arises in future.

FY 2017-18 Budget:           \$ 199,000

FY 2018-19 Budget:                     0

**FY 2017-2019 Total:           \$ 199,000**



**PROJECT DESCRIPTIONS**  
**BN 2017-2019**

**82<sup>nd</sup> Ave Waterline Abandonment**

*Strategic Focus: Assets 1, 5 Process 1 (see table, pg. 8)*

**Description:** To interconnect eight side street water mains to the 10-inch main within 82<sup>nd</sup> Avenue and remove aged galvanized and steel pipelines from the system prior to ODOT’s repaving of 82<sup>nd</sup> Ave. The work will be performed at various locations along 82<sup>nd</sup> Avenue between the CRW northern boundary at Clatsop Street and south to Glencoe Road.

This is not an increase in the project budget, it’s a placeholder for previously allocated funds. The budget line item accounts for project schedule overlap into the 2017-18 fiscal year, requiring a carryover of a portion of the project budget.

**Impact:** This work is an opportunity to eliminate future maintenance, improve the hydraulics of the area, and save on restoration costs.

FY 2017-18 Budget:           \$ 100,000

FY 2018-19 Budget:                     0

**FY 2017-2019 Total:           \$ 100,000**

**PROJECT DESCRIPTIONS  
BN 2017-2019**

**Pump Station Electrical Upgrades**

*Strategic Focus: Assets 1, 5 (see table, pg. 8)*

**Description:** To implement electrical upgrades to CRW’s nine pump stations based on improvements recommended in the Arc Flash/electrical safety and equipment analysis report conducted in the FY 15-17 budget cycle. Electrical deficiencies identified in the report will be prioritized and improvements targeted to enhance safety and reliability.

Most of CRW’s pump stations are over 20 years old and possess main pump electrical equipment (pump motor starters and controls) that will likely require upgrades in some manner. An engineering study focusing on analyzing electrical hazards and material deficiencies of current equipment has been implemented. The results of that study identify areas of necessary improvement and provide recommendations for those improvements

**Impact:** If this project is not completed, the District’s pump stations will continue to operate with outdated electrical equipment and will not be compliant with adopted electrical safety standards, which may pose a hazard to life, health, safety and reliability. Expenditures to complete all the various upgrades will be ongoing for several years, both within this biennium and into the next.

FY 2017-18 Budget:           \$ 237,000

FY 2018-19 Budget:           \$ 237,000

**FY 2017-2019 Total:           \$ 474,000**

Estimate Project Total:       \$ 724,000

**Capital Improvements 5-year Plan  
For Fiscal Years 2018 through 2022**

| <b>Project Title</b><br><i>Amounts in Thousands</i>             | <b>FY18</b>     | <b>FY19</b>     | <b>FY20</b>     | <b>FY21</b>     | <b>FY22</b>     | <b>5 YR Total</b> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| ODOT/City/Clackamas Cty DTD Adjustments                         | 158             | 120             | 125             | 125             | 125             | \$ 653            |
| Carver Bridge 18" Transmission Main                             | 429             | 143             |                 |                 |                 | \$ 572            |
| Redland Rd Waterline Upgrade at Neibur Rd / Redland Rd Repaving | 150             |                 |                 |                 |                 | \$ 150            |
| Leland Rd Master Meter and Waterline                            |                 | 597             |                 |                 |                 | \$ 597            |
| Curtis Ct Waterline Replacement                                 | 441             |                 |                 |                 |                 | \$ 441            |
| S. Edgewood St Waterline Replacement                            |                 | 375             |                 |                 |                 | \$ 375            |
| Bradley Rd Waterline  | 199             |                 |                 |                 |                 | \$ 199            |
| 82nd Ave Waterline Abandonment                                  | 100             |                 |                 |                 |                 | \$ 100            |
| Pump Station Electrical Upgrades                                | 237             | 237             | 250             |                 |                 | \$ 724            |
| S. Archer, Fawn Dr Waterline Replacement                        |                 |                 | 233             |                 |                 | \$ 233            |
| WTP Water Intake Repairs  |                 |                 | 920             |                 |                 | \$ 920            |
| S. Edgewood St Waterline Replacement                            |                 |                 | 100             | 300             | 470             | \$ 870            |
| Pump Stations: Arc-Flash Upgrades                               |                 |                 |                 | 441             |                 | \$ 441            |
| Henrici Rd  |                 |                 |                 | 114             |                 | \$ 114            |
| Loder Rd  |                 |                 |                 | 466             |                 | \$ 466            |
| Ferguson Rd (Redland/Beckman)                                   |                 |                 |                 | 882             |                 | \$ 882            |
| Ferguson Rd (Beckman/Ferguson)                                  |                 |                 |                 | 643             |                 | \$ 643            |
| Ferguson Rd (Conley/Ferguson)                                   |                 |                 |                 |                 | 1,260           | \$ 1,260          |
| Athens Dr   |                 |                 |                 |                 | 592             | \$ 592            |
| Manor Dr  |                 |                 |                 |                 | 466             | \$ 466            |
| View Glen and Homestead Dr                                      |                 |                 |                 |                 | 309             | \$ 309            |
| 82nd Dr   |                 |                 |                 |                 | 857             | \$ 857            |
| 82nd Ave (Johnson Ck/Otty)                                      |                 |                 |                 |                 | 429             | \$ 429            |
| Johnson Creek Blvd  |                 |                 |                 |                 | 445             | \$ 445            |
| Redland Reservoir 1MG   |                 |                 |                 |                 | 199             | \$ 199            |
| Lammer Rd   |                 |                 |                 |                 | 700             | \$ 700            |
| North SCADA Improvements  |                 |                 |                 | 30              | 30              | \$ 60             |
| WTP SCADA Improvements  |                 |                 |                 | 25              | 30              | \$ 55             |
| South SCADA Improvements  |                 |                 |                 | 25              | 30              | \$ 55             |
| <b>Project Totals by Year</b>                                   | <b>\$ 1,714</b> | <b>\$ 1,472</b> | <b>\$ 1,628</b> | <b>\$ 3,051</b> | <b>\$ 5,942</b> | <b>\$ 13,807</b>  |

## CIP BOND CONSTRUCTION FUND

### Overview

The CIP Bond Construction Fund accounts for an eight-year, \$40 million infrastructure improvement plan, “Backbone Projects”, made possible through municipal bonding separate from our normal capital improvements program. These improvements will greatly enhance provision of fire flows, system pumping efficiencies, and water quality. Projects will also 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. Preliminary planning and design started in summer 2015, and the estimated completion of all projects is late 2023.

The primary resources for these projects are transfers from the Revenue Bond Proceeds Fund. SWA has obligated funds to share the cost of the 152<sup>nd</sup> Avenue Reservoir facility in return for future demands of up to 2MG of storage. We estimate SWA’s portion of the costs to be \$5 million; they will

pay \$3.3 million by the end of BN2017-19.

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 Revenue Bond Proceeds Fund

### Where the money goes...

- Capital Projects

| Summary                         | Total<br>2015-2017  | Adopted BN 2017-2019 |                      |                      | Change to 2017-2019<br>from 2015-2017 |               |
|---------------------------------|---------------------|----------------------|----------------------|----------------------|---------------------------------------|---------------|
|                                 |                     | Year 1<br>2017-2019  | Year 2<br>2017-2019  | Total<br>2017-2019   | \$                                    | %             |
| <b>RESOURCES:</b>               |                     |                      |                      |                      |                                       |               |
| Beginning Fund Balances         | \$ -                | \$ 1,000             |                      | \$ 1,000             | \$ 1,000                              | N/A           |
| Non-Operating Resources         | -                   | -                    | -                    | -                    | -                                     | N/A           |
| Transfers                       | 6,000,000           | 6,624,000            | 13,568,000           | 20,192,000           | 14,192,000                            | 236.5%        |
| <b>TOTAL RESOURCES</b>          | <b>\$ 6,000,000</b> | <b>\$ 6,625,000</b>  | <b>\$ 13,568,000</b> | <b>\$ 20,193,000</b> | <b>\$ 14,193,000</b>                  | <b>236.6%</b> |
| <b>REQUIREMENTS:</b>            |                     |                      |                      |                      |                                       |               |
| Capital Outlay                  | \$ 6,000,000        | \$ 6,625,000         | \$ 13,568,000        | \$ 20,193,000        | \$ 14,193,000                         | 236.6%        |
| Reserved for Future Expenditure | -                   | -                    | -                    | -                    | -                                     | N/A           |
| <b>TOTAL REQUIREMENTS</b>       | <b>\$ 6,000,000</b> | <b>\$ 6,625,000</b>  | <b>\$ 13,568,000</b> | <b>\$ 20,193,000</b> | <b>\$ 14,193,000</b>                  | <b>236.6%</b> |

### Summary of Fund’s Adopted Budget

The adopted budget for the CIP Bond Construction Fund totals \$20,193,000, an increase of \$14,193,000 over the 2015-17 biennium budget. Highlights of the adopted budget include:

- Transfers In consists of \$20,192,000 from the Revenue Bond Proceeds Fund. Transfers from the Revenue Bond Proceeds Fund are not restricted and are used to fund projects as needed.
- Capital Outlay increases \$14,193,000 due to a rise in planned projects for BN 2017-19. See Projects Listing on page CIP 3 for breakdown of planned projects.

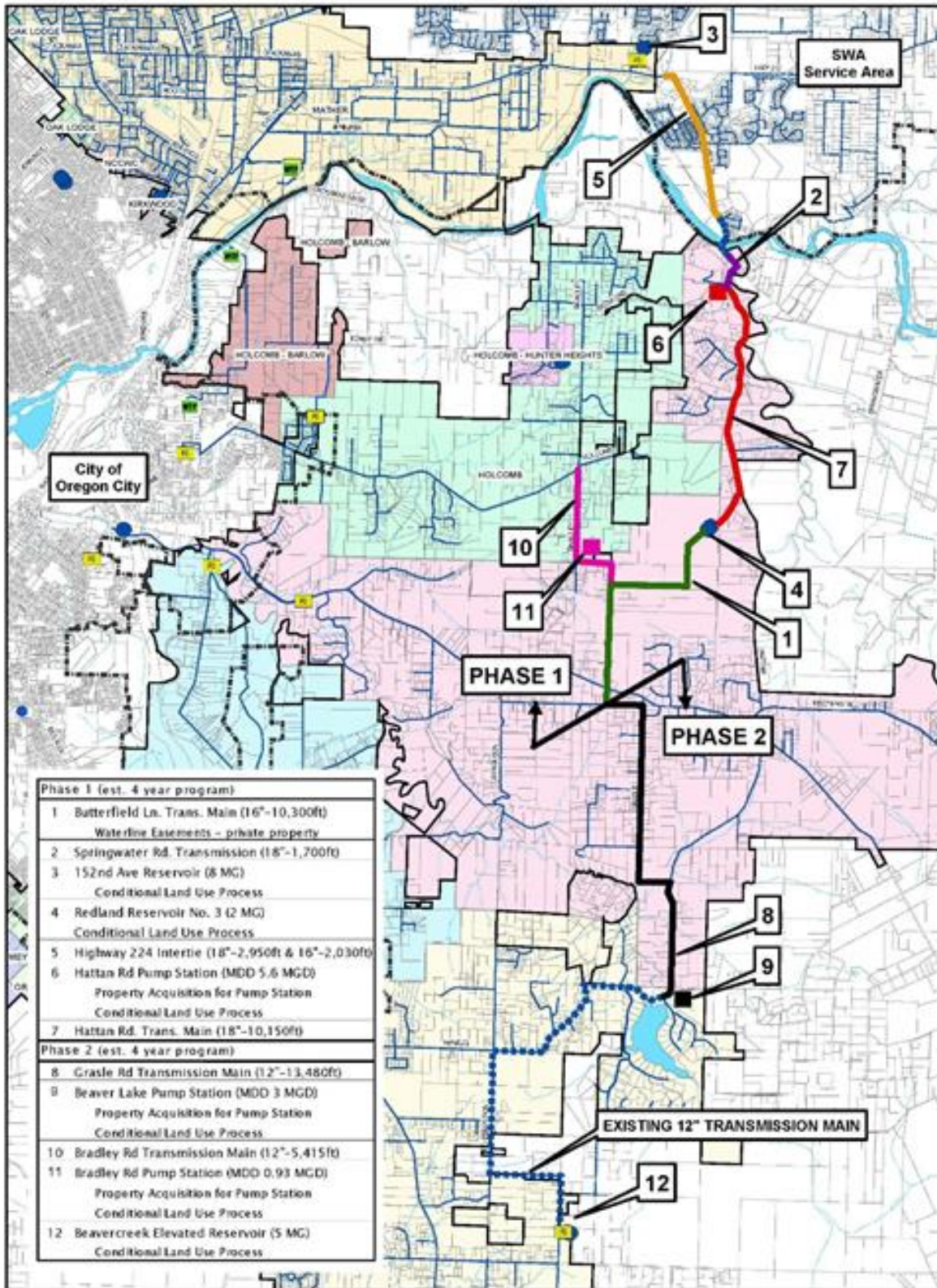
**CIP BOND CONSTRUCTION FUND  
PROJECTS LIST  
BN 2017-2019**

| <b>Project Number<sup>1</sup> and Description</b>    | <b>Project ID#</b> | <b>BN 2017-2019 Budget</b> |
|--|--------------------|----------------------------|
| 2 Springwater Road Transmission Main                 | 5161               | \$ 715,000                 |
| 3 152nd Avenue Reservoir                             | 5188               | \$ 6,264,000               |
| 3 152nd Avenue Reservoir (SWA portion)               | 5188               | \$ 3,065,000               |
| 4 Redland Reservoir #3                               | 5195               | \$ 2,077,000               |
| 5 Highway 224 Intertie                               | 5189               | \$ 1,553,000               |
| 6 Hattan Road Pump Station                           | 5190               | \$ 2,182,000               |
| 7 Hattan Road Transmission Main                      | 5191               | \$ 3,437,000               |
| 11 Bradley Rd (Butterfield Ln) Pump Station          | 5213               | \$ 900,000                 |
| <b>Total CIP Bond Construction Fund BN 2017-2019</b> |                    | <b>\$ 20,193,000</b>       |

Footnote: <sup>1</sup> Project locations identified on CRW Service District map on next page.

BACKBONE PROJECTS

FIGURE 1



Date: November 2015  
 Drawing Name: BACKBONE\_PROJECTS\_FIG1\_2015-12-08.mxd  
 Drawing Location: F:\GIS\Drawings\Map\2015\2015-12-08  
 Drawing By: M. Orsini



**CLACKAMAS RIVER WATER**  
 GEOGRAPHIC INFORMATION SYSTEM  
 11500 SW 10th Avenue  
 Beaverton, OR 97005

DECEMBER 2015

**PROJECT DESCRIPTIONS**  
**BN 2017-2019**

**Springwater Road Transmission Main (Project #2)**

*Strategic Focus: Assets 1, 5 (see table, pg. 8)*

**Description:** To install approximately 1,700 LF of 18” ductile iron transmission from the intersection of Clackamas River Drive and Springwater Road, just south of the Carver Bridge, east along Springwater Road to Hattan Road, and south on Hattan Road to Gronlund Road.

The waterline will terminate at the Gronlund/Hattan intersection and will be continued by connecting to the future Hattan Pump Station and Hattan Transmission Main. There are no service connections along the planned route, and the waterline will be fully restrained to meet the District’s resiliency needs. Design and initial permit application submittal to the County was completed in the prior fiscal year.

**Impact:** This project connects the north system improvements, coming from the Carver Bridge, to the south service area.

|                            |                    |
|----------------------------|--------------------|
| FY 2017-18 Budget:         | \$ 715,000         |
| FY 2018-19 Budget:         | <u>          0</u> |
| <b>FY 2017-2019 Total:</b> | <b>\$ 715,000</b>  |

**PROJECT DESCRIPTIONS  
BN 2017-2019**

**152<sup>nd</sup> Avenue Reservoir (Project #3)**

*Strategic Focus: Assets 1, 5 Process 1 (see table, pg. 8)*

**Description:** To install an approximately 6 million gallon (MG) pre-stressed, partially buried concrete reservoir and ductile iron transmission main at CRW's 152<sup>nd</sup> Reservoir property (Tax Lot 3607).

