

BUDGET DOCUMENT

FY 2022-2023



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WEST SLOPE WATER DISTRICT

INTRODUCTION

FY 2022-2023

Most local governments in Oregon, from the smallest district to the largest city, must prepare and adopt an annual budget. Schools, counties, cities, rural fire districts, and most special districts are all subject to the same budget provisions.

Oregon's Local Budget Law determines budget provisions. It is found in Chapter 294 of the Oregon Revised Statutes. The law sets out specific procedures that must be followed during the budgeting process. The budget must be completed by June 30 – the day before the start of the fiscal year to which the budget applies. Without a budget for the new fiscal year in place, the local government's authority to spend money or incur obligations expires on June 30. Compliance with Local Budget Law is critical for local governments.

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The following budget document is designed to clearly outline the West Slope Water District's fiscal policies. To aid the reader the following sections are provided.

Section 1 – Budget Message – A letter to the citizens of the community and the Budget Committee highlighting significant portions of the budget and the District's financial priorities.

Sections 2-6 – Budget by fund proposed by the Budget Officer – The proposed budget sheets include actual requirements and revenues for the two preceding years, the revised current year budget, the projected actuals for the current year, the proposed requirements and revenues for the coming fiscal year and supporting documents for the capital and equipment reserve funds.

Section 7 – Supplemental Financial Schedules - An eight-year financial forecast with assumptions and a bond amortization schedule.

Section 8 – Budget Process Information – A collection of documents that include the Budget Calendar, a roster of the Budget Committee members, a copy of the notice of the Budget committee meeting, the Budget Committee meeting agenda, and the proposed notice for the proposed rate hearing.

Section 9 – Appendix – Distribution system summary.

*Oregon Department of Revenue, Local Budget Law Manual

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WEST SLOPE WATER DISTRICT

Budget Message

FY 2022-2023

April 22, 2022

To the Citizens, Members of the Budget Committee and Board of Commissioners:

The proposed fiscal year 2022-2023 budget for the West Slope Water District is attached for your review and consideration. This budget message provides background information and highlights portions of the budget document to aid in your review of the proposed budget. The budget message is organized such that it contains information in the following categories:

- Executive Summary
- General Information
- Financial Condition
- Budget Summary
- General Fund Resources
- General Fund Requirements
- Rate Stabilization Reserve Fund
- Equipment Reserve Fund
- Capital Improvement Reserve Fund
- System Development Charges (SDC) Fund

EXECUTIVE SUMMARY

Below please find a summary of the FY 2022-2023 budget assumptions followed by comparisons of the District-wide FY 2022-2023 proposed budget to the prior year's budget. Variances between the years reflect differences in underlying assumptions as the District responds to changing external factors as well as changing priorities within the organization. More detailed discussion around each of the following highlights will be found at the fund level discussions in the body of the budget message.

Fortunately, the District's financial condition remains relatively unscathed from the severe economic downturn experienced by certain business segments across the nation caused by the COVID pandemic which began in March 2020. The pandemic is now nearing its end. The District's revenue has continued at comparable levels throughout the pandemic which may be due to a customer base of 75% residential combined with a drier and warmer summer and fall in 2021. The District does expect to incur bad debts higher than normal due to the curtailing of customer shut offs for non-payment during 2020&2021. The District expects to write-off an estimated \$7,000 during FY 2022-23.

Customer rates are proposed to increase by 10% on consumption rates and by 6% on the monthly flat fee effective July 1, 2022. Consistent with past budgets, the FY 2022-23 proposed budget revenues are based on the District's 5-year average consumption which this year is less than the current years projected and less than last year's budget. Revenues projected for March, April, May, & June of 2022, were estimated at 100% of March, April, May, and June 2021 actual revenues.

The District desires to continue to restore capital improvement reserves after the completion estimated for the fall of 2022 of the main-line replacement in a portion of the Beaverton-Hillsdale Highway. Increasing rates on July 1 generates approximately \$360,000 in additional revenue based on the current 5-year average consumption for this period. The actual revenues generated will of course vary with actual consumption and are highly affected by weather conditions during the months of July, August, and September. The ten-year average consumption by month shows 41% of the District's annual consumption occurs in this period each year.

Engineering and design for the Beaverton-Hillsdale Highway main-line replacement project began in FY 2020-21 and was completed during FY 2021-22 at a total cost over the two years of \$205,000. Construction is planned to begin in the early summer of 2022 with anticipated completion in the fall of 2022, at a cost of an additional \$2.6 million. With the decline in purchased water cost from Portland Water Bureau and the proposed rate increase it is projected that \$2M can be added back into the capital reserve fund this year.

It is known that future purchased water cost will see increases. It is unknown exactly how much or exactly when these increases will hit the District. If the District stays with Bull Run water provided by the City of Portland, the District will be required to participate in the recovery of the \$1 billion capital cost of the filtration plant which is being required of the City by the EPA. If the District were to switch providers to Tualatin Valley Water

District, the District would be required to participate in the recovery of the \$1.3 billion construction cost of the Willamette River Supply Project. Either will be at a significantly higher cost. During the year, Portland changed its rate base assumptions for the District which has made a significant positive impact on the District's 5-year rates vs those forecast at this time last year. Previous assumptions about the Washington Park Reservoirs and their impact on the District's rates indicated our rates would triple in the next eight years.

This 2022-23 budget is prepared based on the assumption that the District will keep the outstanding bond debt to maturity. This change from last year's assumption of paying them off as soon as possible is made possible due to PWB making favorable changes to the assumptions behind the calculation of the rate they charge the District to purchase water under the existing contract. Before these changes, their forecasted rates indicated that the District might have been required to impose up to a 33% customer rate increase in one year to avoid falling out of compliance with the bond rate covenants whereby the District has covenanted to its bond holders that it will charge rates high enough in every year to generate an operating profit at least equal to 1.25 times annual debt service.

Total personnel costs (see page 19) decline 6.8% compared to last year's budget due to turnover in certain positions. combined with reductions in group insurance costs. These decreases more than offset the additional cost of salaries at a 10% increase over projected costs for FY21-22. This 10% increase is comprised of a 7.3% cost of living increase based on the increase in the consumer price index in 2021, and an additional 2.7% allows for potential merit increases. More detail on items causing the decline from the FY 2021-22 budget are explained later in this Budget Message under General Fund Requirements.

District Wide Resources: The District wide proposed budget resources are \$13,416,000 an increase of \$2,914,000 or 27.7% from FY 2021-22's revised budget. Beginning working capital in the general fund increases \$412,000, beginning working capital in the reserve funds increases \$1,337,000 and water revenues increase \$343,000. The increase to the reserve funds working capital is primarily a result of delays to the \$2,700,000 capital project which was projected to be spent last year and is now projected to be spent in the FY2022-23 proposed budget. Please see explanations by fund later in this budget summary for details on the causes for the remaining increases.

District Wide Requirements: The proposed budget requirements are \$13,416,000 an increase of \$2,914,000 or 27.7% which matches the increase in resources. Reserved for future requirements increases \$2,097,000, operating expenses decline \$58,000, and transfers increase \$815,000. Transfers increase due to the additional resources generated in the General Fund which are available for transfer. See additional explanations by fund later in this budget summary.

Transfers to Other Funds:

The District maintains an Equipment Reserve Fund to provide funds for replacement of aged equipment and purchases of additional equipment and technology such as work trucks, excavators, dump trucks, other field equipment, radio read meters, computers, and software. The transfer from the general fund this year is \$160,000 up \$19,000 or 13.5% from \$141,000 last year.

The District also maintains a Capital Improvement Reserve Fund. The purpose of the Capital Improvement Reserve fund is to accumulate funds over multiple years, and then to track the expenditures for large infrastructure repair, replacement, and upgrade projects identified in the capital improvements plan or for debt service related to capital projects. The transfer to the Capital Improvements Reserve Fund this year is \$2,096,000, an increase of \$796,000 or 61.2% from last year. Increased beginning working capital in the General Fund, combined with increased revenues, and decreased purchased water costs provided higher resources available in the General Fund for transfers to other funds. Generally, the Capital Improvement Reserve Fund receives General Fund resources that exceed General Fund requirements minus transfers needed to the Equipment Reserve Fund or the Rate Stabilization Fund.

The District set up a Rate Stabilization Fund effective June 20, 2018. The need for this fund was first shown in an eight-year financial forecast prepared early in 2018 based upon purchased water cost forecasts received at that time from the City of Portland (City). The intent was to build funds in this reserve to help with meeting rate covenants required by the 2008 revenue bond master resolution. During the last fiscal year, PWB significantly changed their approach to our rate calculation under the existing contract which has brought the projected purchased water cost down significantly. No additional transfers into the rate stabilization fund are proposed in this budget.

Operating Contingency: The General Fund budget includes an operating contingency of \$933,000 or 120 days (33% of annual of operating expenses and debt service). The Capital Reserve Fund includes a \$500,000 operating contingency. Sound fiscal management of a sustainable utility includes maintaining an operational contingency to assist with covering the unforeseen. This could be an occurrence of major infrastructure failures that are outside of regular maintenance, the financial impact of unusually cool wet weather conditions which create low water usage and reduced revenues, drastic increases to purchased water costs, a medical pandemic, a natural disaster, unforeseen surprises on a major capital project, or the combination of any of the above. The published best practices recommendation from the Government Finance Officers Association (GFOA) is a beginning reserve fund balance of 90 to 120 days or 33% of operating expenses. The General Fund operating contingency for the 2022-23 proposed budget stays essentially the same as last year due to similar operating costs. Consistent with last year, the Capital Improvement Reserve Fund includes a \$500,000 operating contingency, due to the \$2.7 million project for the Beaverton-Hillsdale Highway main line replacement included in both years budgets.

Debt Service: The proposed budget includes the annual debt service payment for the 2008 revenue bonds of \$360,000. The District has approximately level debt payments through 2027 for the bonds. The bonds funded construction costs of the District's 3.0-million-gallon (MG) Reservoir #3 and the demolition of the 2.25 MG concrete Reservoir #1. \$328,000 is budgeted from the General Fund and \$32,000 is budgeted from the SDC Fund.

Debt Coverage: The bond covenants require the District's audited financial statements to report adequate revenue to cover operating expenses and meet the debt payment; this is referred to as the debt coverage ratio. The minimum required debt coverage ratio including System Development Charges (SDC) revenues and adjusted for any revenues transferred into or out of the rate stabilization fund, is 1.25 times the annual debt payment or \$450,000 for fiscal year ended June 30, 2023. The proposed budget after estimated General Accepted Accounting Principle (GAAP) adjustments, provides a debt coverage ratio of 5.4 or \$1,961,000 with SDC revenue.