The project, which includes transmission piping (inlet/outlet piping) and other improvements, 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. SWA has obligated funds to share the cost of the 152<sup>nd</sup> Avenue Reservoir facility in return for future demands of up to 2MG of storage.

This project will complete project coordination, design and permitting activities initiated in the prior fiscal year, including an IGA with SWA, and will implement reservoir construction work. This is a multi-year project that will span multiple fiscal periods, with a projected construction completion of fall 2019.

**Impact:** This project provides storage to CRW's Mather Pressure Zone and south service area (by way of the Carver Bridge crossing), and includes a component for additional storage for SWA demands.

FY 2017-18 Budget:           \$ 2,332,000  
(approximately \$1.7M CRW share & \$0.8M SWA share)

FY 2018-19 Budget:       \$ 6,997,000  
(approximately \$5.0M CRW share & \$2.4M SWA share)

**FY 2017-2019 Total:       \$ 9,329,000**

FY 2019-20 Budget:       \$ 497,000

Estimate Project Total:   \$ 9,826,000



**PROJECT DESCRIPTIONS  
BN 2017-2019**

**Redland Reservoir No. 3 (Project #4)**

*Strategic Focus: Assets 1, 5 Process 1 (see table, pg. 8)*

**Description:** To install an approximately 1.25 million gallon (MG) at-grade welded steel reservoir and associated piping and facilities at CRW’s Redland Reservoir property (Tax Lot 00300).

The project, which includes transmission piping (inlet/outlet piping) and other improvements, will complete project design and permitting activities initiated in the prior fiscal year and implement reservoir construction work. This is a multi-year project with a projected construction completion of winter 2018.

**Impact:** This project provides storage to CRW’s Redland Pressure Zone and additional zones within the District’s south service area.

|                            |                     |
|----------------------------|---------------------|
| FY 2017-18 Budget:         | \$ 1,039,000        |
| FY 2018-19 Budget:         | <u>\$ 1,038,000</u> |
| <b>FY 2017-2019 Total:</b> | <b>\$ 2,077,000</b> |

**PROJECT DESCRIPTIONS  
BN 2017-2019**

**Highway 224 Intertie (Project #5)**

*Strategic Focus: Assets 1, 5 Process 1 (see table, pg. 8)*

**Description:** To install approximately 5,000 LF of 18-inch and 16-inch ductile iron water main from the Highway 212/224 interchange (“Rock Creek Junction”) along Highway 224 to the Carver Bridge.

Where feasible, the new transmission main will parallel the existing 12-inch water main currently owned by Sunrise Water Authority (SWA). The project will include negotiation with SWA to determine any logical transfer of service area to CRW with the advent of the new transmission main, as well as easement acquisition, as required, for design of the new water main alignment. This is a multi-year project spanning multiple fiscal periods, with a projected construction completion of fall 2019.

**Impact:** This project connects north service area system improvements (152<sup>nd</sup> Ave. Reservoir) to the south service area (Carver Bridge connection).

FY 2017-18 Budget: \$ 466,000

FY 2018-19 Budget: \$ 1,087,000

**FY 2017-2019 Total: \$ 1,553,000**

FY2019-20 Budget: \$ 175,000

Estimate Project Total: \$ 1,728,000

**PROJECT DESCRIPTIONS  
BN 2017-2019**

**Hattan Road Pump Station (Project #6)**

*Strategic Focus: Assets 1, 5 (see table, pg. 8)*

**Description:** To 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).

The facilities will be built on property purchased by the district and will include piping and site improvements. A likely property has been identified near the intersection of Gronlund and Hattan Roads. A conditional use approval from Clackamas County will be required. This is a multi-year project, with a projected construction completion of spring 2019.

**Impact:** This project pumps water supplied from the 152<sup>nd</sup> Avenue Reservoir into the south service area- Redland Pressure Zone.

|                            |                     |
|----------------------------|---------------------|
| FY 2017-18 Budget:         | \$ 764,000          |
| FY 2018-19 Budget:         | <u>\$ 1,418,000</u> |
| <b>FY 2017-2019 Total:</b> | <b>\$ 2,182,000</b> |

**PROJECT DESCRIPTIONS  
BN 2017-2019**

**Hattan Road Transmission Main (Project #7)**

*Strategic Focus: Assets 1, 5 Process 1 (see table, pg. 8)*

**Description:** To install approximately 10,150 LF of 18-inch ductile iron transmission main on Hattan Road to the Redland Reservoir site.

This project will provide a sufficiently sized transmission main to meet current and future demands, as well as replacing the outdated and substandard 6- and 8-inch cast iron waterlines on Hattan Road. 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 is a multi-year project, with a projected construction completion of spring 2019.

**Impact:** This project distributes water 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 an existing waterline easement.

|                            |                     |
|----------------------------|---------------------|
| FY 2017-18 Budget:         | \$ 859,000          |
| FY 2018-19 Budget:         | <u>\$ 2,578,000</u> |
| <b>FY 2017-2019 Total:</b> | <b>\$ 3,437,000</b> |

**PROJECT DESCRIPTIONS  
BN 2017-2019**

**Bradley Road (Butterfield Ln) Pump Station (Project #11)**

*Strategic Focus: Assets 1, 5 Process 1 (see table, pg. 8)*

**Description:** To install a building and pump station facility capable of pumping an estimated maximum daily demand of 0.93 MGD into the Holcomb Pressure Zone, via the Bradley Road Transmission Main (separate project).

A likely property has been identified just off of Potter Road on the private Butterfield Lane, and this project will include property acquisition. A conditional use approval from Clackamas County will be required. This is a multi-year project, with a projected construction completion of early summer 2019.

**Impact:** This project pumps water supplied from the Redland reservoirs (Redland Pressure Zone) to the Holcomb Pressure Zone.

FY 2017-18 Budget:           \$ 450,000

FY 2018-19 Budget:           \$ 450,000

**FY 2017-2019 Total:           \$ 900,000**

**CIP Bond Construction 5-Year Plan  
For Fiscal Years 2018 through 2022**

| <b>Project Title</b><br><i>in Thousands</i> | <b>FY18</b>    | <b>FY19</b>     | <b>FY20</b>    | <b>FY21</b>    | <b>FY22</b>    | <b>5-Year<br/>Total</b> |
|---|----------------|-----------------|----------------|----------------|----------------|-------------------------|
| Springwater Road Transmission Main          | 715            |                 |                |                |                | \$ 715                  |
| 152nd Ave. Reservoir                        | 1,566          | 4,698           | 334            |                |                | \$ 6,598                |
| 152nd Ave. Reservoir (SWA portion)          | 766            | 2,299           | 163            |                |                | \$ 3,228                |
| Redland Reservoir #3                        | 1,039          | 1,038           |                |                |                | \$ 2,077                |
| Highway 224 Intertie                        | 466            | 1,087           | 175            |                |                | \$ 1,728                |
| Hattan Road Pump Station                    | 764            | 1,418           |                |                |                | \$ 2,182                |
| Hattan Road Transmission Main               | 859            | 2,578           |                |                |                | \$ 3,437                |
| Bradley Rd (Butterfield Ln) Pump<br>Station | 450            | 450             |                |                |                | \$ 900                  |
| Phase 2- Grasle Rd Transmission Main        |                |                 | 1,272          | 1,272          | 636            | \$ 3,180                |
| Phase 2- Beaver Lake Pump Station           |                |                 |                | 413            | 1,072          | \$ 1,485                |
| Phase 2- Bradley Rd Transmission Main       |                |                 |                | 315            | 819            | \$ 1,134                |
| Phase 2- Beavercreek Elevated<br>Reservoir  |                |                 |                |                | 2,129          | \$ 2,129                |
| <b>Project Totals by Year</b>               | <b>\$6,625</b> | <b>\$13,568</b> | <b>\$1,944</b> | <b>\$2,000</b> | <b>\$4,656</b> | <b>\$28,793</b>         |

## **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

To identify areas where we might share resources (personnel, infrastructure, equipment, etc.) improve efficiencies, and enhance service to our customers and employees, the District and Sunrise Water Authority continue to scrutinize the functions, activities, processes, and procedures that both organizations share in common.

### BN 2015-2017 Accomplishments

Supported ORS190 partnership with SWA for improved relationships regionally that can benefit all ratepayers in the region

CRW is providing support in these functions:

- SCADA monitoring
- Water Sample testing
- GIS and drafting
- Hydraulic Modeling
- Financial Services
- Procurement Services
- Emergency Preparedness

CRW is receiving support in these functions:

- Governmental Affairs
- Engineering Services
- CRWSC Administrative Services

### Budget Highlights

Revenue is expected from these services:

Water sampling and testing in CRW laboratory.

SCADA monitoring and maintenance for both agencies

Information Technology server hosting, monitoring and updates.

Financial Services support by CFO and FACS staff to work with SWA staff on audit, budget, financial reporting, payroll, and accounts payable.

Procurement and contract management for materials and services to ensure compliance with public sector purchasing laws.

Engineering services such as GIS, drafting, hydraulic modeling and capital project management.



## 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<br>2015-2017  | Adopted BN 2017-2019 |                     |                     | Change to 2017-2019<br>from 2015-2017 |              |
|                                 |                     | Year 1<br>2017-18    | Year 2<br>2018-19   | Total<br>2017-2019  | \$                                    | %            |
| <b>RESOURCES:</b>               |                     |                      |                     |                     |                                       |              |
| Beginning Fund Balances         | \$ 50,000           | \$ 98,000            |                     | \$ 98,000           | \$ 48,000                             | 96.0%        |
| Water Sales                     | 1,590,000           | 811,000              | \$ 827,000          | 1,638,000           | 48,000                                | 3.0%         |
| Other Operating Revenue         | 54,000              | 80,800               | 80,800              | 161,600             | 107,600                               | 199.3%       |
| Non-Operating Revenue           | 672,600             | 176,300              | 171,900             | 348,200             | (324,400)                             | -48.2%       |
| Transfers                       | 123,000             | -                    | -                   | -                   | (123,000)                             | -100.0%      |
| <b>TOTAL RESOURCES</b>          | <b>\$ 2,489,600</b> | <b>\$ 1,166,100</b>  | <b>\$ 1,079,700</b> | <b>\$ 2,245,800</b> | <b>\$ (243,800)</b>                   | <b>-9.8%</b> |
| <b>REQUIREMENTS:</b>            |                     |                      |                     |                     |                                       |              |
| Personnel Services              | \$ 465,956          | \$ 179,108           | \$ 182,587          | \$ 361,695          | \$ (104,261)                          | -22.4%       |
| Materials & Services            | 285,500             | 38,300               | 33,300              | 71,600              | \$ (213,900)                          | -74.9%       |
| Transfers to Other Funds        | 1,590,000           | 835,000              | 855,000             | 1,690,000           | 100,000                               | 6.3%         |
| Reserved for Future Expenditure | 148,144             |                      | 122,506             | 122,506             | (25,637)                              | -17.3%       |
| <b>TOTAL REQUIREMENTS</b>       | <b>\$ 2,489,600</b> | <b>\$ 1,052,408</b>  | <b>\$ 1,193,393</b> | <b>\$ 2,245,801</b> | <b>\$ (243,799)</b>                   | <b>-9.8%</b> |

**Summary of Fund's Adopted Budget:** The adopted budget for the CRWSC Activity Fund totals \$2,245,801, a decrease of \$243,799 as compared to the FY 2015-17 biennial budget. Highlights of the adopted budget include:

- Wholesale water sales are based on CRWSC 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 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
- Earnings on investments

### Where the money goes...

- Transfers to the CIP Fund
- Reserved for Future Expenditures

| CAPITAL RESERVE FUND             |                       |                      |                     |                      |                                       |              |
|----------------------------------|-----------------------|----------------------|---------------------|----------------------|---------------------------------------|--------------|
| Summary                          | Total<br>BN 2015-2017 | Adopted BN 2017-2019 |                     |                      | Change to 2017-2019<br>from 2017-2019 |              |
|                                  |                       | Year 1<br>2017-18    | Year 2<br>2018-19   | Total<br>2017-2019   | \$                                    | %            |
| <b>RESOURCES:</b>                |                       |                      |                     |                      |                                       |              |
| Beginning Fund Balances          | \$ 3,393,000          | \$ 5,300,000         |                     | \$ 5,300,000         | \$ 1,907,000                          | 56.2%        |
| Other Operating Income           | \$ -                  | 1,500,000            | \$ 1,500,000        | \$ 3,000,000         | \$ 3,000,000                          | N/A          |
| Non-Operating Resources          | 23,700                | 35,200               | \$ 35,200           | 70,400               | 46,700                                | 197.0%       |
| Transfers                        | 4,000,000             | 2,000,000            | 2,000,000           | 4,000,000            | -                                     | 0.0%         |
| <b>TOTAL RESOURCES</b>           | <b>\$ 7,416,700</b>   | <b>\$ 8,835,200</b>  | <b>\$ 3,535,200</b> | <b>\$ 12,370,400</b> | <b>\$ 4,953,700</b>                   | <b>66.8%</b> |
| <b>REQUIREMENTS:</b>             |                       |                      |                     |                      |                                       |              |
| Transfers to Other Funds         | \$ 2,916,000          | \$ 3,208,200         | \$ 2,976,800        | \$ 6,185,000         | \$ 3,269,000                          | 122.6%       |
| Reserved for Future Expenditures | 4,500,700             |                      | 6,185,400           | 6,185,400            | 1,684,700                             | 35.5%        |
| <b>TOTAL REQUIREMENTS</b>        | <b>\$ 7,416,700</b>   | <b>\$ 3,208,200</b>  | <b>\$ 9,162,200</b> | <b>\$ 12,370,400</b> | <b>\$ 4,953,700</b>                   | <b>66.8%</b> |

**Summary of Fund's Adopted Budget:** The adopted budget for the Capital Reserve Fund totals \$12,370,400, an increase of \$4,953,700 as compared to the FY 2015-17 biennial budget. Highlights of the adopted BN 2017-2019 budget include:

- Beginning Fund Balance increases to \$5,300,000 due to an anticipated rise in Reserved for Future Expenditures at the end of fiscal year 2016-17.
- Non-Operating Resources includes participation by Sunrise Water Authority in the 152<sup>nd</sup> Avenue reservoir.
- Transfers remain at \$2,000,000 per year per fiscal policies adopted by the Board of Commissioners.
- Transfer to Other Funds increase by \$3,269,000 as required to complete the planned capital projects for the BN 2017-2019 (See CIP section of Budget for schedule of planned capital projects).
- Reserved for Future Expenditures increases to \$6,185,400 as planned for future capital improvement projects per the Master Plan.

*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<br>BN 2015-2017 | Adopted BN 2017-2019 |                     |                     | Change to 2017-2019<br>from 2015-2017 |             |
|                                 |                       | Year 1<br>2017-18    | Year 2<br>2018-19   | Total<br>2017-2019  | \$                                    | %           |
| <b>RESOURCES:</b>               |                       |                      |                     |                     |                                       |             |
| Beginning Fund Balance          | \$ 1,135,700          | \$ 1,149,000         |                     | \$ 1,149,000        | \$ 13,300                             | 1.2%        |
| Non-Operating Resources         | 11,400                | 13,300               | \$ 13,300           | 26,600              | 15,200                                | 133.3%      |
| <b>TOTAL RESOURCES</b>          | <b>\$ 1,147,100</b>   | <b>\$ 1,162,300</b>  | <b>\$ 13,300</b>    | <b>\$ 1,175,600</b> | <b>\$ 28,500</b>                      | <b>2.5%</b> |
| <b>REQUIREMENTS:</b>            |                       |                      |                     |                     |                                       |             |
| Reserved for Rate Stabilization | 1,147,100             |                      | 1,175,600           | 1,175,600           | 28,500                                | 2.5%        |
| <b>TOTAL REQUIREMENTS</b>       | <b>\$ 1,147,100</b>   | <b>\$ -</b>          | <b>\$ 1,175,600</b> | <b>\$ 1,175,600</b> | <b>\$ 28,500</b>                      | <b>2.5%</b> |

**Summary of Fund's Adopted Budget:** The adopted budget for the Rate Stabilization Reserve Fund totals 1,175,600, an increase of \$28,500 as compared to the BN 2015-17 adopted budget. Highlights of the adopted budget include:

- Beginning Fund Balance increases \$13,300.
- Non-Operating Resources increase by \$15,200 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 Fund
- Reserved for Future Expenditures

| SDC RESERVE FUND                 |                       |                      |                     |                     |                                       |              |
|----------------------------------|-----------------------|----------------------|---------------------|---------------------|---------------------------------------|--------------|
| Summary                          | Total<br>BN 2015-2017 | Adopted BN 2017-2019 |                     |                     | Change to 2017-2019<br>from 2015-2017 |              |
|                                  |                       | Year 1<br>2017-18    | Year 2<br>2018-19   | Total<br>2017-2019  | \$                                    | %            |
| <b>RESOURCES:</b>                |                       |                      |                     |                     |                                       |              |
| Beginning Fund Balances          | \$ 411,200            | \$ 1,180,000         |                     | \$ 1,180,000        | \$ 768,800                            | 187.0%       |
| SDC Reimbursement/Improvements   | 527,800               | 280,450              | \$ 280,450          | 560,900             | 33,100                                | 6.3%         |
| Non-Operating Resources          | 1,500                 | 4,450                | 4,450               | 8,900               | 7,400                                 | 493.3%       |
| <b>TOTAL RESOURCES</b>           | <b>\$ 940,500</b>     | <b>\$ 1,464,900</b>  | <b>\$ 284,900</b>   | <b>\$ 1,749,800</b> | <b>\$ 809,300</b>                     | <b>86.0%</b> |
| <b>REQUIREMENTS:</b>             |                       |                      |                     |                     |                                       |              |
| Transfers to Other Funds         | \$ 250,000            | \$ -                 | \$ -                | \$ -                | \$ (250,000)                          | -100.0%      |
| Reserved for Future Expenditures | 690,500               | -                    | 1,749,800           | 1,749,800           | 1,059,300                             | 153.4%       |
| <b>TOTAL REQUIREMENTS</b>        | <b>\$ 940,500</b>     | <b>\$ -</b>          | <b>\$ 1,749,800</b> | <b>\$ 1,749,800</b> | <b>\$ 809,300</b>                     | <b>86.0%</b> |

**Summary of Fund's Adopted Budget:** The adopted budget for the SDC Reserve Fund totals \$1,749,800, an increase of \$809,300 as compared to the BN 2015-17 adopted budget. Highlights of the adopted budget include:

- Beginning Fund Balance is estimated at 1,180,000 as more resources are anticipated than expenditures during BN 2015-2017.
- SDC Reimbursement/Improvements increases \$33,100 due to anticipated new service requests.
- Transfers to Other Funds decrease \$250,000 as SDC Reserves are rebuilt (See CIP section of the budget for a schedule of Planned Projects).
- Reserves for Future Expenditures is estimated at \$1,749,800.

*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, 2017 is \$1,685,000. 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, 2017 is \$19,475,000. 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<br>BN 2015-2017 | Adopted BN 2017-2019 |                     |                     | Change to 2017-2019<br>from 2015-2017 |              |
|                             |                       | Year 1<br>2017-18    | Year 2<br>2018-19   | Total<br>2017-2019  | \$                                    | %            |
| <b>RESOURCES:</b>           |                       |                      |                     |                     |                                       |              |
| Beginning Fund Balance      | \$ 478,000            | \$ 484,000           |                     | \$ 484,000          | \$ 6,000                              | 1.3%         |
| Non-Operating Resources     | 4,800                 | 5,600                | \$ 5,600            | 11,200              | 6,400                                 | 133.3%       |
| Transfers                   | 2,290,290             | 1,688,375            | 1,697,375           | 3,385,750           | 1,095,460                             | 47.8%        |
| <b>TOTAL RESOURCES</b>      | <b>\$ 2,773,090</b>   | <b>\$ 2,177,975</b>  | <b>\$ 1,702,975</b> | <b>\$ 3,880,950</b> | <b>\$ 1,107,860</b>                   | <b>40.0%</b> |
| <b>REQUIREMENTS:</b>        |                       |                      |                     |                     |                                       |              |
| Debt Service                | \$ 2,290,290          | \$ 1,688,375         | \$ 1,697,375        | \$ 3,385,750        | \$ 1,095,460                          | 47.8%        |
| Unappropriated and Reserved | 482,800               |                      | 495,200             | 495,200             | 12,400                                | 2.6%         |
| <b>TOTAL REQUIREMENTS</b>   | <b>\$ 2,773,090</b>   | <b>\$ 1,688,375</b>  | <b>\$ 2,192,575</b> | <b>\$ 3,880,950</b> | <b>\$ 1,107,860</b>                   | <b>40.0%</b> |

**Summary of Fund's Adopted Budget:** The Adopted budget for the Revenue Bond Fund totals \$3,880,950, an increase of \$1,107,860 as compared to the combined BN 2015-2017 adopted budget. Highlights of the adopted budget include:

- Transfers increase \$1,095,460 and are sufficient to meet debt service payment of principle and interest.
- Debt Service increases \$1,095,460 due to issuance of the 2016 revenue bonds in March 2016.

*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 outlay projects. More details on the capital projects can be found in the CIP Bond 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<br>BN 2015-2017 | Adopted BN 2017-2019 |                      |                      | Change to 2017-2019<br>from 2015-2017 |               |
|                             |                       | Year 1<br>2017-18    | Year 2<br>2018-19    | Total<br>2017-2019   | \$                                    | %             |
| <b>RESOURCES:</b>           |                       |                      |                      |                      |                                       |               |
| Beginning Fund Balance      | \$ -                  | \$ 19,100,000        |                      | \$ 19,100,000        | \$ 19,100,000                         | N/A           |
| Non-Operating Resources     | 23,233,000            | 146,400              | \$ 55,000            | 201,400              | (23,031,600)                          | -99.1%        |
| <b>TOTAL RESOURCES</b>      | <b>\$ 23,233,000</b>  | <b>\$ 19,246,400</b> | <b>\$ 55,000</b>     | <b>\$ 19,301,400</b> | <b>\$ (3,931,600)</b>                 | <b>-16.9%</b> |
| <b>REQUIREMENTS:</b>        |                       |                      |                      |                      |                                       |               |
| Transfers to Other Funds    | \$ 6,269,500          | \$ 5,258,000         | \$ 12,034,000        | \$ 17,292,000        | \$ 11,022,500                         | 175.8%        |
| Unappropriated and Reserved | 16,963,500            |                      | 2,009,400            | 2,009,400            | (14,954,100)                          | -88.2%        |
| <b>TOTAL REQUIREMENTS</b>   | <b>\$ 23,233,000</b>  | <b>\$ 5,258,000</b>  | <b>\$ 14,043,400</b> | <b>\$ 19,301,400</b> | <b>\$ (3,931,600)</b>                 | <b>-16.9%</b> |

**Summary of Fund's Adopted Budget:** The adopted budget for the Revenue Bond Proceeds Fund totals \$19,301,400 a decrease of \$3,931,600 as compared to the FY 2015-17 adopted budget. Highlights of the adopted budget include:

- Non-Operating Resources decrease as bond debt was issued during BN 2015-2017.
- Transfers to Other Funds increases \$11,022,500 for planned capital project funding in the CIP Bond Construction Fund and General Fund. At least 85 percent of the revenue bond proceeds are required to be spent on CIP Bond Construction projects by March 2019 (See CIP Bond Construction Fund section of Budget for schedule of planned capital projects).

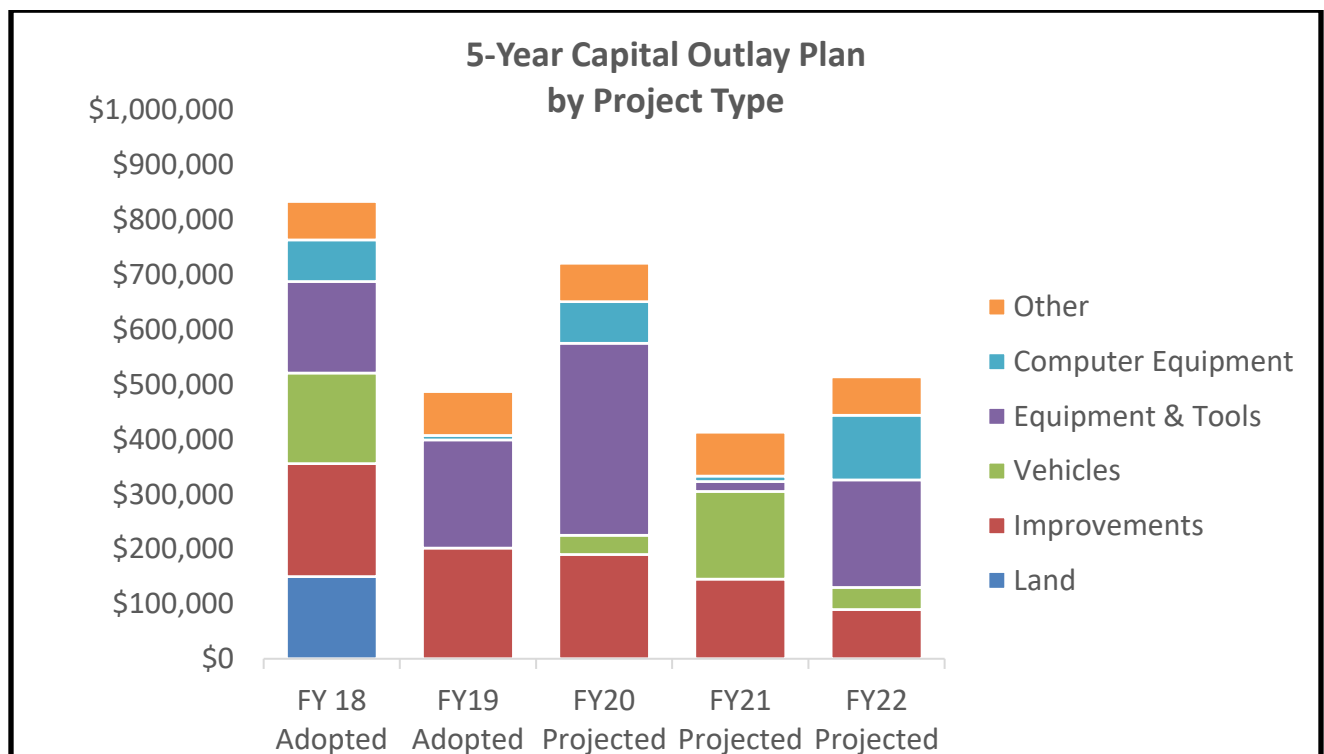
*Please see Oregon Budget Law required reports located in the Appendix section.*

## 5 – YEAR CAPITAL OUTLAY PLAN

| 5-YEAR CAPITAL OUTLAY PLAN                                   |                   |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Item   | Adopted           |                   | Projected         |                   |                   |
|  | FY 2018           | FY 2019           | FY 2020           | FY 2021           | FY 2022           |
| <b>Water Resources</b>                                       |                   |                   |                   |                   |                   |
| Pumps  | 35,000            | 35,000            | 35,000            | 40,000            | 40,000            |
| Benchtop spectrophotometer analyzer                          |                   | 6,000             |                   |                   | 6,000             |
| Chlorine analyzer  |                   | 6,000             |                   | 6,000             |                   |
| Level & flow measuring instruments                           | 8,000             |                   |                   |                   | 15,000            |
| SCADA server   | 5,000             |                   | 6,000             |                   | 6,000             |
| SCADA programmable logic controller, central processing unit |                   | 8,000             |                   | 10,000            | 12,000            |
| Water Treatment Plant floor covering                         |                   | 25,000            |                   |                   |                   |
| Water Treatment Plant parking lot                            | 20,000            |                   |                   |                   |                   |
| Filter valves  | 35,000            | 15,000            |                   |                   | 25,000            |
| Chemical feeder  |                   | 7,000             |                   |                   | 20,000            |
| Fall protection improvements                                 | 7,000             |                   |                   |                   |                   |
| Water Treatment Plant contact basin                          | 8,000             |                   |                   |                   |                   |
| Remote pump station roofing                                  | 5,000             | 5,000             |                   |                   |                   |
| Chemical mixer, replace                                      |                   |                   | 35,000            |                   |                   |
| Plant exterior, paint  |                   |                   |                   | 45,000            |                   |
| F-250 Pickup   |                   |                   | 35,000            |                   |                   |
| Filter media, replace  |                   |                   | 15,000            |                   |                   |
| Process analyzer, replace                                    |                   |                   |                   | 12,000            |                   |
| <b>Water Resources Total</b>                                 | <b>\$ 123,000</b> | <b>\$ 107,000</b> | <b>\$ 126,000</b> | <b>\$ 113,000</b> | <b>\$ 124,000</b> |
| <b>System Operations</b>                                     |                   |                   |                   |                   |                   |
| Parking lot improvements                                     |                   | 5,000             | 5,000             |                   | 5,000             |
| Equipment barn   |                   | 100,000           |                   |                   |                   |
| System Operations shop locker room                           | 35,000            |                   |                   |                   |                   |
| System Operations office & HVAC room flooring                |                   | 10,000            | 20,000            |                   |                   |
| Heating, ventilation and cooling                             | 16,000            |                   |                   |                   |                   |
| Service truck, F-550, utility box                            | 110,000           |                   |                   |                   |                   |
| Service truck, 3/4 ton V8 4X4 Tundra                         | 55,000            |                   |                   |                   |                   |
| Yanmar excavator track                                       |                   | 5,000             |                   |                   |                   |
| Dump truck, 5-yard box                                       |                   | 180,000           |                   |                   |                   |
| Asphalt/concrete saw   | 30,000            |                   |                   |                   |                   |
| Davit arm confined space entry/rescue system                 | 6,500             |                   |                   |                   |                   |
| Meter replacements 3-inch and larger                         | 20,000            | 20,000            | 20,000            | 20,000            | 20,000            |
| Meter vaults 3-inch and larger                               | 50,000            | 60,000            | 50,000            | 60,000            | 50,000            |
| Taylor Terrace/Hunter Heights, pave                          |                   |                   | 95,000            |                   |                   |
| Mangan site parking lot asphalt overlay                      |                   |                   |                   | 60,000            |                   |



| Item   | Adopted           |                  | Projected         |                |                   |
|--|-------------------|------------------|-------------------|----------------|-------------------|
|  | FY 2018           | FY 2019          | FY 2020           | FY 2021        | FY 2022           |
| <b>System Operations (Continued)</b>                   |                   |                  |                   |                |                   |
| Service truck, Toyota                                  |                   |                  |                   | 40,000         | 40,000            |
| Service truck, heavy duty, utility box                 |                   |                  |                   | 120,000        |                   |
| Dump truck, 10-12 yard box                             |                   |                  | 250,000           |                |                   |
| Excavator/backhoe, replace                             |                   |                  |                   |                | 175,000           |
| <b>System Operations Total</b>                         | <b>322,500</b>    | <b>380,000</b>   | <b>440,000</b>    | <b>300,000</b> | <b>290,000</b>    |
| <b>Finance, Accounting and Customer Service (FACS)</b> |                   |                  |                   |                |                   |
| Computer System Replacement                            |                   |                  |                   | 200,000        |                   |
| <b>FACS Total</b>                                      | <b>-</b>          | <b>-</b>         | <b>-</b>          | <b>200,000</b> | <b>-</b>          |
| <b>Administration</b>                                  |                   |                  |                   |                |                   |
| Property purchases/easements, Phase 1                  | 120,000           |                  |                   |                |                   |
| Property purchases/easements, Phase 2                  | 30,000            |                  |                   |                |                   |
| Riverside Park facilities upgrades                     | 45,000            |                  |                   |                |                   |
| Parking Lot Improvements                               | 7,000             |                  | 12,500            |                |                   |
| Information Technology upgrade                         | 71,300            |                  | 70,000            |                | 100,000           |
| Emergency Management Communications                    | 115,000           |                  | 85,000            |                |                   |
| <b>Administration Total</b>                            | <b>\$ 388,300</b> | <b>\$ -</b>      | <b>\$ 167,500</b> |                | <b>\$ 100,000</b> |
| <b>BN 2017-2019 Total</b>                              | <b>\$</b>         | <b>1,320,800</b> |                   |                |                   |



## WATER RESOURCES

### PUMPS

Strategic Focus: [Customer 3](#) [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Repair or replace pumps at the Water Treatment Plant:

1. Water Treatment High-lift Pump Station
2. Water Treatment Low-lift Pump Station
3. Remote Pumping Stations

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 repairs/replacements are also included.