GENERAL INFORMATION

The West Slope Water District is a municipal corporation that supplies domestic water service and fire protection water service to residential and commercial customers. The District is situated in Washington County, west of Portland, and it is bounded by the Multnomah County line (generally Scholls Ferry road) on the east and Highway 217 on the West. Oregon Highway 26 marks the northern border and the Beaverton-Hillsdale Highway is generally the southern border. Part of the District is located within the city limits of the City of Beaverton, the remaining portion is unincorporated Washington County. Incorporated in 1922, the area within the District is approximately three-and-one-half square miles, with an approximate population of 10,500 people and approximately 3,300 service connections.

A five-member Board of Commissioners governs the District. District commissioners must be residents of the District and are elected to four-year terms by voters who live within the District.

The estimates for each fund contained in this proposed budget were prepared by assessing the expected benefits to the District ratepayers at the related costs.

The District's goal is to supply reliable delivery of adequate amounts of safe, clean drinking water at the most effective and stable cost.

Once the budget is approved by the budget committee and adopted by the Board of Commissioners, the General Manager has authority to make budget expenditures.

FINANCIAL CONDITION

The District has a solid financial foundation because of effective financial planning and management by District staff under the policies and strategic plan established by the Board of Commissioners. The District is committed to sustaining a sound financial position that ensures the District's ability to successfully respond to future and current challenges. The proposed budget, ratemaking activities and financial planning are critical in establishing a comprehensive operating budget and evaluating the future capital improvements required to ensure the reliable distribution of a clean safe water supply.

Capital reserves and operating contingencies have been established to supply funding for adequate main line, reservoir, control valve, fire hydrant upgrades and maintenance and operating expenses during potential revenue downturns, major failures in the distribution system, natural disaster, or health crisis.

The condition and reliability of the distribution system is of utmost importance. A water main break can create a significant financial requirement for the District, disruption of water service to the rate payers, potential adverse impact to public health and damage to personal and public property. The District is committed to responding to such an event by having a crew of trained water distribution operators available 24 hours/day, by maintaining equipment and materials to perform the work, and by taking measures to prevent such an event by reserving sufficient funds to cover the cost of system repair and replacement.

The District's water sales volumes and operating net income can vary as much as 8% with weather conditions. Revenues decline in cool wet weather and increase in dry hot weather. Water sales within the District are not, however, subject to large population-based fluctuations because West Slope is an area of very stable, desirable, and mature residences and commercial properties. Little open property is available in the District for new development and growth.

The District signed a 20-year water supply agreement with the City of Portland starting on July 1, 2006. The contract automatically renews for an additional ten-year term in perpetuity, unless either party issues a notice of non-renewal five years prior to termination. West Slope Water District received notice dated April 12, 2021 from the City of Portland informing the District it would not renew the existing agreement on July 1, 2026. The City is currently working with all nineteen wholesale customers and a financial consultant to create a new wholesale water sales agreement for water sales past June 30, 2026. While the contract is not finalized, the terms currently being proposed for the new contract will be beneficial to both the City and its wholesale customers.

The District does not levy or receive tax revenues.

Capital Improvement Plan (CIP)

The District completed a Water System Master Plan in February 2014. Section 6 of the Master Plan documents a recommended capital improvement plan and project schedule covering a period of 1-5 years, 6-10 years, 11-20 years and beyond 20 years. The plan includes improvements to storage facilities and control valves as well as distribution system piping improvements which will improve infrastructure reliability and capacity.

The District's Capital Improvement Program (CIP) combines the recommended capital improvement plan from the Water System Master Plan, the District's revenue forecast, and the District staff's infrastructure condition assessments to identify and prioritize future capital projects for the next one to five years. Typically, the projects named in the CIP are considered the most important or most critical projects to complete in that period considering available funding, the consequence of asset failure, the condition of the asset, and the opportunity to complete the project. Technical and financial details for each of the District's current CIP projects are listed in the Section 5-Capital Improvement Reserve Fund portion of this Budget Document.

The Board of Commissioners set up a Capital Improvements Reserve Fund in February 2001 to accommodate designation and accumulation of funds across fiscal years to fund replacement and upgrades to reservoirs, main lines, and other property improvements. Historically the District's Board of Commissioners have approved investing part of operating revenues for future as well as current CIP projects. This practice allows the District to fund distribution system improvements and replacements without issuing additional bonds or securing loans. The FY 2022-23 budget proposes a similar transfer of \$2,096,000.

System Development Charges (SDC)

SDC's are collected for all new connections to the system. SDC revenue is required by law to be used for CIP projects or for the debt service on past CIP projects. SDC's are allowed by ORS 223.297-314 to compensate current customers for the unused portion of the existing utility and to offset future capital costs necessary to provide capacity for growth.

In 2015, the District hired a financial consultant to update the SDC rates. At the October 21, 2015 regular meeting of the Board of Commissioners, a new SDC rate with an effective date of December 1, 2015 was adopted based on the consultants' findings. SDC's may include a reimbursement component and an improvement component. The new rates were reduced by removing the improvement component of the fee. The improvement component is not needed due to the stable population within the District. As previously mentioned, the area within the District is essentially built out. SDC fees are increased annually based upon the Engineering News Record Construction Cost Index.

Summary of Proposed FY 2022-23 Budget (all Funds)

A summary of resources and requirements for all funds is outlined below: Oregon budget law requires beginning working capital and transfers to be included in resources.

Table 1:

Resources-All Funds	Revised 2021-2022 Budget	Proposed 2022-2023 Budget	Change from Previous Year	Percentage Change from Previous Year
Beginning Working Capital - Gen Fund	\$ 1,118,000	\$ 1,530,000	\$ 412,000	36.9%
Beginning Working Capital - Rate Stblz Fund	800,000	800,000	-	0.0%
Beginning Working Capital - Cap Res Fund	2,687,000	4,003,000	1,316,000	49.0%
Beginning Working Capital - Eq Res Fund	253,000	295,000	42,000	16.6%
Beginning Working Capital - SDC Fund	54,000	33,000	(21,000)	-38.9%
Total Beginning Fund Balance	4,912,000	6,661,000	1,749,000	35.6%
Water Rate Revenue	4,023,000	4,366,000	343,000	8.5%
SDC's	16,000	16,000	-	0.0%
Interest & Miscellaneous Fees	110,000	117,000	7,000	6.4%
Total Revenue	4,149,000	4,499,000	350,000	8.4%
Total Interfund Transfers	1,441,000	2,256,000	357,000	56.6%
Total Resources	\$10,502,000	\$ 13,416,000	\$ 2,914,000	27.7%

Table 2:

Requirements-All Funds	Revised 2021-2022 Budget	Proposed 2022-2023 Budget	Change from Previous Year	Percentage Change from Previous Year
Purchased Water	\$ 1,053,000	\$ 1,006,000	\$ (47,000)	-4.5%
Personnel Services	1,025,000	955,000	(70,000)	-6.8%
Materials and Services	452,000	511,000	59,000	13.1%
Total Operating Expense	2,530,000	2,472,000	(58,000)	-2.3%
Total Capital Outlay	2,715,000	2,777,000	62,000	2.3%
Total Debt service	359,000	360,000	1,000	0.3%
Transfer to Equipment Reserve	141,000	160,000	19,000	13.5%
Transfer to Capital Reserve	1,300,000	2,096,000	796,000	61.2%
Total Transfers	1,441,000	2,256,000	815,000	56.6%
Contingency-General Fund	936,000	933,000	(3,000)	-0.3%
Contingency-Rate Stabilization	-	-	-	0.0%
Contingency-Capital Reserve	500,000	500,000	-	0.0%
Total Contingency	1,436,000	1,433,000	(3,000)	-0.2%
Reserved for Future - Equipment Reserve	281,000	285,000	4,000	1.4%
Reserved for Future - Rate Stabilization	800,000	800,000	-	n/a
Reserved for Future - SDC	33,000	17,000	(16,000)	-48.5%
Reserved for Future - Capital Reserve	907,000	3,016,000	2,109,000	232.5%
Total Reserved for Future Req	2,021,000	4,118,000	2,097,000	103.8%
Total Requirements	\$10,502,000	\$ 13,416,000	\$ 2,914,000	27.7%

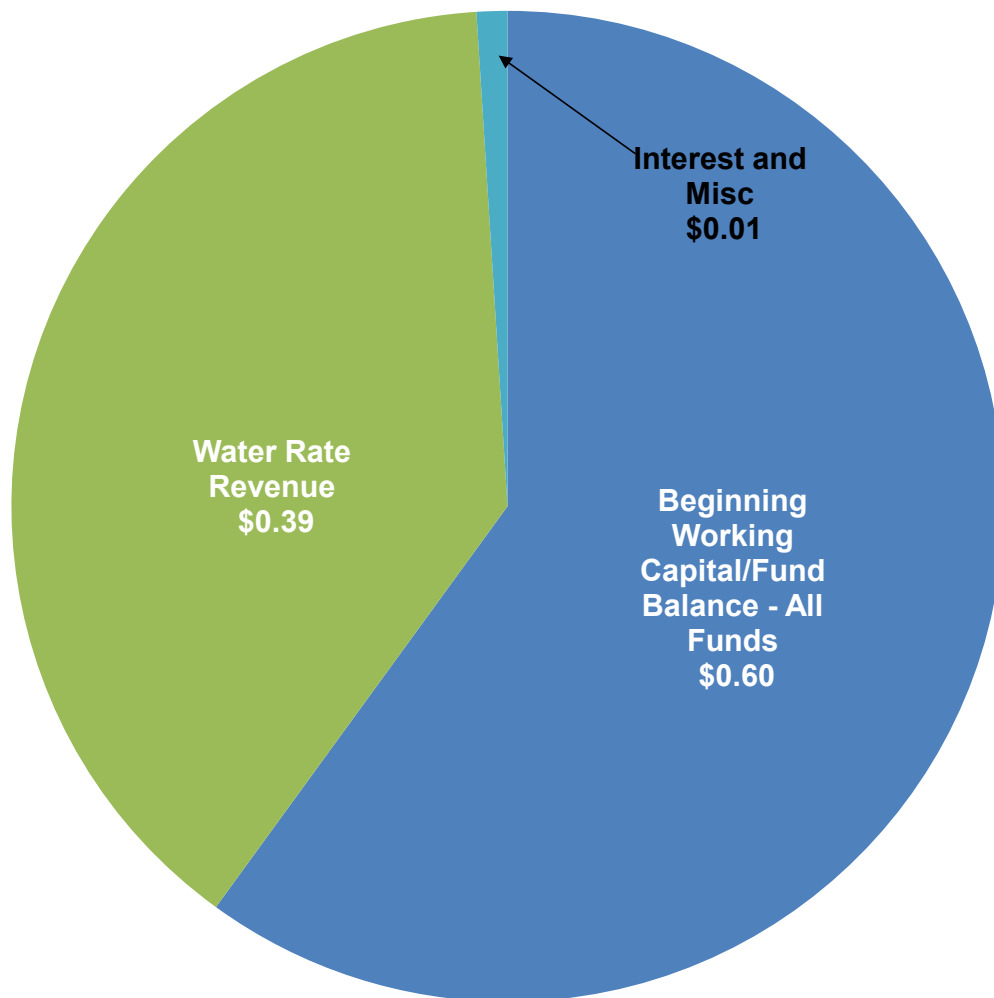
An alternative summary which follows an operating statement format by showing reserves and contingencies as fund balance in addition to “netting” interfund transfers from total resources and requirements is provided on page 16.