Remove, inspect, and repair or replace a 100 to 600 horsepower pumps and motors at the Water Treatment Plant high-lift and low-lift pump stations. Utilize available technologies like ceramic restoration of pump impellers where the existing structures will support the solution.

Remove, inspect, and repair or replace 7 to 150 horsepower pumps and motors at remote pump stations. Use restoration technologies, if possible, when they perform comparably to new equipment.

**Impact:** No anticipated material impact on future District operating costs. Timely pump rebuilds maintain system reliability and reduce run-to-failure of equipment, which is more costly: emergency repair calls and overtime for both CRW staff and contractors.

**Budget:** \$70,000

## **BENCHTOP SPECTROPHOTOMETER ANALYZER, CHLORINE ANALYZER, WATER LEVEL & FLOW MEASURING INSTRUMENTS**

Strategic Focus: [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Replacement of aging water treatment process analyzers including:

- 1) Benchtop Spectrophotometer Analyzer \$6,000
- 2) Chlorine Analyzer \$6,000
- 3) Water level and flow metering instruments \$8,000

**Impact:** No anticipated material impact on future District operating costs. Accurate process analyzers are critical to maintain plant efficiencies and costs of operation. They must be accurate to deliver results that are acceptable to regulatory agencies. Older units can be moved to non-critical locations and used until completely worn out.

**Budget:** **\$20,000**

## **SCADA SERVER**

Strategic Focus: [Customer 3](#) [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Replace one Supervisory Control and Data Acquisition (SCADA) server. Replacement includes server, programming and integration. The District replaces SCADA servers at three to five years of age. The replaced server is retained as a backup server for the system and is eventually removed.

**Impact:** No anticipated material impact on future District operating costs. Improves reliability of water system monitoring and control. SCADA servers are critical to drinking water systems and should not be run-to-failure. Unscheduled loss of a SCADA server could quadruple the cost of the server and be costly to supply and distribution processes.

**Budget:** **\$5,000**

## SCADA PROGRAMMABLE LOGIC CONTROLLER (PLC) CENTRAL PROCESSING UNIT

Strategic Focus: [Customer 3](#) [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Replace the main SCADA PLC processors with higher capacity units.

**Impact:** No anticipated material impact on future District operating costs. SCADA PLC's expand the monitoring and control capabilities of the existing SCADA system and are critical to drinking water operations. This equipment should not be run-to-failure; unscheduled loss could cost much more than the purchase cost.

**Budget:** \$8,000

## WATER TREATMENT PLANT SECOND FLOOR COVERING

Strategic Focus: [Assets 1, 5, 6](#) [Process 2, 3](#) (see table, pg 8)

**Description:** A commercial grade coating system will be installed on the second floor of the Water Treatment Plant. The existing 25 year old vinyl composition flooring is wearing away and requires frequent stripping (slip hazard) and recoating. It will be removed and all voids and stress cracks will be filled, as needed. Concrete surfaces will be cleaned and prepared for the new coating.

**Impact:** The new coating will reduce labor and maintenance costs and provide a return on investment within the floors estimated 15 year life span. The new flooring improves occupant safety, serviceability and appearance of the 2<sup>nd</sup> floor of the Water Treatment Plant (WTP). It also allows WTP personnel to work on more technical based projects.

**Budget:** \$25,000

## WATER TREATMENT PLANT PARKING LOT

Strategic Focus: [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Purpose:** Fill cracks in asphalt drives and parking lots around the Water Treatment Plant (WTP). Similar work was done in 2016 on the eastern portion of the SE Mangan Drive site. Repaint parking space lines.

**Description:** Clean and seal cracks in asphalt paving at the WTP and repaint parking lot space lines. The seal coating reduces the frequency of repaving through preventing eroding and cracking/breaking of asphalt surfaces.

**Impact:** No anticipated material impact on future District operating costs. Periodic seal coating of parking lots is a best management practice to provide long-term care of the District's paved surfaces. It prevents wear and tear to District vehicles and equipment caused by cracks in drives and parking lots. Striping of paved surfaces, including parking spaces, improves parking lot safety.

**Budget:** \$20,000

## FILTER VALVES

Strategic Focus: [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Replacement of waste filter operating valves on six plant filters and some filter outlet valves that are leaking and have been in service from 15 to 50 plus years. Valve replacement is ongoing and routine and the WTP facilities plan calls for more filter valve work in future.

**Impact:** No anticipated material impact on future District operating costs. Replacement prevents water losses, provides reliability of service and can be done with internal labor, which will help with reduce costs of future contract maintenance.

**Budget:** \$50,000

## CHEMICAL FEEDER

Strategic Focus: [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Replacement of one of 14 Water Treatment Plant chemical feeders.

**Impact:** No anticipated material impact on future District operating costs. Replacement of filters is ongoing and provides reliability of service. Redundant equipment allows replacements while the process is online.

**Budget:** \$7,000

## FALL PROTECTION IMPROVEMENTS

Strategic Focus: [Assets 1, 5](#) [Process 2, 3](#) (see table, pg 8)

**Description:** Add railings to landings above reservoir access ladders. Some reservoirs have railings that are of insufficient height, or were designed before rules changed.

**Impact:** No anticipated material impact on future District operating costs. These items will last many years, require little maintenance and help ensure regulatory compliance and employee safety while reducing potential future claims and costs associated with injuries.

**Budget:** \$7,000

## WATER TREATMENT PLANT CONTACT BASIN SEALING

Strategic Focus: [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Prepare and fill flexible joints between sections of the south contact basin.

**Impact:** No anticipated material impact on future District operating costs. Applying sealant reduces water seepage from south WTP contact basin and flumes and provides a slight reduction in future costs, mainly due to freeze and thaw cycles.

**Budget:** \$8,000

## **REMOTE PUMP STATION ROOFING**

Strategic Focus: [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Replace roofing on two pump stations

**Impact:** No anticipated material impact on future District operating costs.

**Budget:** **\$10,000**

## SYSTEM OPERATIONS

### PARKING LOT IMPROVEMENTS

Strategic Focus: [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Provide parking lot improvements, including patching, seal coating, and striping, at the Riverside Park parking lot.

**Impact:** No anticipated material impact on future District operating costs. Periodic seal coating of parking lots is a best management practice to provide long-term care of the District's paved surfaces. It prevents wear and tear to District and public vehicles and equipment caused by cracks in drives and parking lots. Striping of paved surfaces, including parking spaces, improves parking lot safety.

**Budget:** \$5,000

### EQUIPMENT BARN

Strategic Focus: [Customers 1](#) [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Design and install an expansion to the existing System Operations equipment barn for large vehicle storage. The existing System Operations equipment barn is an approximately 70'x100' steel frame, heated enclosure with an interior height of approximately 20'. The building houses a variety of construction and maintenance equipment. The District has recently acquired additional equipment including emergency response apparatus. Much of this equipment, while protected with temporary coverings, is being stored outside due to limited space.

The addition will be a "lean-to" style, non-heated enclosure for equipment that does not need temperature-controlled space but requires protection from the elements. Therefore, we do not anticipate significant increases in power costs. Current building codes will be evaluated for seismic and other considerations of the existing building and the proposed addition.

**Impact:** No material increases or decreases in operating costs are anticipated. Since the addition will not be heated, we anticipate minimal increases in power costs for lighting. This project will provide long-term storage for enhanced protection and access to equipment used in day-to-day operations, as well as equipment used for emergency response.

**Budget:** \$100,000



## SYSTEM OPERATIONS SHOP LOCKER ROOM

Strategic Focus: [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** This project will replace existing linoleum flooring, lighting, lockers, showers, toilets, sinks and other fixtures System Operations shop locker room at the 9100 Mangan Drive. The facility has been in service without significant upgrades for over 25 years, and many of the fixtures and flooring are damaged and require repair or replacement.

**Impact:** No material increases or decreases in operating costs are anticipated. The locker room will be outfitted with more energy and resource efficient fixtures, which may decrease utility costs slightly. System Operations field staff will benefit from a safer, more modern locker room to use during routine and emergency after hours use.

**Budget:** \$35,000

## SYSTEM OPERATIONS OFFICE & HVAC ROOM FLOORING

Strategic Focus: [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Replace existing flooring in the HVAC room at the System Operations Office Building at the 9100 Mangan Drive site. The flooring is worn and peeling in many locations. Much of the plywood underlayment is damaged/rotted from past water leaks and will also be replaced.

**Impact:** No material increases or decreases in future operating costs are anticipated. The new flooring will improve occupant safety, building serviceability and appearance of the HVAC floor.

**Budget:** \$10,000

## HEATING, VENTILATION AND COOLING (HVAC)

Strategic Focus: [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Replace two existing HVAC units serving the System Operations office. The existing units are nearly 20 years old. Replacement parts could be difficult to acquire as the unit is out-of-date.

**Impact:** No material increases or decreases in operating costs are anticipated. Replacing outdated HVAC units with new energy efficient models will likely provide modest reductions in gas and electric costs, as well as repairs and maintenance. It will also improve reliability and efficiency of the heating, ventilation and cooling system for the safety and comfort of personnel.

**Budget:** **\$16,000**

## SERVICE TRUCK, F-550, UTILITY BOX

Strategic Focus: [Customers 1, 3](#) [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Purchase one new F550 type service truck with a standard utility box for valve maintenance and other general field construction support and maintenance activities. Prior to purchasing this vehicle, staff will review the requirements to ensure that the proposed vehicle will meet existing and projected operational and loading requirements for CRW.

CRW has one F550 style service truck for hydrant maintenance (purchased in March 2017) and three F350 style service trucks for valve maintenance and other general field construction support and maintenance activities. When fully loaded for the required use, the F350 vehicles can be near overload capacity, which creates an unsafe driving situation and heavier wear and tear on the vehicle. One of the existing F350 truck's mileage exceeds 100,000 miles, and is over 15 years old. It may be repurposed or removed from service and surplus.

**Impact:** No material increases or decreases in operating costs are anticipated as one truck will be replaced with another. The District will likely realize some fuel savings due to increased mileage, as well as enhanced reliability and lower repair and maintenance costs on the new vehicle.

**Budget:** **\$110,000**

## **SERVICE TRUCK, ¾ TON V8 4X4 TUNDRA**

Strategic Focus: [Customers 1, 3](#) [Assets 1, 5](#) [Process 3 \(see table, pg 8\)](#)

**Description:** Purchase or lease a new 3/4 ton service truck used for field support and maintenance activities. CRW has one V8 “Toyota Tundra” style pickup which is over 15 years old with mileage near or exceeding 150,000 miles. This truck is used by System Operations staff for field construction and maintenance support, including hauling smaller trailers and equipment. The replaced ¾ ton service truck will be repurposed or removed from service and surplus.

**Purpose:** No material increases or decreases in operating costs are anticipated as one truck will be replaced with another. The District will likely realize some fuel savings due to increased mileage, as well as enhanced reliability and lower repair and maintenance costs on the new vehicle.

**Budget:** **\$55,000**

## **YANMAR EXCAVATOR TRACK**

Strategic Focus: [Assets 1, 5](#) [Process 3 \(see table, pg 8\)](#)

**Description:** Purchase new tracks for the District’s Yanmar 45 model mini-excavator. CRW has one Yanmar mini-excavator with rubber tracks that have never been replaced. The manufacturer’s recommended track replacement schedule expired three years ago.

**Purpose:** No material increases or decreases in operating costs are anticipated. Replacing the tracks will enhance reliability, avoid vehicle down-time and reduce the need for a more costly rental should the tracks break unexpectedly.

**Budget:** **\$5,000**

## **DUMP TRUCK, 5-YARD BOX**

Strategic Focus: [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Purchase a new 5-yard dump truck used for field construction and maintenance activities. CRW has two 5-yard style dump trucks over 20 years old, one that is over 25 years old. This truck is used by system operations for field construction and maintenance activities, including hauling spoils and trailers with equipment and materials. The dump truck is nearing its useful life. Routine maintenance costs will likely significantly increase and any return on investment or resale will drastically decrease. The replaced 5-yard dump truck will be removed from service and surplus.

**Purpose:** No material increases or decreases in operating costs are anticipated as one dump truck will be replaced with another. The District will likely realize some fuel savings due to increased mileage, as well as lower repair and maintenance costs on the new vehicle. A new 5-yard dump truck will add flexibility and reliability to the District's construction vehicle fleet, as well as providing updated control features which will improve operations safety and efficiency.

**Budget:** **\$180,000**

## **ASPHALT/CONCRETE SAW**

Strategic Focus: [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Purchase a new asphalt/concrete cutting saw for large or deep pavement cutting projects pertaining to field construction and maintenance activities. This new saw will replace CRW's 26 year old Asphalt Saw. It's typically used for system repairs and installations that require long linear pavement cuts or for cut depths greater than four inches. The saw manufacturer no longer produces replacement parts and according to CRW's outside repair agency, key replacement parts are no longer available for purchase.

**Impact:** No material increases or decreases in operating costs are anticipated as one saw will be replaced with another. Since the existing saw is outdated and repair and maintenance parts are no longer available, the new saw will greatly enhance reliability and provide updated features that improve operations safety and efficiency.

**Budget:** **\$30,000**

## DAVIT ARM CONFINED SPACE ENTRY/RESCUE SYSTEM

Strategic Focus: Assets 1, 5 Process 3 (see table, pg 8)

**Description:** Purchase a davit arm confined space entry/rescue system used for field construction and maintenance activities involving confined space entry.

Many of CRW's assets reside in confined spaces, such as below ground utility vaults and reservoirs. To complete necessary maintenance and repairs CRW staff must make entries into these confined spaces. When entering any confined spaces, CRW staff must comply with current confined space safety regulations (CRW Confined Space Policy, OSHA, etc.). One requirement is to have an established confined space rescue plan, which includes the ability for a non-entry retrieval rescue by CRW staff.

To accomplish a non-entry retrieval rescue, CRW currently utilizes portable retrieval equipment that mounts on a specialized tripod. Due to varying hatch opening sizes and surrounding terrain differences, it has been identified that the current tripod cannot be deployed over many confined spaces. A davit arm system that has multiple mounting configurations to adapt to each location is required to continue to perform required maintenance and repair tasks on a large number of CRW's confined spaces.

**Impact:** No material increases or decreases in future operating costs are anticipated. This equipment operates by manpower and will not increase utility costs. Any expenses incurred would typically be for minor repairs and maintenance.

**Budget:** \$6,500

## METER REPLACEMENTS 3-INCH AND LARGER

Strategic Focus: [Customer 1, 3](#) [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Industrial and commercial meters three inches and larger are tested annually and those that fail testing standards are replaced or upgraded. Several large meters have reached the end of their life cycle, are no longer accurate and require replacement.

Additionally, the “No-Lead” Rule (effective January 2014) requires that old meters removed from service for repair shall be replaced due to lead content of the meter. Due to product age and the “no-lead” requirement, manufacturers have declared that they will stop production of some meters and repair parts will only be available for a limited amount of time.

**Impact:** No material increases or decreases in future operating costs are anticipated. Meter replacements are ongoing and routine. New meters maintain a higher level of reliability, reduce maintenance and meter reading costs, and increase revenue through improved reading accuracies at higher and lower flows.

**Budget:** **\$40,000 (\$20,000 per year)**

## METER VAULTS 3-INCH AND LARGER

Strategic Focus: [Customer 1, 3](#) [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Replace and upgrade industrial and commercial meter vaults and plumbing associated with non-compliant large meter replacements. A number of large meter vaults need to be replaced or upgraded to ensure compliance with life, health and safety standards associated with confined space entry. Meter vault work may coincide with large meter replacement (separate capital outlay item), where applicable.

**Impact:** No material increases or decreases in operating costs are anticipated, but vault replacements do cut down on costs of repairs and maintenance, promote staff safety and help the District to comply with current confined space safety regulations (CRW Confined Space Policy, OSHA, etc.).

**Budget:** **\$110,000 (\$55,000 per year)**

## ADMINISTRATION

### PROPERTY PURCHASES/EASEMENTS (PHASE 1 AND PHASE 2)

Strategic Focus: [Customer 1, 3](#) [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** To obtain land and easements for pump station and/or reservoir projects as outlined in an eight-year, \$40 million Backbone Projects Plan. The Backbone projects 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 a proposed reservoir on 152<sup>nd</sup> Avenue, and south across the Carver Bridge to the Redland and Beaver Creek pressure zones.

As part of these projects, several property purchases have been identified primarily for pump station and/or reservoir project needs. Discussions with specific property owners are underway and it is anticipated that required property negotiations and purchases will be completed within the first half of the biennium.

**Impact:** CRW will incur landscaping costs for the land purchases and easements. However these costs are difficult to quantify at this time. Specific property selections and purchases have not been formalized and Backbone project purchases and easements are not typical of our standard CIP projects; they entail installation of a number of cross country lines, rather than the shorter residential lines. Experience has shown that the amount of maintenance varies greatly across properties dependent upon many factors including nature, size, shape, and topography of the lot; plants, infrastructure and other objects in the area; weather; and the presence of other people and activities on the property.

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.

**Budget:** \$150,000

## RIVERSIDE PARK FACILITIES UPGRADES

Strategic Focus: Customer 1 Assets 1, 5 Process 1, 2, 3 (see table, pg 8)

**Description:** The budget includes upgrades to the existing public restroom built in 1986 and repairs of deferred maintenance in and around the park. During the 2015-2017 biennium the Board voted to close the existing restroom facilities until the restroom was upgraded and ADA deficiencies were remedied. With funds budgeted in the previous biennium, a consultant was hired to assess deficiencies and maintenance needs and a contractor was brought in to update the facility: clean and paint inside and outside walls, upgrade lighting, improve ventilation, coat and seat the floor, and comply with ADA code requirements. The restroom opened Summer 2017.

Previously staff had worked with the Oregon Marine Board on a possible grant opportunity that would provide for improved boat trailer parking and a new restroom facility. Updated plans from the Marine Board do not include a restroom facility leaving the existing facility the only restroom structure in the park.

**Impact:** No material increases or decreases in operating costs are anticipated. The restroom is provided as a public service. As such, the District has and will continue to incur costs for regular janitorial service, maintenance and repair due to general wear and tear, as well as occasional vandalism. CRW is looking into additional security options to cut down on unnecessary destruction. However, we recognize the limits of security measures and expect to continue incurring some expense for vandal related repairs.



**Budget:** \$45,000



## **PARKING LOT IMPROVEMENTS**

Strategic Focus: [Assets 1, 5](#) [Process 3](#) (see table, pg 8)

**Description:** Clean and seal cracks in asphalt drives and parking lot at the Administrative Office building. Repaint parking space lines.

**Impact:** No anticipated material impact on future District operating costs. Periodic seal coating of parking lots is a best management practice to provide long-term care of the District's paved surfaces. It prevents wear and tear to District vehicles and equipment caused by cracks in drives and parking lots. Striping of paved surfaces, including parking spaces, improves parking lot safety.

**Budget:** \$7,000

## **INFORMATION TECHNOLOGY UPGRADE**

Strategic Focus: [Assets 1, 5, 6](#) [Process 3](#) (see table, pg 8)

**Description:** The general lifespan of a server is about three to five years and some of CRW's servers are at or near seven years of service. Because technology is constantly improving and changing, outdated systems present a security risk for system crashes and loss of data.

The IT upgrade includes the following:

- Replace two end-of-life switches.
- Replace nine servers that have seven years lifespan and create a server backup for system failure and disaster recovery.
- Replace 28 outdated user workstations and laptops.

CRW's Information Technology Manager will oversee the selection and supervision of the support vendor in accordance with CRW's local contract review board rules.

**Impact:** No anticipated material impact on future District operating costs is anticipated. However, the District will likely realize minor reductions in expenses. New and updated systems improve system reliability and security, prevent down time, and reduce maintenance costs. They also have new and advanced features and functions, leading to more efficient and effective operations.

**Budget:** \$71,300

## EMERGENCY MANAGEMENT COMMUNICATIONS

Strategic Focus: Customers 1 Assets 1, 4, 5 Process 1, 3 (see table, pg 8)

**Description:** CRW plans to develop Mobile Radio communications capabilities in response to its commitment to emergency preparedness. This is phase one of a multi-phase project based on a Radio System Master Plan that's being developed with a portion of the approved funding. The plan will establish a roadmap for current and future radio communications and will allow for added capabilities such as dispatch systems, automatic vehicle locating and 'driver down' alerts.

C800 Public Safety radios currently owned by the district have reached their specified life span and require replacement with radios having similar Mobile Radio capabilities or the development of a new radio system. Various options exist for a radio communications system: utilize private UHF commercial radio system providers; participate with the local C800 public safety radio group; develop a CRW VHF radio system or partner with local fire, police and public works agencies to develop a VHF system that leverages existing frequencies and promotes cost sharing across multiple agencies.

The price range for the various radio systems was established as part of a regional grant funded communications study/gap analysis with the assistance of an outside consultant. Staff has begun the process of vetting options identified in the study to determine which one best meets District needs now and into the future. Funding levels requested will allow staff to purchase or develop the most appropriate radio communications capabilities once a course of action has been approved by our Board of Commissioners.

**Impact:** Implementation of the system will enable us to fulfill our mission, while promoting the effective restoration of service when impacted by emergencies or disasters. It will improve communications capabilities, ensure ability to communicate when normal communications systems fail. Reliable and redundant communications capabilities are a key element for response and recovery efforts.

Initially, we estimate operating costs will increase by \$5,000 to \$10,000 annually. In future, as the system is expanded, additional IT costs are expected to bring the annual outlay to \$10,000 to \$15,000. If and when we add dispatch capabilities for crews then efficiencies gained would decrease costs slightly.

**Budget:** \$115,000

**GENERAL FUND RESOURCES**  
**LB 20**

| <b>HISTORICAL DATA (Annual &amp; Biennial)</b> |                              |                              | <b>RESOURCE DESCRIPTION</b>              | <b>BIENNIAL BUDGET FOR 2017-2019</b> |                            |                           |
|--|------------------------------|------------------------------|--|--------------------------------------|----------------------------|---------------------------|
| <b>FY 2013-14<br/>ACTUAL</b>                   | <b>FY 2014-15<br/>ACTUAL</b> | <b>BN 2015-17<br/>BUDGET</b> |  | <b>PROPOSED<br/>BUDGET</b>           | <b>APPROVED<br/>BUDGET</b> | <b>ADOPTED<br/>BUDGET</b> |
| <b>BEGINNING FUND BALANCE:</b>                 |                              |                              |  |                                      |                            |                           |
| \$ 2,874,926                                   | \$ 3,861,753                 | \$ 4,000,000                 | Net Working Capital (Budget)             | \$ 6,200,000                         | \$ 6,200,000               | \$ 6,200,000              |
| <b>OTHER RESOURCES:</b>                        |                              |                              |  |                                      |                            |                           |
| 8,815,333                                      | 9,160,368                    | 19,065,000                   | Water Sales                              | 21,088,000                           | 21,088,000                 | 21,088,000                |
| 86,754   | 88,892                       | 213,600                      | Service Connection Fees                  | 264,000                              | 264,000                    | 264,000                   |
| 67,060   | 60,830                       | 130,000                      | Service Charges                          | 130,000                              | 130,000                    | 130,000                   |
| 43,121   | 18,628                       | 20,000                       | Miscellaneous - Operating                | 20,000                               | 20,000                     | 20,000                    |
| 9,012,268                                      | 9,328,718                    | 19,428,600                   | Subtotal - Operating resources           | 21,502,000                           | 21,502,000                 | 21,502,000                |
| 101,924  | 104,801                      | 220,000                      | Rental Income                            | 219,100                              | 219,100                    | 219,100                   |
| 8,145  | 12,624                       | 20,000                       | Earnings from Investments                | 45,600                               | 45,600                     | 45,600                    |
| 9,485  | 31,449                       | 40,000                       | Miscellaneous - Non-Operating            | 40,000                               | 40,000                     | 40,000                    |
| 18,809   | -                            | -                            | Grant Funds                              | -                                    | -                          | -                         |
| -  | -                            | 31,400                       | Right of Way Fees                        | 42,500                               | 42,500                     | 42,500                    |
| 11,269   | 23,479                       | 30,000                       | Surplus Property Sale                    | 10,000                               | 10,000                     | 10,000                    |
| 149,632  | 172,353                      | 341,400                      | Subtotal - Non operating resources       | 357,200                              | 357,200                    | 357,200                   |
| -  | -                            | 269,500                      | Transfer from Revenue Bond Proceeds Func | 100,000                              | 100,000                    | 100,000                   |
| -  | 785,000                      | 1,590,000                    | Transfer From CRWSC Activity Fund        | 1,690,000                            | 1,690,000                  | 1,690,000                 |
| <b>\$ 12,036,826</b>                           | <b>\$ 14,147,823</b>         | <b>\$ 25,629,500</b>         | <b>TOTAL RESOURCES</b>                   | <b>\$ 29,849,200</b>                 | <b>\$ 29,849,200</b>       | <b>\$ 29,849,200</b>      |

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.

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

| HISTORICAL DATA (Annual & Biennial) |                      |                      | Description of Resources and Requirements | BIENNIAL BUDGET FOR 2017-2019 |                      |                      |
|-------------------------------------|----------------------|----------------------|---|-------------------------------|----------------------|----------------------|
| FY 13-14<br>ACTUAL                  | FY 14-15<br>ACTUAL   | BN 15-17<br>BUDGET   |   | PROPOSED<br>BUDGET            | APPROVED<br>BUDGET   | ADOPTED<br>BUDGET    |
| <b>PERSONNEL SERVICES</b>           |                      |                      |   |                               |                      |                      |
| \$ 621,628                          | \$ 734,533           | \$ 1,380,881         | Administration                            | \$1,762,200                   | \$ 1,762,200         | \$1,762,400          |
| 111,068                             | 91,236               | 265,068              | Board                                     | -                             | -                    | -                    |
| 436,169                             | 342,729              | 938,194              | Engineering                               | 865,000                       | 865,000              | 1,043,800            |
| 678,500                             | 767,100              | 1,427,002            | FACS                                      | 1,619,500                     | 1,619,500            | 1,625,000            |
| 1,041,827                           | 948,996              | 2,215,852            | System Operations                         | 2,309,100                     | 2,309,100            | 2,316,600            |
| 978,315                             | 1,052,020            | 2,227,166            | Water Resources                           | \$2,406,300                   | 2,406,300            | \$2,423,300          |
| <b>3,867,508</b>                    | <b>3,936,614</b>     | <b>8,454,163</b>     | <b>TOTAL PERSONNEL SERVICES</b>           | <b>8,962,100</b>              | <b>8,962,100</b>     | <b>9,171,100</b>     |
| <b>MATERIALS &amp; SERVICES</b>     |                      |                      |   |                               |                      |                      |
| 830,381                             | 853,120              | 2,097,500            | Administration                            | 1,455,600                     | 1,455,600            | 1,455,600            |
| 18,509                              | 25,755               | 47,100               | Board                                     | -                             | -                    | -                    |
| 29,289                              | 23,358               | 513,100              | Engineering                               | 696,100                       | 696,100              | 696,100              |
| 294,160                             | 309,927              | 892,800              | FACS                                      | 763,000                       | 763,000              | 763,000              |
| 426,521                             | 345,979              | 866,400              | System Operations                         | 1,039,400                     | 1,039,400            | 1,039,400            |
| 1,590,173                           | 1,716,697            | 4,206,600            | Water Resources                           | 3,855,500                     | 3,855,500            | 3,855,500            |
| <b>3,189,033</b>                    | <b>3,274,836</b>     | <b>8,623,500</b>     | <b>TOTAL MATERIALS &amp; SERVICES</b>     | <b>7,809,600</b>              | <b>7,809,600</b>     | <b>7,809,600</b>     |
| <b>CAPITAL OUTLAY</b>               |                      |                      |   |                               |                      |                      |
| -                                   | 60,473               | 127,500              | Administration                            | 647,300                       | 647,300              | 388,300              |
| -                                   | -                    | 10,000               | Engineering                               | -                             | -                    | -                    |
| -                                   | -                    | 140,000              | FACS                                      | -                             | -                    | -                    |
| 83,689                              | 205,413              | 471,000              | System Operations                         | 702,500                       | 702,500              | 702,500              |
| 93,205                              | 118,532              | 218,000              | Water Resources                           | 230,000                       | 230,000              | 230,000              |
| <b>176,894</b>                      | <b>384,418</b>       | <b>966,500</b>       | <b>TOTAL CAPITAL OUTLAY</b>               | <b>1,579,800</b>              | <b>1,579,800</b>     | <b>1,320,800</b>     |
| <b>7,233,435</b>                    | <b>7,595,868</b>     | <b>18,044,163</b>    | <b>TOTAL DEPARTMENT EXPENDITURES</b>      | <b>18,351,500</b>             | <b>18,351,500</b>    | <b>18,301,500</b>    |
| <b>TRANSFERS</b>                    |                      |                      |   |                               |                      |                      |
| 190,638                             | 455,555              | 2,290,590            | To Revenue Bond Fund                      | 3,385,750                     | 3,385,750            | 3,385,750            |
| 1,000                               |                      | 123,000              | To CRWSC Activity Fund                    | -                             | -                    | -                    |
|                                     |                      |                      | To Capital Reserve Fund                   |                               |                      |                      |
| 750,000                             | 1,250,000            | 4,000,000            | Future Reserves                           | 4,000,000                     | 4,000,000            | 4,000,000            |
| <b>941,638</b>                      | <b>1,705,555</b>     | <b>6,413,590</b>     | <b>TOTAL TRANSFERS TO OTHER FUNDS</b>     | <b>7,385,750</b>              | <b>7,385,750</b>     | <b>7,385,750</b>     |
| -                                   |                      | 450,000              | General Operating Contingency             | 750,000                       | 750,000              | 750,000              |
| <b>941,638</b>                      | <b>1,705,555</b>     | <b>6,863,590</b>     | <b>TOTAL TRANSFERS &amp; CONTINGENCY</b>  | <b>8,135,750</b>              | <b>8,135,750</b>     | <b>8,135,750</b>     |
| <b>8,175,073</b>                    | <b>9,301,423</b>     | <b>24,907,753</b>    | <b>TOTAL EXPENDITURES</b>                 | <b>26,487,250</b>             | <b>26,487,250</b>    | <b>26,437,250</b>    |
| 3,861,753                           | 4,846,400            | 721,747              | UNAPPROPRIATED FUND BALANCE               | 3,361,951                     | 3,361,951            | 3,411,950            |
| <b>\$ 12,036,826</b>                | <b>\$ 14,147,823</b> | <b>\$ 25,629,500</b> | <b>TOTAL</b>                              | <b>\$ 29,849,200</b>          | <b>\$ 29,849,200</b> | <b>\$ 29,849,200</b> |

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.