Where the District's Budget Dollar Comes From

The proposed FY 2022-23 Budgeted Resources for all funds excluding transfers total \$11.1 million. The following pie chart (Figure 1) represents the proportional source of each resource dollar.

Consistent with Oregon State required budget process, budget resources include beginning working capital and reserves which were generated and unspent from previous years.

Figure 1
Budget Dollar
Resources - Excluding Transfers

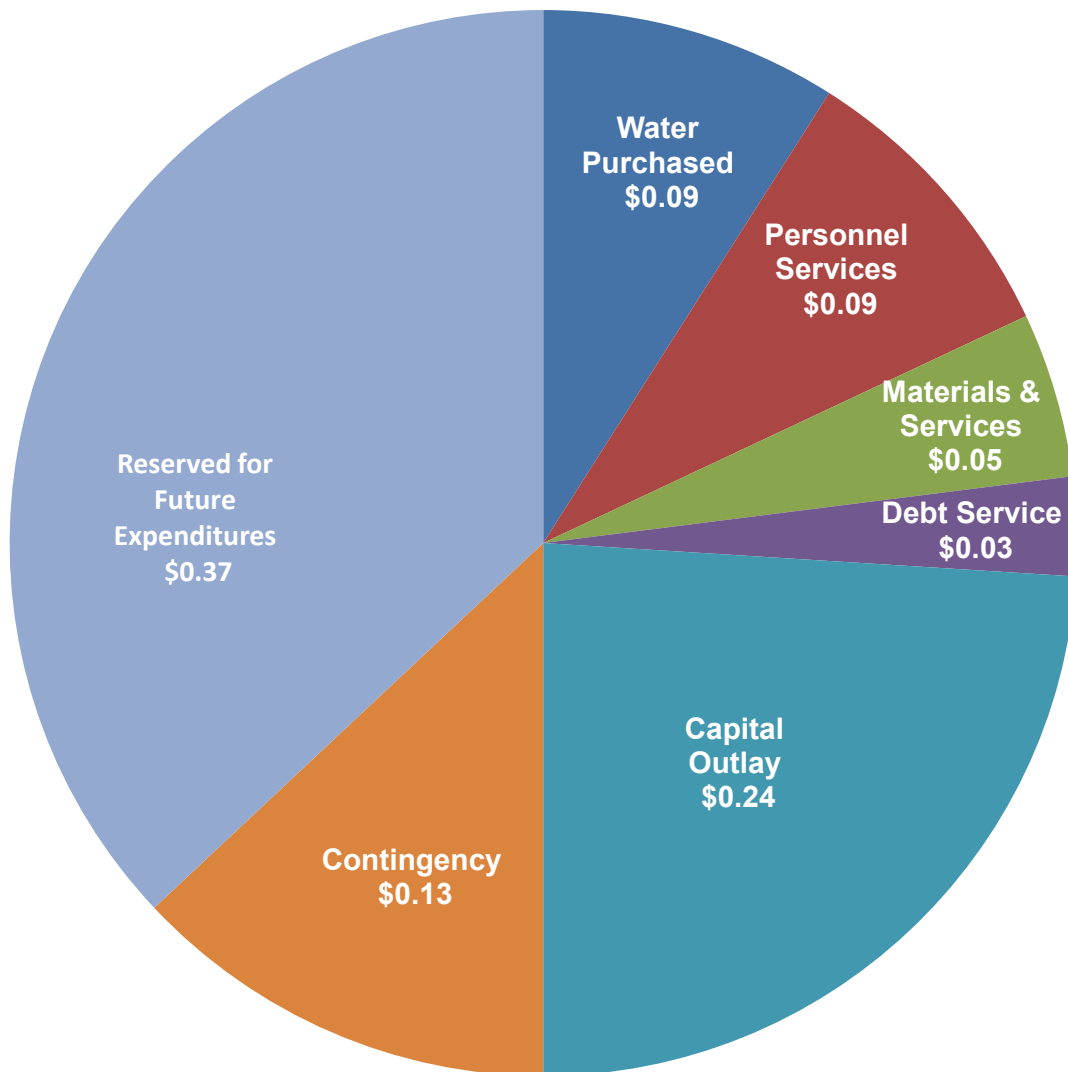


How the District Proposes to Spend Each *Budget Dollar*

The proposed FY 2022-23 budgeted requirements for all funds minus transfers totals \$11.1 million. The following pie chart (Figure 2) represents the proportionate share of each use of a FY 2022-23 budget dollar in the District's budget.

Consistent with the state required budget process, this chart includes the allocation of beginning working capital which was generated and unspent from previous years' operating revenues. For an illustration of the use of one rate dollar excluding beginning working capital, please see Figure 3 shown on page 15.

Figure 2
Budget Dollar
Requirements - Excluding Transfers



How the District Proposes to Spend Each FY 2022-23 Rate Dollar

The following pie chart (Figure 3) illustrates the allocation of funds from each water revenue dollar of \$4.3 million generated under the current FY 2022-23 budget. It differs from the total resource budget because it does not include beginning working capital or beginning reserves. This chart represents the allocation of the general fund operating revenue of the current year only and corresponds to the presentation of all funds in Table 3 on page 16 which shows showing beginning reserves and working capital as fund balance rather than resources.

Figure 3
Rate Dollar

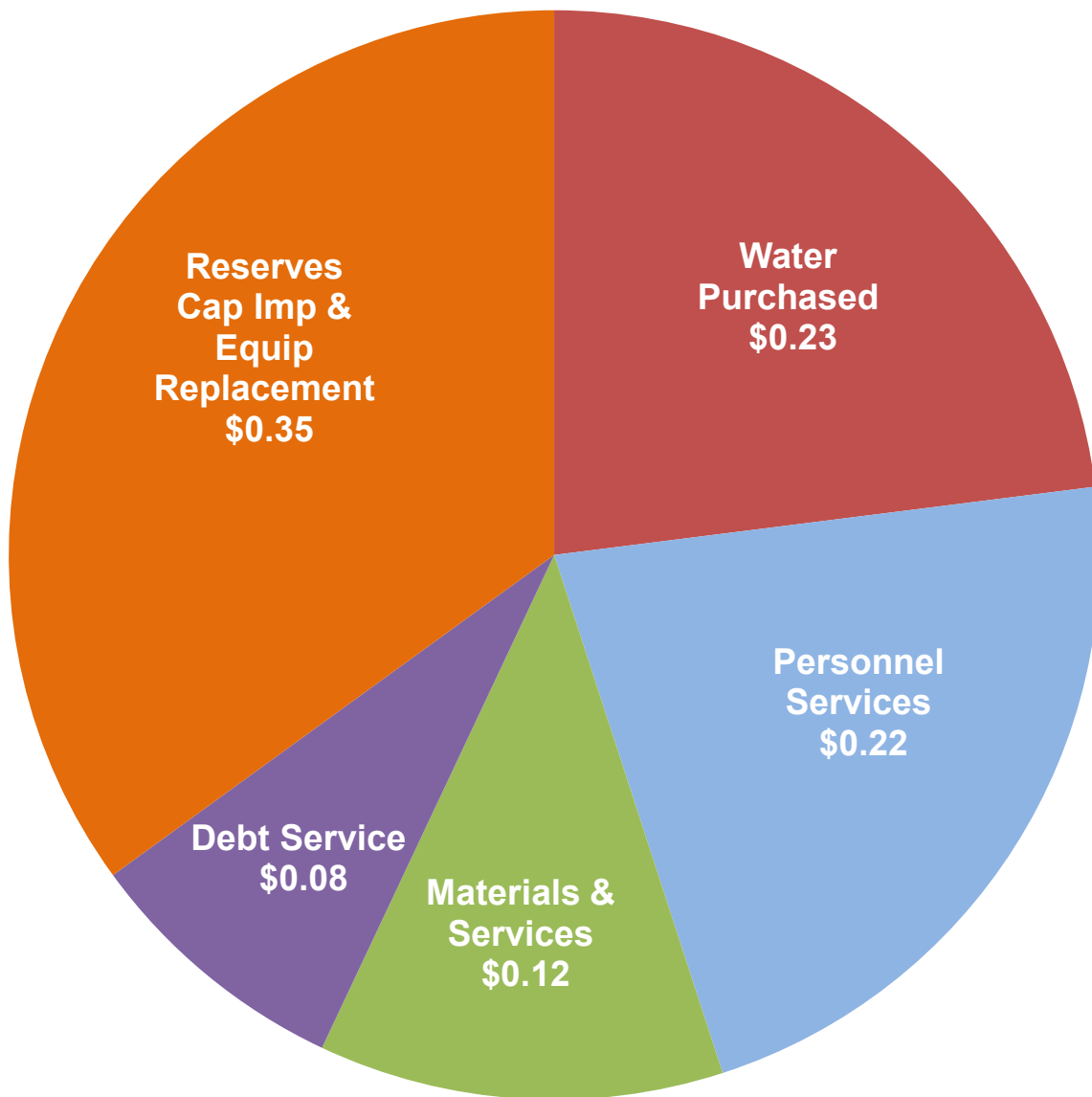


Table 3
West Slope Water District
Summary of All funds - Operating Statement
Proposed Budget for Fiscal Year Ending June 30, 2023