**GENERAL FUND DETAILED REQUIREMENTS  
LB-31**

| <b>HISTORIAL DATA (Annual &amp; Biennial)</b> |                            |                            | <b>Description of<br/>Resources and Requirements</b> | <b>BIENNIAL BUDGET FOR 2017-2019</b> |                            |                           |
|---|----------------------------|----------------------------|--|--------------------------------------|----------------------------|---------------------------|
| <b>FY 13-14<br/>ACTUAL</b>                    | <b>FY 14-15<br/>ACTUAL</b> | <b>BN 15-17<br/>BUDGET</b> |  | <b>PROPOSED<br/>BUDGET</b>           | <b>APPROVED<br/>BUDGET</b> | <b>ADOPTED<br/>BUDGET</b> |
| <b>Personnel Services:</b>                    |                            |                            |  |                                      |                            |                           |
| \$ 2,561,805                                  | \$ 2,646,164               | \$ 5,526,515               | Salaries   | \$5,705,300                          | \$ 5,705,300               | \$5,804,400               |
| 1,305,703                                     | 1,290,451                  | 2,927,648                  | Benefits and taxes                                   | 3,256,800                            | 3,256,800                  | 3,366,700                 |
| <b>\$ 3,867,508</b>                           | <b>\$ 3,936,614</b>        | <b>\$ 8,454,163</b>        | <b>PERSONNEL SERVICES TOTAL</b>                      | <b>\$ 8,962,100</b>                  | <b>\$ 8,962,100</b>        | <b>9,171,100</b>          |
| <b>Materials &amp; Services:</b>              |                            |                            |  |                                      |                            |                           |
| 77,299  | 86,382                     | 307,700                    | Customer Services                                    | 308,500                              | 308,500                    | 308,500                   |
| 303,648                                       | 302,412                    | 633,400                    | Equipment  | 748,600                              | 748,600                    | 748,600                   |
| 260,288                                       | 270,118                    | 519,100                    | Facilities & Security                                | 593,800                              | 593,800                    | 593,800                   |
| 333,739                                       | 370,135                    | 891,100                    | General Administration                               | 891,600                              | 891,600                    | 891,600                   |
| 122,996                                       | 127,191                    | 281,500                    | Materials  | 309,900                              | 309,900                    | 309,900                   |
| 62,515  | 64,391                     | 145,000                    | Office   | 147,700                              | 147,700                    | 147,700                   |
| 85,288  | 85,830                     | 283,800                    | Other Support Costs                                  | 294,900                              | 294,900                    | 294,900                   |
| (246,121)                                     | (169,688)                  | (236,200)                  | Overhead Reimbursement (CIP Fund)                    | (1,088,000)                          | (1,088,000)                | (1,088,000)               |
| 616,859                                       | 469,983                    | 1,860,800                  | Professional & Contracted Services                   | 1,871,200                            | 1,871,200                  | 1,871,200                 |
| 627,625                                       | 685,313                    | 1,774,300                  | Utilities  | 1,515,700                            | 1,515,700                  | 1,515,700                 |
| 944,899                                       | 982,768                    | 2,163,000                  | Water Purchases & Treatment                          | 2,215,700                            | 2,215,700                  | 2,215,700                 |
| <b>3,189,033</b>                              | <b>3,274,836</b>           | <b>8,623,500</b>           | <b>MATERIALS &amp; SERVICES TOTAL</b>                | <b>7,809,600</b>                     | <b>7,809,600</b>           | <b>7,809,600</b>          |
| <b>Capital Outlay:</b>                        |                            |                            |  |                                      |                            |                           |
| -   | -                          | -                          | Land   | 150,000                              | 150,000                    | 150,000                   |
| 37,435  | 124,267                    | 329,500                    | Improvements   | 408,000                              | 408,000                    | 408,000                   |
| -   | 162,693                    | 320,000                    | Vehicles   | 165,000                              | 165,000                    | 165,000                   |
| 29,381  | 25,147                     | 49,000                     | General Equipment & Tools                            | 622,500                              | 622,500                    | 363,500                   |
| 49,690  | -                          | -                          | Laboratory Equipment                                 | -                                    | -                          | -                         |
| -   | 9,773                      | 178,000                    | Computer Equipment                                   | 84,300                               | 84,300                     | 84,300                    |
| 60,387  | 62,537                     | 90,000                     | Other  | 150,000                              | 150,000                    | 150,000                   |
| <b>176,894</b>                                | <b>384,418</b>             | <b>966,500</b>             | <b>CAPITAL OUTLAY TOTAL</b>                          | <b>1,579,800</b>                     | <b>1,579,800</b>           | <b>1,320,800</b>          |
| <b>7,233,435</b>                              | <b>7,595,868</b>           | <b>18,044,163</b>          | <b>DEPARTMENT TOTALS</b>                             | <b>18,351,500</b>                    | <b>18,351,500</b>          | <b>18,301,500</b>         |
| <b>Transfers &amp; Contingency:</b>           |                            |                            |  |                                      |                            |                           |
| 190,638                                       | 455,555                    | 2,290,590                  | To Revenue Bond Fund                                 | 3,385,750                            | 3,385,750                  | 3,385,750                 |
| 1,000   | -                          | 123,000                    | To CRWSC Activity Fund                               | -                                    | -                          | -                         |
| 750,000                                       | 1,250,000                  | 4,000,000                  | To Capital Reserve Fund                              | 4,000,000                            | 4,000,000                  | 4,000,000                 |
| -   | -                          | 450,000                    | General Operating Contingency                        | 750,000                              | 750,000                    | 750,000                   |
| <b>941,638</b>                                | <b>1,705,555</b>           | <b>6,863,590</b>           | <b>TRANSFERS &amp; CONTINGENCY TOTAL</b>             | <b>8,135,750</b>                     | <b>8,135,750</b>           | <b>8,135,750</b>          |
| 3,861,753                                     | 4,846,400                  | 721,747                    | UNAPPROPRIATED FUND BALANCE                          | 3,361,950                            | 3,361,950                  | 3,411,950                 |
| <b>\$ 12,036,826</b>                          | <b>\$ 14,147,823</b>       | <b>\$ 25,629,500</b>       | <b>TOTAL GENERAL FUND BUDGET</b>                     | <b>\$ 29,849,200</b>                 | <b>\$ 29,849,200</b>       | <b>\$ 29,849,200</b>      |

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.

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

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

| <b>HISTORICAL DATA (Annual &amp; Biennial)</b> |                            |                            | <b>Description of Resources and Requirements</b> | <b>BIENNIAL BUDGET FOR 2017-2019</b> |                            |                           |
|--|----------------------------|----------------------------|--|--------------------------------------|----------------------------|---------------------------|
| <b>FY 13-14<br/>ACTUAL</b>                     | <b>FY 14-15<br/>ACTUAL</b> | <b>BN 15-17<br/>BUDGET</b> |  | <b>PROPOSED<br/>BUDGET</b>           | <b>APPROVED<br/>BUDGET</b> | <b>ADOPTED<br/>BUDGET</b> |
| <b>RESOURCES</b>                               |                            |                            |  |                                      |                            |                           |
| BEGINNING FUND BALANCE:                        |                            |                            |  |                                      |                            |                           |
| \$ 85,403                                      | \$ 191,454                 | \$ 1,000                   | Cash on hand (cash basis):                       | \$ 1,000                             | \$ 1,000                   | \$ 1,000                  |
| 901  | 860                        | -                          | - Earnings from investments                      | -                                    | -                          | -                         |
| 6,548  | -                          | -                          | - ODOT-Reimbursement                             | -                                    | -                          | -                         |
| 375,100  | -                          | -                          | - PGE Grant                                      | -                                    | -                          | -                         |
| -  | 8,125                      | -                          | - Other Operating Income                         | -                                    | -                          | -                         |
| Transferred In:                                |                            |                            |  |                                      |                            |                           |
| 1,545,000                                      | 225,000                    | 250,000                    | SDC Reserve Fund                                 | -                                    | -                          | -                         |
| 855,000  | 775,000                    | 2,916,000                  | Capital Reserve Fund                             | 3,185,000                            | 3,185,000                  | 3,185,000                 |
| 2,867,952                                      | 1,200,439                  | 3,167,000                  | Resources Without Taxes                          | 3,186,000                            | 3,186,000                  | 3,186,000                 |
| <b>\$ 2,867,952</b>                            | <b>\$ 1,200,439</b>        | <b>\$ 3,167,000</b>        | <b>TOTAL RESOURCES</b>                           | <b>\$ 3,186,000</b>                  | <b>\$ 3,186,000</b>        | <b>\$ 3,186,000</b>       |
| <b>REQUIREMENTS</b>                            |                            |                            |  |                                      |                            |                           |
| <b>Capital Outlay:</b>                         |                            |                            |  |                                      |                            |                           |
| 2,676,498                                      | 1,174,014                  | 3,167,000                  | Project Expenses                                 | 3,186,000                            | 3,186,000                  | 3,186,000                 |
| 2,676,498                                      | 1,174,014                  | 3,167,000                  | <b>Capital Outlay Total</b>                      | 3,186,000                            | 3,186,000                  | 3,186,000                 |
| <b>Reserved Future Expenditures:</b>           |                            |                            |  |                                      |                            |                           |
| 191,454  | 26,425                     | -                          | - Reserved Future Expenditures                   | -                                    | -                          | -                         |
| 191,454  | 26,425                     | -                          | <b>Reserved Future Expenditures Total</b>        | -                                    | -                          | -                         |
| <b>\$ 2,867,952</b>                            | <b>\$ 1,200,439</b>        | <b>\$ 3,167,000</b>        | <b>TOTAL REQUIREMENTS</b>                        | <b>\$ 3,186,000</b>                  | <b>\$ 3,186,000</b>        | <b>\$ 3,186,000</b>       |

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**

| <b>HISTORIAL DATA (Annual &amp; Biennial)</b> |                            |                            | <b>Description of<br/>Resources and Requirements</b> | <b>BIENNIAL BUDGET FOR 2017-2019</b> |                            |                           |
|---|----------------------------|----------------------------|--|--------------------------------------|----------------------------|---------------------------|
| <b>FY 13-14<br/>ACTUAL</b>                    | <b>FY 14-15<br/>ACTUAL</b> | <b>BN 15-17<br/>BUDGET</b> |  | <b>PROPOSED<br/>BUDGET</b>           | <b>APPROVED<br/>BUDGET</b> | <b>ADOPTED<br/>BUDGET</b> |
| <b>RESOURCES</b>                              |                            |                            |  |                                      |                            |                           |
| BEGINNING FUND BALANCE:                       |                            |                            |  |                                      |                            |                           |
| \$ -  | \$ -                       | \$ -                       | - Cash on hand (cash basis):                         | \$ 1,000                             | \$ 1,000                   | \$ 1,000                  |
| Transferred In:                               |                            |                            |  |                                      |                            |                           |
| -   | -                          | -                          | - CRW Reserve Fund                                   | 3,000,000                            | 3,000,000                  | 3,000,000                 |
| -   | -                          | 6,000,000                  | - Revenue Bond Proceeds Fund                         | 17,192,000                           | 17,192,000                 | 17,192,000                |
| -   | -                          | -                          |  |                                      |                            |                           |
| -   | -                          | 6,000,000                  | Resources Without Taxes                              | 20,193,000                           | 20,193,000                 | 20,193,000                |
| <b>\$ -</b>                                   | <b>\$ -</b>                | <b>\$ 6,000,000</b>        | <b>TOTAL RESOURCES</b>                               | <b>\$ 20,193,000</b>                 | <b>\$ 20,193,000</b>       | <b>\$ 20,193,000</b>      |
| <b>REQUIREMENTS</b>                           |                            |                            |  |                                      |                            |                           |
| <b>Capital Outlay:</b>                        |                            |                            |  |                                      |                            |                           |
| -   | -                          | 6,000,000                  | Project Expenses                                     | 20,193,000                           | 20,193,000                 | 20,193,000                |
| -   | -                          | 6,000,000                  | <b>Capital Outlay Total</b>                          | <b>20,193,000</b>                    | <b>20,193,000</b>          | <b>20,193,000</b>         |
| <b>Reserved Future Expenditures:</b>          |                            |                            |  |                                      |                            |                           |
| -   | -                          | -                          | - Reserved Future Expenditures                       | -                                    | -                          | -                         |
| -   | -                          | -                          | <b>Reserved Future Expenditures Total</b>            | <b>-</b>                             | <b>-</b>                   | <b>-</b>                  |
| <b>\$ -</b>                                   | <b>\$ -</b>                | <b>\$ 6,000,000</b>        | <b>TOTAL REQUIREMENTS</b>                            | <b>\$ 20,193,000</b>                 | <b>\$ 20,193,000</b>       | <b>\$ 20,193,000</b>      |

New Fund established with Res. No. 10-2016  
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.

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

| <b>HISTORIAL DATA (Annual &amp; Biennial)</b> |                            |                            | <b>Description of<br/>Resources and Requirements</b> | <b>BIENNIAL BUDGET FOR 2017-2019</b> |                            |                           |
|---|----------------------------|----------------------------|--|--------------------------------------|----------------------------|---------------------------|
| <b>FY 13-14<br/>ACTUAL</b>                    | <b>FY 14-15<br/>ACTUAL</b> | <b>BN 15-17<br/>BUDGET</b> |  | <b>PROPOSED<br/>BUDGET</b>           | <b>APPROVED<br/>BUDGET</b> | <b>ADOPTED<br/>BUDGET</b> |
| <b>RESOURCES</b>                              |                            |                            |  |                                      |                            |                           |
| BEGINNING FUND BALANCE:                       |                            |                            |  |                                      |                            |                           |
| \$ 3,100,055                                  | \$ 3,013,365               | \$ 3,393,000               | Cash on hand (cash basis):                           | \$ 5,300,000                         | \$ 5,300,000               | \$ 5,300,000              |
| -   | -                          | -                          | - Other Operatinag Income                            | 3,000,000                            | \$ 3,000,000               | \$ 3,000,000              |
| 750,000                                       | 1,250,000                  | 4,000,000                  | Transferred From General Fund for<br>Future Reserves | 4,000,000                            | 4,000,000                  | 4,000,000                 |
| 18,310  | 19,235                     | 23,700                     | Earnings from investments                            | 70,400                               | 70,400                     | 70,400                    |
| 3,868,365                                     | 4,282,600                  | 7,416,700                  | Resources Without Taxes                              | 12,370,400                           | 12,370,400                 | 12,370,400                |
| <b>\$ 3,868,365</b>                           | <b>\$ 4,282,600</b>        | <b>\$ 7,416,700</b>        | <b>TOTAL RESOURCES</b>                               | <b>\$ 12,370,400</b>                 | <b>\$ 12,370,400</b>       | <b>\$ 12,370,400</b>      |
| <b>REQUIREMENTS</b>                           |                            |                            |  |                                      |                            |                           |
| \$ 855,000                                    | \$ 775,000                 | \$ 2,916,000               | Transferred to CIP Fund                              | \$ 3,185,000                         | \$ 3,185,000               | \$ 3,185,000              |
| -   | -                          | -                          | - Transferred to CIP Bond Construction Fun           | 3,000,000                            | 3,000,000                  | 3,000,000                 |
| 3,013,365                                     | 3,507,600                  | 4,500,700                  | Reserved for Future Expenditures                     | 6,185,400                            | 6,185,400                  | 6,185,400                 |
| <b>\$ 3,868,365</b>                           | <b>\$ 4,282,600</b>        | <b>\$ 7,416,700</b>        | <b>TOTAL REQUIREMENTS</b>                            | <b>\$ 12,370,400</b>                 | <b>\$ 12,370,400</b>       | <b>\$ 12,370,400</b>      |

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.



**CRWSC ACTIVITY FUND**  
**SPECIAL FUND - LB 10**  
**RESOURCES AND REQUIREMENTS**

| <b>HISTORIAL DATA (Annual &amp; Biennial)</b> |                              |                                | <b>Description of<br/>Resources and Requirements</b> | <b>BIENNIAL BUDGET FOR 2017-2019</b> |                            |                           |
|---|------------------------------|--------------------------------|--|--------------------------------------|----------------------------|---------------------------|
| <b>FY 2013-14<br/>ACTUAL</b>                  | <b>FY 2014-15<br/>ACTUAL</b> | <b>BN 2015-2017<br/>BUDGET</b> |  | <b>PROPOSED<br/>BUDGET</b>           | <b>APPROVED<br/>BUDGET</b> | <b>ADOPTED<br/>BUDGET</b> |
| <b>RESOURCES</b>                              |                              |                                |  |                                      |                            |                           |
| BEGINNING FUND BALANCE:                       |                              |                                |  |                                      |                            |                           |
| \$ -  | \$ 415                       | \$ 50,000                      | Net Working Capital:                                 | \$ 98,000                            | \$ 98,000                  | \$ 98,000                 |
| -   | 795,506                      | 1,590,000                      | Wholesale Water Sales                                | 1,638,000                            | 1,638,000                  | 1,638,000                 |
| -   | 25,101                       | 54,000                         | Other Operating Revenue                              | 161,600                              | 161,600                    | 161,600                   |
| 399   | 122,749                      | 620,400                        | Contract Services / Resource Sharing                 | 287,200                              | 287,200                    | 287,200                   |
| -   | -                            | 52,200                         | Non-operating Revenue                                | 61,000                               | 61,000                     | 61,000                    |
| Transferred In:                               |                              |                                |  |                                      |                            |                           |
| 1,000   | -                            | 123,000                        | General Fund   | -                                    | -                          | -                         |
| <b>1,399</b>                                  | <b>943,771</b>               | <b>2,489,600</b>               | <b>Resources Without Taxes</b>                       | <b>2,245,800</b>                     | <b>2,245,800</b>           | <b>2,245,800</b>          |
| <b>\$ 1,399</b>                               | <b>\$ 943,771</b>            | <b>\$ 2,489,600</b>            | <b>TOTAL RESOURCES</b>                               | <b>\$ 2,245,800</b>                  | <b>\$ 2,245,800</b>        | <b>\$ 2,245,800</b>       |
| <b>REQUIREMENTS</b>                           |                              |                                |  |                                      |                            |                           |
| <b>Personnel Services:</b>                    |                              |                                |  |                                      |                            |                           |
| \$ -  | \$ -                         | \$ 374,459                     | Salaries & Wages                                     | \$ 289,686                           | \$ 289,686                 | \$ 289,686                |
| -   | -                            | 91,497                         | Benefit & Taxes                                      | 72,009                               | 72,009                     | 72,009                    |
| -   | -                            | 465,956                        | <b>Total Personnel Services</b>                      | <b>361,695</b>                       | <b>361,695</b>             | <b>361,695</b>            |
| <b>Material &amp; Services:</b>               |                              |                                |  |                                      |                            |                           |
| -   | 9,883                        | 23,400                         | Equipment  | 20,900                               | 20,900                     | 20,900                    |
| 354   | 545                          | 3,000                          | Customer Services                                    | 800                                  | 800                        | 800                       |
| -   | 1,295                        | -                              | Facilities and Security                              | -                                    | -                          | -                         |
| 630   | 1,651                        | 4,800                          | General Administrator                                | 13,900                               | 13,900                     | 13,900                    |
| -   | 137                          | 12,500                         | Materials  | 400                                  | 400                        | 400                       |
| -   | 179                          | 400                            | Office   | 600                                  | 600                        | 600                       |
| -   | 1,990                        | 8,000                          | Other Support Costs                                  | 8,000                                | 8,000                      | 8,000                     |
| -   | -                            | 114,900                        | Overhead   | -                                    | -                          | -                         |
| -   | 5,340                        | 111,500                        | Professional & Contracted Services                   | 16,200                               | 16,200                     | 16,200                    |
| -   | 3,698                        | 7,000                          | Utilities  | 6,200                                | 6,200                      | 6,200                     |
| -   | 876                          | -                              | Water Purchases & Treatment                          | 4,600                                | 4,600                      | 4,600                     |
| <b>984</b>                                    | <b>25,593</b>                | <b>285,500</b>                 | <b>Material &amp; Services Total</b>                 | <b>71,600</b>                        | <b>71,600</b>              | <b>71,600</b>             |
| <b>Transfers:</b>                             |                              |                                |  |                                      |                            |                           |
| -   | 785,000                      | 1,590,000                      | General Fund   | 1,690,000                            | 1,690,000                  | 1,690,000                 |
| -   | 785,000                      | 1,590,000                      | <b>Transfers Total</b>                               | <b>1,690,000</b>                     | <b>1,690,000</b>           | <b>1,690,000</b>          |
| 415   | 133,178                      | 148,144                        | <b>Reserved Future Expenditures</b>                  | <b>122,506</b>                       | <b>122,506</b>             | <b>122,506</b>            |
| <b>\$ 1,399</b>                               | <b>\$ 943,771</b>            | <b>\$ 2,489,600</b>            | <b>TOTAL REQUIREMENTS</b>                            | <b>\$ 2,245,801</b>                  | <b>\$ 2,245,801</b>        | <b>\$ 2,245,801</b>       |

BN 2015-2017 is for a two (2) year period compared to prior year's annual budget  
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**

| <b>HISTORIAL DATA (Annual &amp; Biennial)</b> |                            |                            | <b>Description of<br/>Resources and Requirements</b> | <b>BIENNIAL BUDGET FOR 2017-2019</b> |                            |                           |
|---|----------------------------|----------------------------|--|--------------------------------------|----------------------------|---------------------------|
| <b>FY 13-14<br/>ACTUAL</b>                    | <b>FY 14-15<br/>ACTUAL</b> | <b>BN 15-17<br/>BUDGET</b> |  | <b>PROPOSED<br/>BUDGET</b>           | <b>APPROVED<br/>BUDGET</b> | <b>ADOPTED<br/>BUDGET</b> |
| <b>RESOURCES</b>                              |                            |                            |  |                                      |                            |                           |
| BEGINNING FUND BALANCE:                       |                            |                            |  |                                      |                            |                           |
| \$ 1,125,420                                  | \$ 1,131,520               | \$ 1,135,700               | Cash on Hand (cash basis):                           | \$ 1,149,000                         | \$ 1,149,000               | \$ 1,149,000              |
| 6,100   | 5,830                      | 11,400                     | Earnings From Investments                            | 26,600                               | 26,600                     | 26,600                    |
| 1,131,520                                     | 1,137,350                  | 1,147,100                  | Resources Without Taxes                              | 1,175,600                            | 1,175,600                  | 1,175,600                 |
| <b>\$ 1,131,520</b>                           | <b>\$ 1,137,350</b>        | <b>\$ 1,147,100</b>        | <b>TOTAL RESOURCES</b>                               | <b>\$ 1,175,600</b>                  | <b>\$ 1,175,600</b>        | <b>\$ 1,175,600</b>       |
| <b>REQUIREMENTS</b>                           |                            |                            |  |                                      |                            |                           |
| \$ -  | \$ -                       | \$ -                       | - Transfer to General Fund                           | \$ -                                 | \$ -                       | \$ -                      |
| 1,131,520                                     | 1,137,350                  | 1,147,100                  | Reserved for Rate Stabilization                      | 1,175,600                            | 1,175,600                  | 1,175,600                 |
| <b>\$ 1,131,520</b>                           | <b>\$ 1,137,350</b>        | <b>\$ 1,147,100</b>        | <b>TOTAL REQUIREMENTS</b>                            | <b>\$ 1,175,600</b>                  | <b>\$ 1,175,600</b>        | <b>\$ 1,175,600</b>       |

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.

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

| <b>HISTORIAL DATA (Annual &amp; Biennial)</b> |                            |                            | <b>Description of<br/>Resources and Requirements</b> | <b>BIENNIAL BUDGET FOR 2017-2019</b> |                            |                           |
|---|----------------------------|----------------------------|--|--------------------------------------|----------------------------|---------------------------|
| <b>FY 13-14<br/>ACTUAL</b>                    | <b>FY 14-15<br/>ACTUAL</b> | <b>BN 15-17<br/>BUDGET</b> |  | <b>PROPOSED<br/>BUDGET</b>           | <b>APPROVED<br/>BUDGET</b> | <b>ADOPTED<br/>BUDGET</b> |
| <b>RESOURCES</b>                              |                            |                            |  |                                      |                            |                           |
| BEGINNING FUND BALANCE:                       |                            |                            |  |                                      |                            |                           |
| \$ 2,023,024                                  | \$ 394,978                 | \$ 411,200                 | Cash on hand (cash basis):                           | \$ 1,180,000                         | \$ 1,180,000               | \$ 1,180,000              |
| 76,249  | 106,034                    | 223,800                    | SDC Reimbursement                                    | 262,000                              | 262,000                    | 262,000                   |
| 90,847  | 137,302                    | 304,000                    | SDC Improvement                                      | 298,900                              | 298,900                    | 298,900                   |
| 5,680   | 2,015                      | 1,500                      | Earnings from investments                            | 8,900                                | 8,900                      | 8,900                     |
| 2,195,800                                     | 640,329                    | 940,500                    | Resources Without Taxes                              | 1,749,800                            | 1,749,800                  | 1,749,800                 |
| <b>\$ 2,195,800</b>                           | <b>\$ 640,329</b>          | <b>\$ 940,500</b>          | <b>TOTAL RESOURCES</b>                               | <b>\$ 1,749,800</b>                  | <b>\$ 1,749,800</b>        | <b>\$ 1,749,800</b>       |

| <b>REQUIREMENTS</b> |                   |                   |                                 |                     |                     |                     |
|---------------------|-------------------|-------------------|---------------------------------|---------------------|---------------------|---------------------|
| \$ 1,545,000        | \$ 225,000        | \$ 250,000        | Transfer to CIP Fund            | \$ -                | \$ -                | \$ -                |
| 255,822             | -                 | -                 | - Transfer to Revenue Bond Fund | -                   | -                   | -                   |
| 394,978             | 415,329           | 690,500           | Reserved Future Expenditures    | 1,749,800           | 1,749,800           | 1,749,800           |
| <b>\$ 2,195,800</b> | <b>\$ 640,329</b> | <b>\$ 940,500</b> | <b>TOTAL REQUIREMENTS</b>       | <b>\$ 1,749,800</b> | <b>\$ 1,749,800</b> | <b>\$ 1,749,800</b> |

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.

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

| <b>HISTORIAL DATA (Annual &amp; Biennial)</b> |                            |                            | <b>Description of<br/>Resources and Requirements</b> | <b>BIENNIAL BUDGET FOR 2017-2019</b> |                            |                           |
|---|----------------------------|----------------------------|--|--------------------------------------|----------------------------|---------------------------|
| <b>FY 13-14<br/>ACTUAL</b>                    | <b>FY 14-15<br/>ACTUAL</b> | <b>BN 15-17<br/>BUDGET</b> |  | <b>PROPOSED<br/>BUDGET</b>           | <b>APPROVED<br/>BUDGET</b> | <b>ADOPTED<br/>BUDGET</b> |
| <b>RESOURCES</b>                              |                            |                            |  |                                      |                            |                           |
| BEGINNING FUND BALANCE:                       |                            |                            |  |                                      |                            |                           |
| \$ -  | \$ -                       | \$ 23,233,000              | Cash on hand (cash basis):                           | \$ 19,100,000                        | \$ 19,100,000              | \$ 19,100,000             |
| -   | -                          | -                          | Earnings from investments                            | 201,400                              | 201,400                    | 201,400                   |
| -   | -                          | 23,233,000                 | Resources Without Taxes                              | 19,301,400                           | 19,301,400                 | 19,301,400                |
| <b>\$ -</b>                                   | <b>\$ -</b>                | <b>\$ 23,233,000</b>       | <b>TOTAL RESOURCES</b>                               | <b>\$ 19,301,400</b>                 | <b>\$ 19,301,400</b>       | <b>\$ 19,301,400</b>      |
| <b>REQUIREMENTS</b>                           |                            |                            |  |                                      |                            |                           |
| -   | -                          | 269,500                    | Transfer to General Fund                             | 100,000                              | 100,000                    | 100,000                   |
| \$ -  | \$ -                       | \$ 6,000,000               | Transfer to CIP Bond Construction Fun                | \$ 17,192,000                        | \$ 17,192,000              | \$ 17,192,000             |
| -   | -                          | 16,963,500                 | Reserved for Future Expenditures                     | 2,009,400                            | 2,009,400                  | 2,009,400                 |
| <b>\$ -</b>                                   | <b>\$ -</b>                | <b>\$ 23,233,000</b>       | <b>TOTAL REQUIREMENTS</b>                            | <b>\$ 19,301,400</b>                 | <b>\$ 19,301,400</b>       | <b>\$ 19,301,400</b>      |

New Fund established on Res. No. 10-2016  
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.

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

| <b>HISTORICAL DATA (Annual &amp; Biennial)</b> |                            |                              | <b>Description of Resources and Requirements</b> | <b>BIENNIAL BUDGET FOR 2017-2019</b> |                            |                           |
|--|----------------------------|------------------------------|--|--------------------------------------|----------------------------|---------------------------|
| <b>FY 13-14<br/>ACTUAL</b>                     | <b>FY 14-15<br/>ACTUAL</b> | <b>BN 2015-17<br/>BUDGET</b> |  | <b>PROPOSED<br/>BUDGET</b>           | <b>APPROVED<br/>BUDGET</b> | <b>ADOPTED<br/>BUDGET</b> |
| <b>RESOURCES:</b>                              |                            |                              |  |                                      |                            |                           |
| BEGINNING FUND BALANCE:                        |                            |                              |  |                                      |                            |                           |
| \$ 475,480                                     | \$ 477,661                 | \$ 478,000                   | Cash on hand (cash basis)                        | \$ 484,000                           | \$ 484,000                 | \$ 484,000                |
| 2,181  | 2,085                      | 4,800                        | Earning From Investments                         | 11,200                               | 11,200                     | 11,200                    |
| 190,638  | 455,555                    | 2,290,290                    | Transfer From General Fund                       | 3,385,750                            | 3,385,750                  | 3,385,750                 |
| 255,822  | -                          | -                            | Transfer From SDC Fund                           | -                                    | -                          | -                         |
| 924,121  | 935,301                    | 2,773,090                    | Resources Without Taxes                          | 3,880,950                            | 3,880,950                  | 3,880,950                 |
| <b>\$ 924,121</b>                              | <b>\$ 935,301</b>          | <b>\$ 2,773,090</b>          | <b>TOTAL RESOURCES</b>                           | <b>\$ 3,880,950</b>                  | <b>\$ 3,880,950</b>        | <b>\$ 3,880,950</b>       |
| <b>REQUIREMENTS:</b>                           |                            |                              |  |                                      |                            |                           |
| \$ 340,000                                     | \$ 360,000                 | \$ 1,060,000                 | Principal  | \$ 1,465,000                         | \$ 1,465,000               | \$ 1,465,000              |
| 106,460  | 95,555                     | 1,230,290                    | Interest   | 1,920,750                            | 1,920,750                  | 1,920,750                 |
| 477,661  | 479,746                    | 482,800                      | Unappropriated and Reserved                      | 495,200                              | 495,200                    | 495,200                   |
| <b>\$ 924,121</b>                              | <b>\$ 935,301</b>          | <b>\$ 2,773,090</b>          | <b>TOTAL REQUIREMENTS</b>                        | <b>\$ 3,880,950</b>                  | <b>\$ 3,880,950</b>        | <b>\$ 3,880,950</b>       |