	General Fund	Rate Stabilization Fund	Equipment Reserve	Capital Improvement Reserve	System Development Charges Fund	2022-2023 Total	2021-2022 Projected
Operating Revenues:							
Water Rate Revenue	\$ 4,366,000	\$ -	\$ -	\$ -	\$ -	\$ 4,366,000	\$ 4,231,300
Other Operating	87,000					87,000	98,097
Total Operating Income	4,453,000	-	-	-	-	4,453,000	4,329,397
Operating Expenses							
Purchased Water	1,006,000					1,006,000	1,053,917
Personnel Services	955,000					955,000	862,786
Materials & Services	511,000					511,000	449,312
Total Operating Expenses	2,472,000	-	-	-	-	2,472,000	2,366,015
Operating Income	1,981,000					1,981,000	1,963,382
Non-Operating Resources (Requirements)							
Capital Outlay			(172,000)	(2,605,000)		(2,777,000)	(215,442)
Debt Service	(328,000)				(32,000)	(360,000)	(349,242)
Interest Income	6,000	-	2,000	22,000	-	30,000	23,464
SDC Fees					16,000	16,000	15,394
Non-operating Requirements	(322,000)	-	(170,000)	(2,583,000)	(16,000)	(3,091,000)	(525,826)
Excess (deficit) before Transfers	1,659,000	-	(170,000)	(2,583,000)	(16,000)	(1,110,000)	1,437,556
Transfers	(2,256,000)		160,000	2,096,000			
Change in Fund Balance	(597,000)	-	(10,000)	(487,000)	(16,000)	(1,110,000)	1,437,556
Fund Balance-Working Capital, Beginning of Year:							
General Fund	1,530,000					1,530,000	1,311,581
Reserve Funds		800,000	295,000	4,003,000	33,000	5,131,000	3,911,492
	1,530,000	800,000	295,000	4,003,000	33,000	6,661,000	5,223,073
Fund Balance, End of Year:							
Contingency	933,000			500,000		1,433,000	
Reserved for Future Expenditure		800,000	285,000	3,016,000	17,000	4,118,000	5,131,042
Unappropriated Ending Fund Balance							1,529,587
	<u>\$ 933,000</u>	<u>\$ 800,000</u>	<u>\$ 285,000</u>	<u>\$ 3,516,000</u>	<u>\$ 17,000</u>	<u>\$ 5,551,000</u>	<u>\$ 6,660,629</u>

GENERAL FUND RESOURCES

The following table (Table 4) shows General Fund resources for both the current and the proposed annual budget. The table also compares the percent increase or decrease between years for each category and in total.

Table 4: General Fund Resources

See Section 2 for detailed line items behind these summary amounts.

Resources-General Fund	Revised 2021-2022 Budget	Proposed 2022-2023 Budget	Change from Previous Year	Percentage Change from Previous Year
Beginning Working Capital	\$ 1,118,000	\$ 1,530,000	\$ 412,000	36.9%
Interest	7,000	6,000	(1,000)	-14.3%
Sale of Water	4,023,000	4,366,000	343,000	8.5%
Other Operating	81,000	87,000	6,000	7.4%
Total	\$ 5,229,000	\$ 5,989,000	\$ 760,000	14.5%

Beginning general fund working capital increases \$412,000 or 36.9% over the FY2021-22 budget primarily due to:

- \$200,000 of revenue over budget in FY2021-22 due to a much warmer than average summer and fall in 2021,
- \$86,000 of savings in salaries due to a retirement earlier than budgeted, and due to operations running with a staff of three instead of four for ten months,
- \$76,000 of savings in taxes and benefits due primarily to savings in medical insurance costs from the January first 2022 renewal of premiums which came in at a 12% decrease instead of the 6% increase that was budgeted.

The proposed budget includes \$4,366,000 in water sales to District customers (including the \$40k received from the City of Beaverton). This number is based upon the five-year average of water consumption in the District with a 10% consumptive and 6% flat fee customer rate increase on July 1, 2022. The five-year average of units billed customers declined 2,000 units due to FY 2015-2016 consumption which was a very warm year falling out of the five-year average. The 10% & 6% customer rate increase and the decline of 2,000 units combine to create an 8.5% or \$343,000 increase in water revenue over FY 2021-22 budgeted revenues.

The rate increase is requested to rebuild capital reserves.

The longer-term rates forecasted from the City in the spring of 2022 are significantly lower than forecasted rates provided in the spring of 2021 to the District for purchased water. At the new rates, the District will be able to generate more than adequate operating profit to meet the bond rate covenants by imposing only moderate customer rate increases.

Actual water sales can vary up to 8% or more due to weather conditions. The District does not experience large variations of use based on changes in population.

Interest income is budgeted to decline \$1,000. The District invests funds with the Local Government Investment Pool. The interest rate used for last year's budget was 0.75%, and rates declined to the current 0.6% throughout the year. The FY 2022-23 budget uses 0.55% which was the rate being earned March 2022 prior to the most recent increase to 0.65%. Rates are starting their way back up after the rock bottom lows during the COVID pandemic. Interest rates are expected to increase a few more times throughout a good part of the upcoming fiscal year. It is not a large source of revenue so a conservative estimate will not have a significant impact.

The District has an Intergovernmental Agreement (IGA) with the City of Beaverton for the part of the District's service territory withdrawn in May 2009. The City of Beaverton will reimburse the District 4.36% of the District's annual bond debt service and a portion of the annual under consumption at the District's annual rate in effect for that year under the City of Portland water wholesale contract. The FY 2022–23 revenue budget includes \$40,000 from the City of Beaverton for the wholesale water underconsumption reimbursement and \$16,000 for the bond debt reimbursement.

Other miscellaneous revenue continues to be derived from fees and penalties charged to customers, new service installation fees, right-of-way fees passed through to the City of Beaverton and other nominal payments.

GENERAL FUND REQUIREMENTS

The following table (Table 5) shows general fund expenditures for both the prior revised and the currently proposed budgets. The table also compares the percent increase or decrease between years for each category and in total.

Table 5: General Fund Requirements
 See Section 2 for detailed line items behind these summary amounts.

Requirements-General Fund	Revised 2021-2022 Budget	Proposed 2022-2023 Budget	Change from Previous Year	Percentage Change from Previous Year
Personnel Services	\$ 1,025,000	\$ 955,000	\$ (70,000)	-6.8%
Purchased Water	1,053,000	1,006,000	(47,000)	-4.5%
Materials and Services	452,000	511,000	59,000	13.1%
Debt Service	322,000	328,000	6,000	1.9%
Transfer to Equipment Reserve Fund	141,000	160,000	19,000	13.5%
Transfer to Capital Reserve Fund	1,300,000	2,096,000	796,000	61.2%
Operating Contingency	936,000	933,000	(3,000)	-0.3%
Total	\$ 5,229,000	\$ 5,989,000	\$ 760,000	14.5%

Personnel Services

The overall personnel services budget decreases \$70,000 or 6.8% less than last year’s budget. The decrease is caused by the following items.

- Salaries decline \$22,000 or 3% due to turnover in three positions which were replaced at lower salaries, and due to FY 2021-22 including two months’ salary for two Finance and Customer Service Manager’s during training. These savings more than offset a 10% increase to FY 2022-23 budgeted salaries over the 2021-22 projected salaries. The 10% increase consists of 7.3% for cost of living based upon the 2021 CPI, and 2.7% for potential merit increases.
- Taxes and benefits decline \$48,000 or 13%. Group insurance contributed \$28,000 to this decline, primarily due to medical insurance rates at the January 1, 2022 renewal which declined 12%. The 2021-22 budget assumed they would increase 6%. Additionally, PERS cost declines \$18,000, as turnover in one position moved PERS cost from the higher Tier 1 Tier 2 rate to the lower OPSRP rate. This reduces the weighted average rate of expense for the District.

Purchased Water

The cost of purchased water is the largest single expense for the District. The contractual rate with the City of Portland (City) declined 4.5%, total cost decreased \$47,000 compared to last year’s budget. Starting in 2022-23 the City changed the District’s allocation to the Washington Park cost pool from 100% (primary supply source) of demand to 1.92% (backup supply source). The City also reduced their assumed rate of return on the rate base from 2.85% to 2.42%. The volume of purchased water was budgeted at no change from the FY 2021-22 budget. In both years, the volume of water purchased equals the same amount equal to the declared guaranteed minimum purchase volume of 1.4 million gallons per day or (683,155 units per year) under the City of Portland wholesale water contract.

Materials and Services

The budgeted materials and services costs for FY 2022-23 increase \$59,000, or 13.1% from last year's budget. This is primarily due to increased IT services of \$17,000 for the asset management database and the lead service line database maintenance fees as well as increases to merchant fees of \$14,000 as more customers migrate to payment via credit card and the fees per transaction charged by the merchants increase. Truck and equipment expense increases \$7,000 primarily due to higher gas prices, training is up again now that offsite training is offered, rights of way fees expense to Beaverton increases as revenues increase.

Materials and services include all general operating expenses of the District other than personnel and water purchases. Examples are maintenance and repairs to water mains, valves and meters, general liability insurance, operational costs for maintenance trucks and equipment, professional services, property maintenance, technology, general administration costs, training and professional memberships, supplies, and water quality testing.

Water testing and monitoring is not a large part of the District's budget, but it is critical to assuring our customers that the District provides safe, clean, and reliable water. In 2021, the Oregon Health Authority conducted a sanitary survey inspection of the West Slope Water District. The State examined water quality records, District policies and procedures, customer comments, distribution system best management practices including maintaining a robust cross-connection control program, and a physical inspection of the District's reservoirs and standpipe. Based on the inspection, the State designated the District as an "Outstanding Performer" confirming the value of one of the District's Strategic Plan Goals to operate a reliable water system.

The District continues to routinely monitor the distribution system for total coliform bacteria and disinfection byproducts (contaminants that can form when organic compounds bond with disinfectants like chlorine). The District continues to sample lead and copper two times each year as part of the Joint Monitoring Plan managed by the Portland Water Bureau.

Ensuring that the District's distribution pipe system and reservoirs are in good repair, leaks are detected, repaired, or replaced, and valves operate correctly is extremely important. The risk of damage to roadbeds, personal property and customer inconvenience is greatly reduced by performing regular preventive maintenance. By annually maintaining, inspecting, and replacing valves that fail to operate, water mains can be isolated more efficiently when a main break occurs. Community safety requires that fire hydrants be easy to find, operate when called upon by the fire department and have the required water flow to meet demand.

Debt Service

Debt service in the General Fund increases slightly based upon the scheduled amortization of the 2008 \$5 million issue amount of revenue bonded debt. The District's

debt service is approximately \$360,000 annually for 20-years. For FY 2022-23 \$328,000 of debt service is budgeted from the general fund and \$32,000 is budgeted from the SDC fund.

Transfer to Reserve Funds

Transfers are made from the General Fund to the Truck and Equipment Reserve Fund and the Capital Improvement Reserve Fund to ensure adequate funds are in place to self-fund new equipment purchases, and replace aging vehicles, equipment, and infrastructure. Additionally in FY 2017-18, FY 2018-19, and FY 2019-20 the District transferred funds into a rate stabilization fund. See discussion below under each of these three funds.

Operating Contingency

The General Fund Operating contingency declines \$3,000 or .3% less than last years revised budget due to slightly reduced operating expenses in this proposed budget. Any unused portion of an operating contingency becomes working capital for the following fiscal year.