**SUPPLEMENT LB-36**

| <b>HISTORICAL DATA (Annual &amp; Biennial)</b> |                            |                              | <b>Schedule of Payments</b>     | <b>BIENNIAL BUDGET FOR 2017-2019</b>  |                            |                           |
|--|----------------------------|------------------------------|---------------------------------|---------------------------------------|----------------------------|---------------------------|
| <b>FY 13-14<br/>ACTUAL</b>                     | <b>FY 14-15<br/>ACTUAL</b> | <b>BN 2015-17<br/>BUDGET</b> |                                 | <b>PROPOSED<br/>BUDGET</b>            | <b>APPROVED<br/>BUDGET</b> | <b>ADOPTED<br/>BUDGET</b> |
| <b>BOND PRINCIPAL PAYMENTS</b>                 |                            |                              |                                 |                                       |                            |                           |
| Issue Date - Payment Date                      |                            |                              |                                 |                                       |                            |                           |
| \$ 340,000                                     | \$ 360,000                 | \$ 745,000                   | 2009                            | 11/1/17 & 11/1/18                     | \$ 805,000                 | \$ 805,000                |
| -  | -                          | 315,000                      | 2016                            | 11/1/17 & 11/1/18                     | 660,000                    | \$ 660,000                |
| <b>340,000</b>                                 | <b>360,000</b>             | <b>1,060,000</b>             | <b>Total Principal Payments</b> |                                       | <b>1,465,000</b>           | <b>1,465,000</b>          |
| <b>BOND INTEREST PAYMENTS</b>                  |                            |                              |                                 |                                       |                            |                           |
| Issue Date - Payment Date                      |                            |                              |                                 |                                       |                            |                           |
| 106,460  | 95,555                     | 157,375                      | 2009                            | 11/1/17, 5/1/18, 11/1/18,<br>& 5/1/19 | 103,100                    | 103,100                   |
| -  | -                          | 1,072,915                    | 2016                            | 11/1/17, 5/1/18, 11/1/18,<br>& 5/1/19 | 1,817,650                  | 1,817,650                 |
| <b>106,460</b>                                 | <b>95,555</b>              | <b>1,230,290</b>             | <b>Total Interest Payments</b>  |                                       | <b>1,920,750</b>           | <b>1,920,750</b>          |
| <b>UNAPPROPRIATED ENDING FUND</b>              |                            |                              |                                 |                                       |                            |                           |
| 477,661  | 479,746                    | 482,800                      | Unappropriated Fund Balance     |                                       | 495,200                    | 495,200                   |
| <b>\$ 924,121</b>                              | <b>\$ 935,301</b>          | <b>\$ 2,773,090</b>          | <b>TOTAL REQUIREMENTS</b>       |                                       | <b>\$ 3,880,950</b>        | <b>\$ 3,880,950</b>       |

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.

**CLACKAMAS RIVER WATER  
BN 2017-2019**

**CHANGES FROM PROPOSED to APPROVED BUDGET**

There Were No Changes to the Proposed Budget.

**CHANGES FROM APPROVED to ADOPTED BUDGET**


- ↑↑ Increase in General Fund Personnel Services of \$209,000, from \$8,962,000 to \$9,171,000
- ↑↑ Increase in General Fund Unappropriated Fund Balance of \$50,000, from \$3,361,951 to 3,411,951
- ↓↓ Decrease in Capital Outlay of \$259,000, from 1,579,800 to \$1,320,800

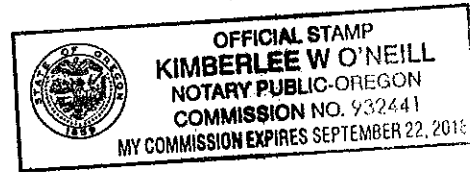
Other Funds: No changes were made

State of Oregon,) ss  
County of Multnomah)

Justin Eubanks being duly sworn, deposes that he/she is principal clerk of Oregonian Media Group; that The Oregonian is a public newspaper published in the city of Portland, with general circulation in Oregon, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

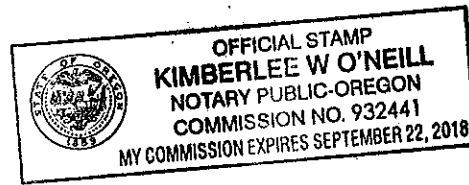
The Oregonian 04/12/2017

  
Principal Clerk of the Publisher



Sworn to and subscribed before me this 13th day of April 2017

  
Notary Public



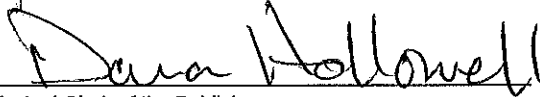
A public meeting of the Budget Committee of Clackamas River Water, Clackamas County, State of Oregon, to discuss the budget for the Biennium July 1, 2017, to June 30, 2019, will be held at 16770 SE 82nd Dr., Clackamas, OR 97015. The meeting will take place on **Thursday April 20, 2017, at 6:00 p.m.** Additionally, the second and third meetings are scheduled for Thursday April 27, 2017 and Monday May 8, 2017, 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 13, 2017, or anytime thereafter, at 16770 SE 82nd Dr., between the hours of 8:00 a.m. and 4:00 p.m. or on-line at [www.crwater.com](http://www.crwater.com).

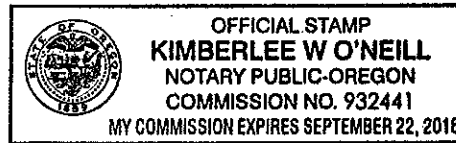
The budget committee meeting is open to the public and will be held at CRW Administrative Offices at 16770 SE 82nd Dr., Clackamas, in the Boardroom.

State of Oregon,) ss  
County of Multnomah)


Dana Hollowell being duly sworn, deposes that he/she is principal clerk of Oregonian Media Group; that The Oregonian is a public newspaper published in the city of Portland, with general circulation in Oregon, and this notice is an accurate and true copy of this notice as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following date(s):

The Oregonian 05/19/2017

  
Principal Clerk of the Publisher



Sworn to and subscribed before me this 22th day of May 2017

  
Notary Public

| FORM LB-1 NOTICE OF BUDGET HEARING   |                              |   |   |
|--|------------------------------|---|---|
| A public meeting of the Clackamas River Water Board of Commissioners will be held on June 08, 2017 at 8:00 pm at 16770 SE 82nd Drive, Clackamas, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2017 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, between the hours of 8:00 a.m. and 4:00 p.m. or online at WWW.CRWATER.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: Naomi Angier  | Telephone: 503-722-9220      | Email: nangier@crwater.com                |   |
| FINANCIAL SUMMARY - RESOURCES  |                              |   |   |
| TOTAL OF ALL FUNDS   | Actual Amount<br>2014-15     | Adopted Budget<br>This Biennium 2015-2017 | Approved Budget<br>Next Years 2017-2019 |
| Beginning Fund Balance/Net Working Capital   | 9,071,145                    | 9,468,900                                 | 33,513,000                              |
| Revenue from Bonds and Other Debt  | 0                            | 23,233,000                                | 0                                       |
| Interfund Transfers / Internal Service Reimbursements  | 3,490,555                    | 16,977,490                                | 32,552,750                              |
| All Other Resources Except Current Year Property Taxes   | 10,725,913                   | 22,655,800                                | 27,886,400                              |
| <b>Total Resources</b>   | <b>23,287,613</b>            | <b>72,335,190</b>                         | <b>93,952,150</b>                       |
| FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION  |                              |   |   |
| Personnel Services   | 3,936,614                    | 8,920,119                                 | 9,323,795                               |
| Materials and Services   | 3,300,429                    | 8,909,000                                 | 7,881,200                               |
| Capital Outlay   | 1,558,432                    | 10,133,500                                | 24,958,800                              |
| Debt Service   | 455,555                      | 1,828,990                                 | 3,385,750                               |
| Interfund Transfers  | 3,490,555                    | 16,977,490                                | 32,552,750                              |
| Contingencies  | 0                            | 450,000                                   | 750,000                                 |
| Unappropriated Ending Balance & Reserved for Future Expenditure  | 10,546,028                   | 25,116,091                                | 15,099,856                              |
| <b>Total Requirements</b>  | <b>23,287,613</b>            | <b>72,335,190</b>                         | <b>93,952,150</b>                       |
| 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  | 116,991                      | 312,168                                   | 0                                       |
| FTE  | 0.9                          | 0.9                                       | 0.0                                     |
| Administration Department  | 1,648,126                    | 3,605,881                                 | 3,865,100                               |
| FTE  | 5.3                          | 5.3                                       | 6.2                                     |
| Water Resources Department   | 2,887,249                    | 6,651,766                                 | 6,491,800                               |
| FTE  | 10.0                         | 10.0                                      | 10.0                                    |
| System Operations Department   | 1,500,388                    | 3,553,252                                 | 4,051,000                               |
| FTE  | 11.0                         | 11.0                                      | 11.0                                    |
| Engineering Department   | 366,087                      | 1,461,294                                 | 1,561,100                               |
| FTE  | 4.0                          | 5.0                                       | 5.0                                     |
| Finance, Accounting and Customer Services Department   | 1,077,027                    | 2,459,802                                 | 2,382,500                               |
| FTE  | 8.0                          | 8.0                                       | 8.0                                     |
| CRWSC Activity Fund  | 25,593                       | 751,456                                   | 433,295                                 |
| FTE  | 0.0                          | 0.0                                       | 0.0                                     |
| Not Allocated to Organizational Unit or Program  | 15,666,152                   | 53,539,571                                | 75,167,355                              |
| FTE  | 0.0                          | 0.0                                       | 0.0                                     |
| <b>Total Requirements</b>  | <b>23,287,613</b>            | <b>72,335,190</b>                         | <b>93,952,150</b>                       |
| <b>Total FTE</b>   | <b>39.2</b>                  | <b>40.2</b>                               | <b>40.2</b>                             |

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 second biennial budget. The total 2017-2019 biennium budget is up 29.9 percent, or \$21,616,960, over the 2015-2017 adopted biennial budget.

**Resources:** The District issued revenue bonds in March 2016 to finance a new capital project program. No additional bond issues are budgeted for the 2017-2019 biennium. Interfund transfers increase 91.7 percent, or \$15,575,260, over the 2015-2017 adopted budget for Capital Improvement Project funding. Other Resources increase 23.1 percent due to increases in water rates and sales; this is the fourth year of the eight year rate plan. During the 2015-2017 biennium, Revenue Bonds were issued and no additional bond issues are budgeted during 2017-2019 biennium.

**Requirements:** Capital Outlay and Interfund Transfers increase for capital improvements and associated revenue bond funds. This is partially offset by a decrease in Materials & Services for bond debt issuance expense and true-up of water purchases included in the 2015-2017 adopted budget.

**FTE's:** The total FTE's remain unchanged from the 2015-2017 biennium at 40.2. This figure includes 1 limited-duration employee who administers the capital project program, allowing other staff to manage projects related to the 2016 debt issuance.

| STATEMENT OF INDEBTEDNESS |  |  |
|---------------------------|--|--|
| LONG TERM DEBT            | Estimated Debt Outstanding<br>on July 1. | Estimated Debt Authorized, But<br>Not Incurred on July 1 |
| Other Bonds               | \$21,160,000                             | \$18,840,000   |
| <b>Total</b>              | <b>\$21,160,000</b>                      | <b>\$18,840,000</b>                                      |

C7-0008175032-31

**CLACKAMAS RIVER WATER**

RESOLUTION No. 11-2017

A RESOLUTION FOR ADOPTING THE BUDGET AND MAKING APPROPRIATIONS FOR CLACKAMAS RIVER WATER FOR THE 2017-2019 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 2017-2019 biennial period; and,

WHEREAS, on April 20, 2017, following public notice and meetings thereon, the duly appointed and authorized Budget Committee approved the biennial budget proposed for the 2017-2019 period, on file at the District office, and recommended adoption by the Board of Commissioners; and,

WHEREAS on April 20, 2017, 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 2017-2019 period; and,

WHEREAS, on June 8, 2017, 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 amended by the Board of Commissioners for BN 2017-2019 in the total sum of \$93,952,150 now on file at the district office as required by ORS 294.556.

Section 2: That the amounts for the biennium beginning July 1, 2017 and for the purposes shown below are hereby appropriated as follows:

| GENERAL FUND                       |                |
|------------------------------------|----------------|
| Appropriations:                    |                |
| Personnel Services                 | \$ 9,171,100   |
| Materials & Services               | 7,809,600      |
| Capital Outlay                     | 1,320,800      |
| Interfund Transfers                | 7,385,750      |
| Operating Contingency              | <u>750,000</u> |
| Appropriation Total (General Fund) | \$ 26,437,250  |

(Continued on next page)

|                                   |              |
|-----------------------------------|--------------|
| CAPITAL RESERVE FUND              |              |
| Interfund Transfers Appropriation | \$ 6,185,000 |

|                                   |              |
|-----------------------------------|--------------|
| CAPITAL IMPROVEMENT PROJECTS FUND |              |
| Capital Outlay Appropriation      | \$ 3,186,000 |

|                              |               |
|------------------------------|---------------|
| CIP BOND CONSTRUCTION FUND   |               |
| Capital Outlay Appropriation | \$ 20,193,000 |

|   |                  |
|---|------------------|
| CRWSC ACTIVITY FUND                       |                  |
| Appropriations:                           |                  |
| Personnel Services                        | \$ 361,695       |
| Materials & Services                      | 71,600           |
| Interfund Transfers                       | <u>1,690,000</u> |
| Appropriation Total (CRWSC Activity Fund) | \$ 2,123,295     |

|                            |               |
|----------------------------|---------------|
| REVENUE BOND PROCEEDS FUND |               |
| Interfund Transfers        | \$ 17,292,000 |

|                            |              |
|----------------------------|--------------|
| REVENUE BOND FUND          |              |
| Debt Service Appropriation | \$ 3,385,750 |

|  |                      |
|--|----------------------|
| <b>TOTAL APPROPRIATIONS:</b>                                       | <b>\$ 78,802,295</b> |
| Unappropriated Ending Fund and Reserved for<br>Future Expenditures | <u>\$15,149,855</u>  |
| Total Budget   | \$ 93,952,150        |

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 8th day of June, 2017.

  
 \_\_\_\_\_  
 Naomi Angier, Board President

  
 \_\_\_\_\_  
 Hugh Kalani, Board Secretary

**BUDGET CALENDAR**  
BN 2017-2019

- |   |                  |
|---|------------------|
| 1. <b>Appoint</b> budget officer  | January 12, 2017 |
| 2. <b>Publish</b> notice of budget committee meeting<br>in <i>The Oregonian</i> and post on District web site | April 12, 2017   |
| 3. <b>Hold</b> budget committee meeting   | April 20, 2017   |
| 4. <b>Approve</b> budget  | April 20, 2017   |
| 5. <b>Publish</b> hearing notice in <i>The Oregonian</i>  | May 19, 2017     |
| 6. <b>Hold</b> budget hearing   | June 08, 2017    |
| 7. <b>Adopt</b> the budget and make appropriations by<br>Resolution No. 17-2015 with no taxes to levy         | June 08, 2017    |
| 8. <b>Submit</b> budget to State, County Assessor,<br>Treasurer and Clerk                                     | July 15, 2017    |

## Glossary of Terms and Acronyms

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**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 1<sup>st</sup>.

**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

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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 30<sup>th</sup>.

**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

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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 emergencies or unforeseen expenditures not otherwise budgeted. The Board of Commissioners must adopt a resolution to appropriate Contingency for a specific purpose prior to the use of 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.

**Ending Fund Balance:** Residual non-restricted funds that are expendable or available for appropriation after the end of

## Glossary of Terms and Acronyms

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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

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**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

**Local Budget Law:** Oregon Revised Statutes (ORS) Chapter 294. 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.

**ORS:** Oregon Revised Statutes

**ORS190:** Oregon Revised Statute for intergovernmental cooperation.

## Glossary of Terms and Acronyms

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**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 revenue is recorded in the SDC Reserve Fund.

**Sunrise:** Sunrise Water Authority or SWA.

## Glossary of Terms and Acronyms

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**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