RATE STABILIZATION FUND

The following tables (Tables 6&7) compare both resources and requirements for the Rate Stabilization Fund for the 2021-22 revised budget and the proposed 2022-23 budget. The tables also indicate the percent increase or decrease between years for each category as well as in total.

Table 6 Resources

See Section 3 for detailed line items behind these summary amounts.

Resources-Rate Stabilization Fund	Revised 2021-2022 Budget	Proposed 2022-2023 Budget	Change from Previous Year	Percentage Change from Previous Year
Beginning Working Capital	\$ 800,000	\$ 800,000	\$ -	0.0%
Transfer in from the General Fund	-	-	-	n/a
Total	\$ 800,000	\$ 800,000	\$ -	0.0%

Table 7 Requirement

See Section 3 for detailed line items behind these summary amounts.

Requirements-Rate Stabilization Fund	Revised 2021-2022 Budget	Proposed 2022-2023 Budget	Change from Previous Year	Percentage Change from Previous Year
Operating Contingency	\$ -	\$ -	\$ -	100.0%
Reserved for Future Expenditures	800,000	800,000	-	0.0%
Total	\$ 800,000	\$ 800,000	\$ -	0.0%

No changes to the reserves in this fund are budgeted for this year. Accordingly, no additional amounts are being transferred in or out.

The \$800,000 of resources in this fund are budgeted as reserved for future expenditure.

The amounts currently in this Reserve Fund are held to be used if needed in future years to “buffer” purchased water cost spikes from similar spikes to customer rates.

The cash for this fund is held in the General Fund. Interest earned on that cash will remain in the general fund’s interest income.

EQUIPMENT RESERVE FUND

The following tables (Tables 8 & 9) compare both resources and requirements for the Equipment Reserve Fund for the current revised and the proposed annual budgets. The tables also indicate the percent increase or decrease for each category as well as in total.

Table 8 Resources

See Section 4 for detailed line items behind these summary amounts.

Resources-Equipment Reserve Fund	Revised 2021-2022 Budget	Proposed 2022-2023 Budget	Change from Previous Year	Percentage Change from Previous Year
Beginning Working Capital	\$ 253,000	\$ 295,000	\$ 42,000	16.6%
Interest	2,000	2,000	-	0.0%
Transfer in from the General Fund	141,000	160,000	19,000	13.5%
Total	\$ 396,000	\$ 457,000	\$ 61,000	15.4%

Table 9 Requirements

See Section 4 for detailed line items behind these summary amounts.

Requirements-Equipment Reserve Fund	Revised 2021-2022 Budget	Proposed 2022-2023 Budget	Change from Previous Year	Percentage Change from Previous Year
Reserved for Future Equip Replacement	\$ 281,000	\$ 285,000	\$ 4,000	1.4%
Furniture and Fixtures Capital Outlay	-	5,000	5,000	n/a
Technology Capital Outlay	15,000	67,000	52,000	346.7%
Radio Read Meters Capital Outlay	100,000	100,000	-	0.0%
Total	\$ 396,000	\$ 457,000	\$ 61,000	15.4%

In the proposed FY2022-23 budget, a transfer of \$160,000 is requested from the General Fund. This is an increase of \$19,000 or 13.5% over last year's budget and includes the following items:

Technology capital outlay of \$67,000, is a \$52,000, or 346.7% increase over last year's budget. Last year the only technology capital budgeted was the asset management data base implementation. Items included this year are as follows:

- \$20,000 for teleconferencing equipment to accommodate the new state requirement for digital sharing of board of commissioner meetings once they begin in person again.
- \$6,000 for three laptops to equip all operations staff.
- \$41,000 to replace the District server which will be end of life with its current windows version late in 2023, and to upgrade Springbrook accounting and customer billing software to a software version that will run on the newer operating system.

Consistent with the last three years, \$100,000 is included to purchase approximately five hundred new Mueller radio read meters. Many of the new meters will replace failing Master radio read meters; the remainder will be used to replace as many as possible of the approximately sixty manual read meters still in use throughout the District.

CAPITAL IMPROVEMENTS RESERVE FUND

The Capital Improvements Reserve Fund was set up in March 2001 for the purpose of isolating funds to pay for capital projects.

The following tables (Tables 10 & 11) compare both resources and requirements for the current revised and the proposed annual budgets. The tables also show variance amounts and percentages between years for each category as well as in total.

Table 10 Resources

See Section 5 for detailed line items behind these summary amounts.

	Revised 2021-2022 Budget	Proposed 2022-2023 Budget	Change from Previous Year	Percentage Change from Previous Year
Resources-Capital Improvement Reserve				
Beginning Working Capital	\$ 2,687,000	\$ 4,003,000	\$ 1,316,000	49.0%
Interest	20,000	22,000	2,000	10.0%
From General Fund	1,300,000	2,096,000	796,000	61.2%
Total	\$ 4,007,000	\$ 6,121,000	\$ 2,114,000	52.8%

Table 11 Requirements

See Section 5 for detailed line items behind these summary amounts.

	Revised 2021-2022 Budget	Proposed 2022-2023 Budget	Change from Previous Year	Percentage Change from Previous Year
Requirements-Capital Improvement Reserve				
Reserved for Future Infrastructure Replacement	\$ 907,000	\$ 3,016,000	\$ 2,109,000	232.5%
Operating Contingency	500,000	500,000	-	0.0%
Reservoirs & Water Mains Capital Outlay	2,600,000	2,600,000	-	0.0%
Property Improvements	-	5,000	5,000	100.0%
Total	\$ 4,007,000	\$ 6,121,000	\$ 2,114,000	52.8%

Total resources in the proposed Capital Improvement Reserve budget increase \$2,114,000 or 52.8% from the FY 2021-22 revised budget. This is due primarily to the increase to beginning working capital of \$1,316,000 or 49%, combined with the increase of \$796,000 or 61.2% in transfers from the General Fund.

The \$796,000 increase in transfers from the general fund is due primarily to the additional funds generated in the general fund. This increase is due in part to the customer rate increase. It is also a result of increased beginning working capital of \$412,000 which was generated by projected financial results being better than budgeted in FY2021-22.

Beginning working capital in the capital reserve fund increased \$1,316,000 primarily due to FY2021-22 budgeted transfers in of \$1,300,000 which exceeded capital outlay of \$110,000.

The \$2,600,000 in Capital outlay for water system improvements budgeted in FY 2022-23 is the Beaverton Hillsdale-Highway main replacement which was delayed from FY2021-22 to FY2022-23.

A \$500,000 operating contingency is included in current year appropriations at no change from last year's budget to cover the event of unforeseen overages on the Beaverton Hillsdale main replacement project.

Property Improvements increase \$5,000, or 100% over last year. This will provide for removal of built-in cabinets in the shop to accommodate placement of three additional desks. All four operations staff will have sit-down workspaces in the shop.

\$3,016,000 will remain after completing the Beaverton Hillsdale Highway main replacement and is designated as reserved for future expenditures.

SYSTEM DEVELOPMENT FUND

A system development charge (SDC) is collected for all new or enlarged connections to the system. ORS 223.297-314 provides for the creation of an SDC to compensate current customers for the unused part of the existing utility. The District's SDC fees do not include a portion to provide distribution capacity for growth.

The following tables (Tables 12 & 13) show resources and requirements for the current revised and the proposed annual budgets and show the percentage and amounts of variance between the two years for each category and in total.

Table 12 Resources

See Section 6 for detailed line items behind these summary amounts.

Resources-SDC Fund	Revised 2021-2022 Budget	Proposed 2022-2023 Budget	Change from Previous Year	Percentage Change from Previous Year
Beginning Working Capital	\$ 54,000	\$ 33,000	\$ (21,000)	-38.9%
SDC - Reimbursements	16,000	16,000	-	0.0%
Total	\$ 70,000	\$ 49,000	\$ (21,000)	-30.0%

Table 13 Requirements

See Section 6 for detailed line items behind these summary amounts.

Requirements-SDC Fund	Revised 2021-2022 Budget	Proposed 2022-2023 Budget	Change from Previous Year	Percentage Change from Previous Year
Reserved for Future Expenditure	\$ 33,000	\$ 17,000	\$ (16,000)	-48.5%
Debt Service	37,000	32,000	(5,000)	-13.5%
Total	\$ 70,000	\$ 49,000	\$ (21,000)	-30.0%

FY 2022-23 beginning working capital declines \$21,000 due to the \$37,066 bond interest payment made from the SDC fund in FY 2021-22 which exceeded SDC revenues collected in that year.

FY 2022-23 SDC revenues are budgeted conservatively at the same amount as last year's budget. The SDC fee revenue estimate is based upon existing projects in the permitting stage, it is difficult however to know when projects will begin. Due to this uncertainty, revenues are budgeted conservatively. They also are not a substantial portion of the District's overall budget.

Beginning in FY 2011-12 the District began using SDC's to make partial bond payments for the District's debt incurred constructing Reservoir #3. The FY2022-23 budget again includes one interest payment of \$32,000.

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SECTION 2 – GENERAL FUND PROPOSED BUDGET DETAILS

- General Fund Resources
- General Fund Requirements Summary
- General Fund Requirements Detail

**WEST SLOPE WATER DISTRICT
GENERAL FUND
RESOURCES**

	Historical Data				RESOURCE DESCRIPTION	Proposed by Budget Officer 2022-23	
	Actual		Revised Budget	Projected Actual			
	Second Preceding Year 2019-20	First Preceding Year 2020-21	This Year 2021-22	This Year 2021-22			
					BEGINNING FUND BALANCE		
1					1 Available Cash on Hand* (Cash Basis), or		1
2	\$ 1,273,946	\$ 1,033,107	\$ 1,118,000	\$ 1,311,581	2 Net Working Capital* (Accrual Basis)	\$ 1,530,000	2
3					3		3
4					4		4
5					5 OTHER RESOURCES		5
6	\$ 23,066	\$ 9,027	\$ 7,000	\$ 7,800	6 INTEREST	\$ 6,000	6
7	\$ 3,462,041	\$ 3,865,046	\$ 3,983,000	\$ 4,191,300	7 SALE OF WATER	\$ 4,326,000	7
8	\$ 53,760	\$ 35,998	\$ 40,000	\$ 40,000	8 SALE OF WATER - WHOLESALE	\$ 40,000	8
9	\$ 5,059	\$ 8,510	\$ 3,000	\$ 12,000	9 NEW SERVICE INSTALLATION	\$ 5,000	9
10	\$ 2,808	\$ 12,447	\$ 4,000	\$ 10,500	10 MISCELLANEOUS	\$ 4,000	10
11	\$ 6,900	\$ 1,780	\$ 6,000	\$ 5,500	11 PENALTIES	\$ 6,000	11
12	\$ 15,655	\$ 15,678	\$ 16,000	\$ 15,610	12 BEAVERTON REIMBURSEMENTS	\$ 16,000	12
13					13		13
14	\$ 43,824	\$ 47,246	\$ 52,000	\$ 54,487	14 RIGHTS OF WAY FEES BILLED	\$ 56,000	14
15					15		15
16					16 FROM THE RATE STABILIZATION FUND	\$ -	16
17					17		17
18					18		18
19					19		19
20					20		20
21	\$ 4,887,059	\$ 5,028,839	\$ 5,229,000	\$ 5,648,778	21 Total Resources, Except Taxes to be Levied	\$ 5,989,000	21
22					22 Taxes Necessary to Balance		22
23					23 Taxes Collected in Year Levied		23
24	\$ 4,887,059	\$ 5,028,839	\$ 5,229,000	\$ 5,648,778	24 TOTAL RESOURCES	\$ 5,989,000	24

**WEST SLOPE WATER DISTRICT
GENERAL FUND
REQUIREMENTS SUMMARY**

	Historical Data				EXPENDITURE DESCRIPTION	Proposed by Budget Officer 2022-23	
	Actual		Revised Budget	Projected Actual			
	Second Preceding Year 2019-20	First Preceding Year 2020-21	This Year 2021-22	This Year 2021-22			
					PERSONNEL SERVICES		
1					1		1
2					2		2
3					3		3
4					4		4
5	\$ 917,826	\$ 938,135	\$ 1,025,000	\$ 862,786	5 TOTAL PERSONNEL SERVICES	\$ 955,000	5
					MATERIALS AND SERVICES		
6					6		6
7					7		7
8					8		8
9					9		9
10	\$ 1,736,842	\$ 1,574,844	\$ 1,505,000	\$ 1,503,229	10 TOTAL MATERIALS AND SERVICES	\$ 1,517,000	10
					DEBT SERVICE		
11					11		11
12					12		12
13					13		13
14					14		14
15	\$ 515,784	\$ 359,279	\$ 322,000	\$ 312,176	15 TOTAL DEBT SERVICE	\$ 328,000	15
					TRANSFERRED TO OTHER FUNDS		
16					16		16
17					17		17
18					18		18
19					19		19
20					20		20
22	\$ 400,000	\$ -	\$ -	\$ -	22 TO RATE STABILIZATION FUND	\$ -	22
23	\$ 30,000	\$ 180,000	\$ 141,000	\$ 141,000	23 TO TRUCK AND EQUIPMENT FUND	\$ 160,000	23
24	\$ 253,500	\$ 665,000	\$ 1,300,000	\$ 1,300,000	24 TO CAPITAL IMPROVEMENTS FUND	\$ 2,096,000	24
25			\$ 936,000		25 GENERAL OPERATING CONTINGENCY	\$ 933,000	25
26	\$ 683,500	\$ 845,000	\$ 2,377,000	\$ 1,441,000	26 TOTAL TRANSFERS & CONTINGENCIES	\$ 3,189,000	26
27	\$ 3,853,952	\$ 3,717,258	\$ 5,229,000	\$ 4,119,191	27 TOTAL EXPENDITURES	\$ 5,989,000	27
28	\$ 1,033,107	\$ 1,311,581	\$ -	\$ 1,529,587	28 UNAPPROPRIATED ENDING FUND BALANCE	\$ -	28
29	\$ 4,887,059	\$ 5,028,839	\$ 5,229,000	\$ 5,648,778	29 TOTAL	\$ 5,989,000	29

**WEST SLOPE WATER DISTRICT
GENERAL FUND
DETAILED REQUIREMENTS**

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1	Historical Data				EXPENDITURE DESCRIPTION	Number of FTE Employees	Proposed by Budget Officer 2022-23	1
	Actual		Revised Budget This Year 2021-22	Projected Actual This Year 2021-22				
	Second Preceding Year 2019-20	First Preceding Year 2020-21						
1					1 PERSONNEL SERVICES			1
2	\$ 130,155	\$ 132,514	\$ 144,000	\$ 139,993	2 MANAGER	1	\$ 153,000	2
3	\$ 290,825	\$ 294,723	\$ 308,000	\$ 224,079	3 LABOR MAINTENANCE	4	\$ 278,000	3
4	\$ 159,374	\$ 152,778	\$ 182,000	\$ 176,940	4 OFFICE SALARIES	2	\$ 172,000	4
5	\$ 10,352	\$ 11,484	\$ 9,000	\$ 16,400	5 OVERTIME		\$ 18,000	5
6	\$ 136,589	\$ 139,717	\$ 155,000	\$ 106,306	6 MEDICAL/DENTAL/VISION/LIFE/LTD		\$ 127,000	6
7	\$ 132,614	\$ 147,481	\$ 160,000	\$ 138,294	7 RETIREMENT PLAN		\$ 142,000	7
8	\$ 49,400	\$ 52,023	\$ 57,000	\$ 51,034	8 PAYROLL TAXES		\$ 56,000	8
9	\$ 6,273	\$ 5,675	\$ 6,000	\$ 5,640	9 WORKERS COMPENSATION		\$ 6,000	9
10	\$ 2,244	\$ 1,740	\$ 4,000	\$ 4,100	10 OTHER EMPLOYEE RELATED COSTS		\$ 3,000	10
11					11			11
12	\$ 917,826	\$ 938,135	\$ 1,025,000	\$ 862,786	12 TOTAL PERSONNEL SERVICES		\$ 955,000	12
13					13			13
14					14 MATERIALS AND SERVICES			14
15					15			15
16	\$ 1,359,983	\$ 1,220,019	\$ 1,053,000	\$ 1,053,917	16 WATER PURCHASED		\$ 1,006,000	16
17	\$ 20,536	\$ 43,703	\$ 78,000	\$ 73,172	17 MAINTENANCE		\$ 76,000	17
18	\$ 14,972	\$ 3,732	\$ 7,000	\$ 5,540	18 WATER TESTS		\$ 6,000	18
19	\$ 16,786	\$ 19,904	\$ 20,000	\$ 22,349	19 TRUCK AND EQUIPMENT EXPENSE		\$ 27,000	19
20	\$ 12,826	\$ 11,843	\$ 14,000	\$ 11,909	20 UTILITIES		\$ 13,000	20
21	\$ 63,717	\$ 67,181	\$ 71,000	\$ 78,404	21 BILLING AND PAYMENT		\$ 85,000	21
22	\$ 1,894	\$ 1,978	\$ 3,000	\$ 2,800	22 OFFICE SUPPLIES AND POSTAGE		\$ 4,000	22
23	\$ 2,603	\$ 261	\$ 3,000	\$ 1,500	23 UNIFORMS & PPE		\$ 3,000	23
24	\$ 37,048	\$ 40,281	\$ 42,000	\$ 41,078	24 GENERAL INSURANCE		\$ 43,000	24
25	\$ 74,409	\$ 22,912	\$ 30,000	\$ 30,515	25 PROFESSIONAL SERVICES		\$ 33,000	25
26	\$ 5,583	\$ 3,520	\$ 6,000	\$ 4,866	26 PROPERTY MAINTENANCE		\$ 6,000	26
27	\$ 45,620	\$ 57,594	\$ 69,000	\$ 75,178	27 IT SERVICES & OFFICE EQUIP		\$ 86,000	27
28	\$ 2,836	\$ 2,899	\$ 3,000	\$ 2,762	28 GENERAL SUPPORT EXPENSE		\$ 3,000	28
29	\$ 3,114	\$ 2,610	\$ 4,000	\$ 3,920	29 JANITORIAL EXPENSE		\$ 5,000	29
30	\$ 43,970	\$ 47,288	\$ 53,000	\$ 55,577	30 RIGHTS OF WAY FEES PAID		\$ 57,000	30
31					31			31
32					32 TOTAL EXPENDITURES (CONT ON NEXT PAGE)			32
33					33			33

**WEST SLOPE WATER DISTRICT
GENERAL FUND
DETAILED REQUIREMENTS**

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1	Historical Data				EXPENDITURE DESCRIPTION	Proposed by Budget Officer 2022-23	1
	Actual		Revised Budget	Projected Actual			
	Second Preceding Year 2019-20	First Preceding Year 2020-21	This Year 2021-22	This Year 2021-22			
2	\$ 6,495	\$ 8,346	\$ 12,000	\$ 4,250	2 BOARD EXPENSES	\$ 10,000	2
3	\$ -	\$ -	\$ -	\$ 1,500	3 BAD DEBTS	\$ 7,000	3
4	\$ 11,554	\$ 7,916	\$ 25,000	\$ 19,227	4 EDUCATION, TRAINING, & MEMBERSHIPS	\$ 29,000	4
5	\$ 6,060	\$ 6,271	\$ 5,000	\$ 8,112	5 COMMUNITY RELATIONS	\$ 11,000	5
6	\$ 6,836	\$ 6,586	\$ 7,000	\$ 6,655	6 CONSERVATION	\$ 7,000	6
7					7		7
8					8		8
9	\$ 1,736,842	\$ 1,574,844	\$ 1,505,000	\$ 1,503,229	9 TOTAL MATERIALS & SERVICES	\$ 1,517,000	9
10					10		10
11					11 DEBT SERVICE		11
12					12 PERS Transition Liability		12
13	\$ 157,028	\$ -			13 PRINCIPAL PAYMENT - DEC 2008 Revenue Bond (20 year)		13
14					14		14
15	\$ 260,000	\$ 270,000	\$ 280,000	\$ 270,000	15 PRINCIPAL PAYMENT - OCT	\$ 290,000	15
16	\$ 51,653	\$ 47,103	\$ 42,000	\$ 42,176	16 INTEREST PAYMENT - OCT	\$ 38,000	16
17	\$ 47,103	\$ 42,176	See SDC Fund	\$ -	17 INTEREST PAYMENT - APR	See SDC Fund	17
18					18		18
19	\$ 515,784	\$ 359,279	\$ 322,000	\$ 312,176	19 TOTAL DEBT SERVICE	\$ 328,000	19
20					20		20
21					21		21
22	\$ 3,170,452	\$ 2,872,258	\$ 2,852,000	\$ 2,678,191	22 SUB TOTAL	\$ 2,800,000	22
23					23		23
24	\$ -	\$ -	\$ 936,000	\$ -	24 GENERAL OPERATING CONTINGENCY	\$ 933,000	24
25	\$ 400,000	\$ -	\$ -	\$ -	25 TRANSFER TO RATE STABILIZATION FUND	\$ -	25
26	\$ 30,000	\$ 180,000	\$ 141,000	\$ 141,000	26 TRANSFER TO EQUIPMENT FUND	\$ 160,000	26
27	\$ 253,500	\$ 665,000	\$ 1,300,000	\$ 1,300,000	27 TRANSFER TO CAPITAL IMPROVEMENTS FUND	\$ 2,096,000	27
28					28		28
29	\$ 3,853,952	\$ 3,717,258	\$ 5,229,000	\$ 4,119,191	29 TOTAL EXPENDITURES	\$ 5,989,000	29
30	\$ 1,033,107	\$ 1,311,581	\$ -	\$ 1,529,587	30 UNAPPROPRIATED ENDING FUND BALANCE	\$ -	30
31	\$ 4,887,059	\$ 5,028,839	\$ 5,229,000	\$ 5,648,778	31 TOTAL	\$ 5,989,000	31

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SECTION 3 – RATE STABILIZATION FUND

- Rate Stabilization Fund Resources and Requirements

**WEST SLOPE WATER DISTRICT
RATE STABILIZATION RESERVE FUND**

This fund was authorized by resolution 04-2018 on June 30, 2018 for the specific purpose of accounting for funds transferred into and out of the General Fund as per the terms and conditions set forth in The District's 2008 Revenue Bond Master Resolution to assist in meeting debt service covenants and/or in smoothing variations in net operating revenues between years as is determined to be necessary by the Board of Commissioners. This fund shall be reviewed and re-established or abolished prior to June 30, 2028.

Historical Data				DESCRIPTION	Proposed by Budget Officer 2022-23	
Actual		Revised Budget This Year 2021-22	Projected Actual This Year 2021-22			RESOURCES AND REQUIREMENTS
Second Preceding Year 2019-20	First Preceding Year 2020-21					
				RESOURCES		
				Beginning Fund Balance		
1				1 Cash on Hand *(Cash Basis), or	1	
2	\$ 200,000	\$ 400,000	\$ 800,000	2 Working Capital* (Accrual Basis)	\$ 800,000 2	
3				3	3	
4				4	4	
5				5 OTHER RESOURCES	5	
6	\$ 200,000	\$ 400,000		6 FROM THE GENERAL FUND	6	
7				7	7	
8				8	8	
9	\$ 400,000	\$ 800,000	\$ 800,000	9 Total Resources, Except Taxes to be Levied	\$ 800,000 9	
10				10 Taxes Necessary to Balance	10	
11				11 Taxes Collected in Year Levied	11	
12	\$ 400,000	\$ 800,000	\$ 800,000	12 TOTAL RESOURCES	\$ 800,000 12	
				REQUIREMENTS		
1			\$ -	1 Operating Contingency	\$ - 1	
2				2 TO THE GENERAL FUND	\$ - 2	
3		\$ 800,000	\$ 800,000	3 RESERVED FOR FUTURE EXPENDITURES	\$ 800,000 3	
4	\$ 400,000	\$ 800,000		4 UNAPPROPRIATED ENDING FUND BALANCE	4	
5	\$ 400,000	\$ 800,000	\$ 800,000	5 TOTAL REQUIREMENTS	\$ 800,000 5	

SECTION 4 – EQUIPMENT RESERVE FUND PROPOSED BUDGET DETAILS

- Equipment Reserve Fund Resources and Requirements
- Equipment Replacement Schedule

**WEST SLOPE WATER DISTRICT
EQUIPMENT & VEHICLE RESERVE FUND**

This fund was reauthorized by resolution 01-2021 on February 17, 2021 for the specific purpose of accumulating funds and recording the payment of funds for the purchases of work trucks and equipment. This fund shall be reviewed and re-established or abolished prior to February 17, 2031.

Historical Data					DESCRIPTION	
Actual		Revised Budget This Year 2021-22	Projected Actual This Year 2021-22	RESOURCES AND REQUIREMENTS	Proposed by Budget Officer 2022-23	
Second Preceding Year 2019-20	First Preceding Year 2020-21					
					RESOURCES	
					BEGINNING FUND BALANCE	
1				1 Cash on Hand *(Cash Basis), or		
2	\$ 286,251	\$ 220,128	\$ 253,000	2 Working Capital* (Accrual Basis)	\$ 295,000	
3				3		
					OTHER RESOURCES	
5	\$ 5,429	\$ 1,744	\$ 2,000	4 Earning from Temporary Investments	\$ 2,000	
6				5 Gain on trade-in of Equipment		
7	\$ 30,000	\$ 180,000	\$ 141,000	6 FROM THE GENERAL FUND	\$ 160,000	
8				8		
9	\$ 321,680	\$ 401,872	\$ 396,000	9 Total Resources, Except Taxes to be Levied	\$ 457,000	
10				10		
11				11		
12	\$ 321,680	\$ 401,872	\$ 396,000	12 TOTAL RESOURCES	\$ 457,000	
					REQUIREMENTS	
1		\$ 24,160	\$ -	1 OPERATIONS VEHICLES		
2				2		
3		\$ 19,934	\$ 15,000	3 TECHNOLOGY	\$ 67,000	
4				4		
5	\$ 101,552	\$ 99,805	\$ 100,000	5 RADIO READ METERS	\$ 100,000	
6				6		
7				7 EQUIPMENT & FURNITURE	\$ 5,000	
8				8		
9				9		
10				10 Operating Contingency		
11	\$ 220,128	\$ 257,973	\$ 281,000	11 RESERVED FOR FUTURE EXPENDITURE	\$ 285,000	
12	\$ 321,680	\$ 401,872	\$ 396,000	12 TOTAL REQUIREMENTS	\$ 457,000	

**West Slope Water District
Equipment Reserve Fund
Vehicle and Mobile Equipment Replacement Schedule
FYE June 30, 2023 Proposed Budget**

Vehicle/Equipment Description	Purchase Date	Actual Purchase Price	Salvage Estimate	Estimated Useful Life	Estimated Replacement Cost	Savings Goal Per year	Yrs Used At FYE 6/30/2023	Savings Goal at 6/30/2023	Estimated Replacement Date	Proposed Budget 6/30/2023
Used Backhoe	09/01/14	\$ 40,000		15	\$ 125,000	\$ 8,333	8.83	\$ 73,607	08/28/29	\$ 74,000
Compact Excavator w/ Trailer	06/25/12	50,977	\$ 12,000	20	60,000	\$ 2,400	11.02	\$ 26,446	06/20/32	\$ 26,000
Dump Truck 5 Yrd - 2007 Chevy	03/15/10	47,387		15	100,000	\$ 6,667	13.30	\$ 88,676	03/11/25	\$ 89,000
2001 - 2100 Vactr, 2002 L7500 Sterling Chassis	12/19/17	30,795	10,000	10	45,000	\$ 3,500	5.53	\$ 19,360	12/17/27	\$ 19,000
2018 Ford F150 (Foreman)	08/20/18	32,381	12,000	6	40,000	\$ 4,667	4.86	\$ 22,694	08/18/24	\$ 23,000
2011 Ford F150 (meter reading)	03/31/11	21,186		10	35,000	\$ 3,500	12.26	\$ 42,901	03/28/21	\$ 43,000
2017 Ford F450 w/utility box (work truck) Sold March 2022	11/01/17	51,205	10,000	7						
2020 Nissan Frontier	12/31/20	24,160	5,000	7	35,000	\$ 4,286	2.50	\$ 10,697	12/30/27	\$ 11,000
TOTAL		\$ 298,091			\$ 440,000	\$ 33,352		\$ 284,382		\$ 285,000

**\$ 285,000
Proposed**

SECTION 5 – CAPITAL IMPROVEMENTS RESERVE FUND PROPOSED BUDGET DETAILS

- Capital Improvements Reserve Fund Resources and Requirements
- Capital Improvements Projects Summary
- Capital Projects Details

**WEST SLOPE WATER DISTRICT
CAPITAL IMPROVEMENTS RESERVE FUND**

This fund was re-authorized on February 17, 2021 by Resolution 02-2021 for the specific purpose of accumulating funds for and recording payment of funds for capital improvements. This fund will be reviewed and either abolished or reestablished prior to February 17, 2031.

	Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS	Proposed by Budget Officer 2022-23	
	Actual		Adopted Budget This Year 2021-22	Projected Actual This Year 2021-22			
	Second Preceding Year 2019-20	First Preceding Year 2020-21					
					RESOURCES		
					BEGINNING FUND BALANCE		
1					1 Cash on Hand *(Cash Basis), or		1
2	\$ 1,931,781	\$ 2,227,969	\$ 2,687,000	\$ 2,798,765	2 Working Capital* (Accrual Basis)	\$ 4,003,000	2
3					3		3
4							4
5					OTHER RESOURCES		5
6	\$ 42,688	\$ 18,549	\$ 20,000	\$ 14,370	4 Earning from Temporary Investments	\$ 22,000	6
7	\$ 253,500	\$ 665,000	\$ 1,300,000	\$ 1,300,000	7 FROM THE GENERAL FUND	\$ 2,096,000	7
8					8		8
9					9		9
10	\$ 2,227,969	\$ 2,911,518	\$ 4,007,000	\$ 4,113,135	10 Total Resources, Except Taxes to be Levied	\$ 6,121,000	10
11					11		11
12					12		12
	\$ 2,227,969	\$ 2,911,518	\$ 4,007,000	\$ 4,113,135	13 TOTAL RESOURCES	\$ 6,121,000	
					REQUIREMENTS		
					CAPITAL OUTLAY		
1		\$ 112,753	\$ 2,600,000	\$ 110,442	1 RESERVOIRS & MAIN LINES	\$ 2,600,000	1
2					2		2
3					3 PROPERTY IMPROVEMENTS	\$ 5,000	3
4					4		4
5					5		5
6					6		6
7					7		7
8					8		8
9					9		9
10					10		10
11					11 OPERATING CONTINGENCY	\$ 500,000	11
12	\$ 2,227,969	\$ 2,798,765	\$ 1,407,000	\$ 4,002,693	12 ENDING FUND BALANCE-RESERVED FOR FUTURE	\$ 3,016,000	12
13	\$ 2,227,969	\$ 2,911,518	\$ 4,007,000	\$ 4,113,135	13 TOTAL REQUIREMENTS	\$ 6,121,000	13

Capital Improvement Program (CIP) Projects

West Slope Water District will celebrate its 100-year anniversary in 2022. As the West Slope community has changed over the previous one hundred years, so has the District changed how it maintains its assets, manages finances, and connects with its customers. While little of the original infrastructure installed in the 1920's remains in service today, much of the District's distribution system installed in the early post-World War II era is still in service. Because the District is close to 100% built out, the District's priorities in the last few decades have switched from expanding the distribution system to replacing existing aging infrastructure and ensuring seismic resiliency. The typical useful life of metal pipe is between 70-100 years. Pipe installed in 1946-47 is over 70 years old in 2022. That does not mean that 70+ year old pipe will immediately start to fail. Instead, it means the District must take a proactive approach to assess the current condition and criticality of each section of pipe as well as determine potential threats to that section of pipe (external corrosion, internal pressure, landslide areas, and seismic resiliency). Coordinating and prioritizing repair and ultimately replacement of critical infrastructure before that infrastructure fails is a complex task. To best manage the effective and efficient replacement of aging water infrastructure, the District is building a comprehensive asset management plan that will link several infrastructure metrics to aid the District in determining which sections of pipe should be prioritized for replacement. Those metrics include:

- Condition assessment of pipe and likelihood of failure (can be seen when it is exposed for repairs or tie-in work)
- Pipe age, pipe material, and pipe condition
- Recent history of repairs and breaks
- Consequence of failure (that is, what would happen to the rest of the system if that asset were not available)
- Coordination with roadway improvement projects by others such as ODOT, City of Beaverton or Washington County
- Internal pipe pressure data
- Soil stability, corrosivity, and stray current potential data
- Water loss audit data
- Seismic resiliency assessment
- Operations & engineering staff knowledge and assessments
- Budgetary constraints

The projects listed in the current Multi-Year Capital Improvement Program (CIP) Project Schedule are sections of the distribution system where District field operations staff have responded to water main breaks in recent history. These projects will replace cast iron pipe installed in the late 1940s and early 1950s with new ductile iron pipe. The cast iron pipe will be abandoned in place and all water services would be reconnected to the new water main.

The Beaverton-Hillsdale Highway water line replacement project is a proactive project that is needed **before** a significant water main break occurs in this area. District crews have repaired sections of this pipe as recently as November 2019. The existing pipeline

is buried up to nine feet below the road surface in sections, and depths of this magnitude pose increased safety risks to District staff to maintain and repair the pipe. The existing 8-inch diameter cast iron pipe will be abandoned, and new 12-inch diameter ductile iron pipe will be installed at a workable depth of around three feet below the road surface. The District’s engineering consultant AKS Engineering & Forestry has completed the design for the new water main. A construction contractor should be selected by June 2022, and construction could begin late Summer 2022. Completion of the project is estimated for Spring 2023.

Table 14 below is a summary of the Multi-Year CIP Project Schedule through 2028 as determined at this writing. Individual Project Data sheets for each of the identified projects are included in this section providing a description, justification, and cost summary for each individual CIP project. However, the overall project schedule beyond the Beaverton-Hillsdale Hwy water main project must remain flexible to respond to new information from the District’s new asset management program as well as changes in economic, environmental, and social conditions that can impact District project priorities.

**Table 14: Multi-Year CIP Project Summary
(Not numbered or listed in chronological order)**

Project Number	1	2	3	4	5	6
Project Name:	SW Beaverton-Hillsdale Hwy: SW Dogwood to SW 91st	SW 75th; Fairmoor to Westmoor	MP: P11-14 SW 98th to 100th Ave.: (SW Vista & Thurlow)	MP: P1-P3 SW 103 Ave.: Canyon Rd to OR 10	MP: P37 SW 106th: Canyon Rd to Walker Rd	MP: P10 SW 109th: Canyon Rd to B-H Hwy
Total Project Cost:	\$2,766,346 (\$2,560,705 remains)	\$1,110,000	\$1,062,000	\$1,034,000	\$510,000	\$432,000
	FY 2022-23	2023-2028	2023-2028	2023-2028	2023-2028	2023-2028
Total Multi-Year CIP Projects Cost:	\$6,708,705					

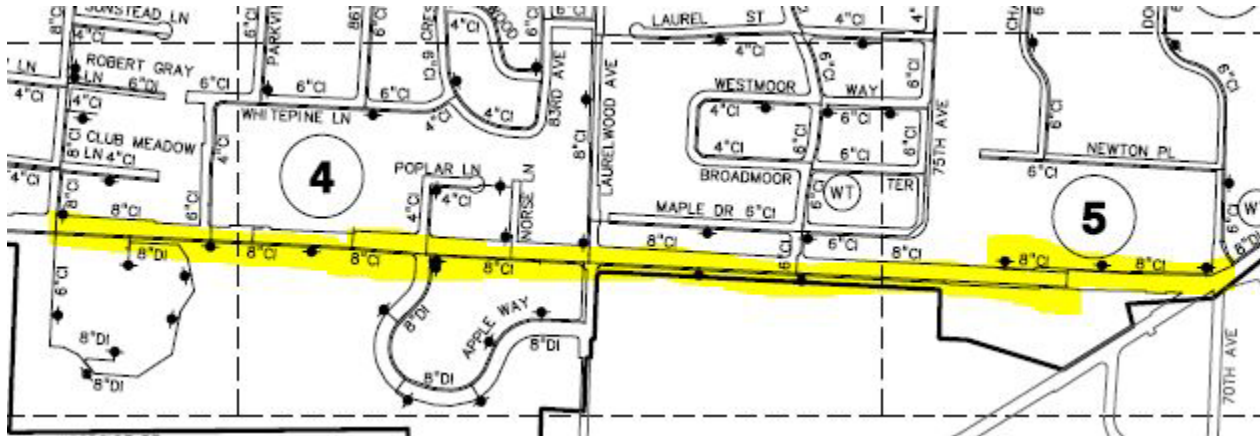
Project Data

Project Number: 01: 2021-2023

Project Name: SW Beaverton-Hillsdale Highway (OR Hwy 10) Water Line Replacement – SW Dogwood Lane to SW 91st Avenue

Project Description: Install 5820 linear feet of 12-inch ductile iron pipe and abandon the existing 8-inch cast iron water main. All water services along SW Beaverton-Hillsdale Hwy within the project area will be transferred to the new 12-inch water main.

Map:



Project Justification: This project will replace an old cast iron water main. The District has made numerous repairs to this section of pipeline, and the pipe is located at least eight feet below the roadway surface creating a much greater risk for District crews to effectively maintain the water pipe. The new 12-inch water main will be relocated to the north side of the highway and will be installed roughly three feet below the roadway surface. The District repaired a main break between SW Laurelwood and SW 78th Avenue in November 2019.

Project Timeline: Funding for design began in FYE 2021. \$205,641 in engineering work is projected to have been completed by June 30, 2022. Project construction will take place within FY 2022-23. The costs for FYE 2023 are:

Project Cost Estimate:	Construction costs =	\$2,230,996
	Engineering costs =	\$106,609
	Contingency costs =	<u>\$223,100</u>
	Remaining Total Costs =	\$2,560,705
	Prior Engineering Costs =	<u>\$205,641</u>
	Total Project Costs =	\$2,766,346

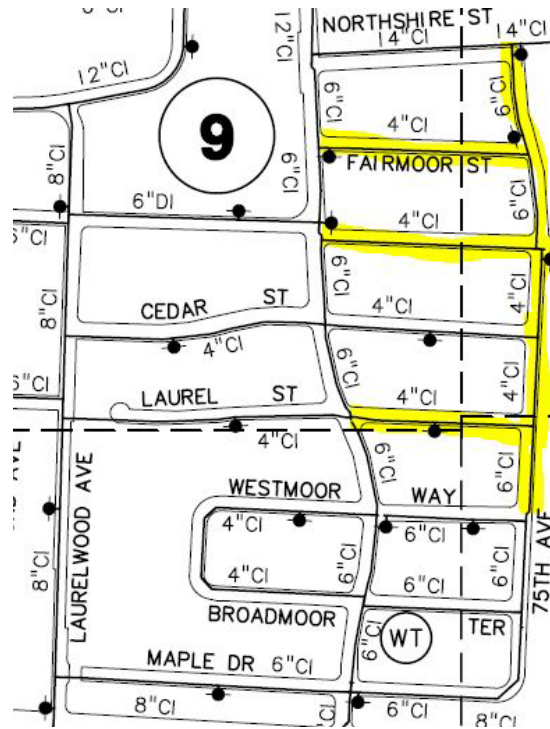
Project Data

Project Number: 02: 2023-28 Planning Period

Project Name: SW 75th Avenue: Northshire Street to Westmoor Street Water Line Replacement

Project Description: Install 1580 linear feet of 8-inch and 2120 linear feet of 6-inch ductile iron pipe and abandon the existing cast iron water main. All water services along SW 75th Avenue in the project will be transferred to the new 8-inch water main.

Map:



Project Justification: This project will replace a cast iron main installed in the late 1940s. The District has made numerous repairs on these sections of pipeline over the last few years, and the new water mains would be installed in the street portion of the right-of-way and out of the edge of the right-of-way which is often the customer’s front yard. Increasing the diameter of the water mains will also improve fire flow capacity to the area residents.

Project Timeline: Funding for design and construction of this project will take place 2023-28.

Project Cost Estimate:	Construction costs =	\$766,000
	Engineering costs =	\$115,000
	Administrative costs =	\$76,000
	Contingency costs =	<u>\$153,000</u>
	Total Cost =	\$1,110,000

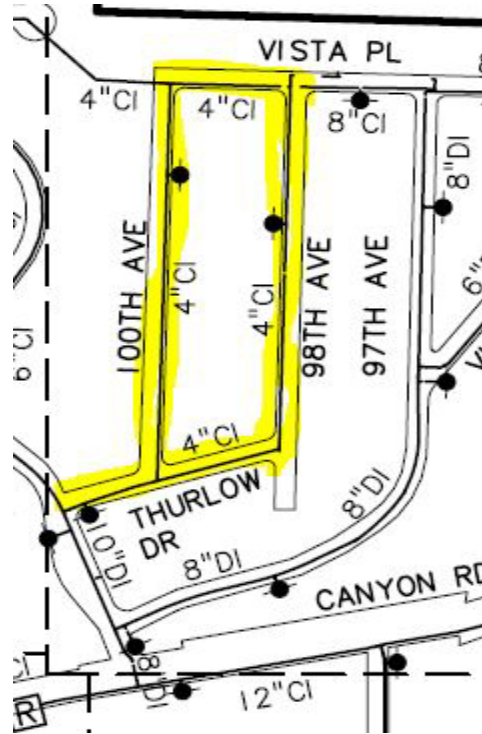
Project Data

Project Number: 03: 2024-2025 (Master Plan Projects P11-P14)

Project Name: SW 98th & SW 100th Water Line Replacement – SW Vista Street to SW Thurlow Street

Project Description: Install 3280 linear feet of 8-inch ductile iron pipe and abandon the existing 4-inch cast iron water main. All water services located in the project area will be transferred to the new 8-inch water mains.

Map:



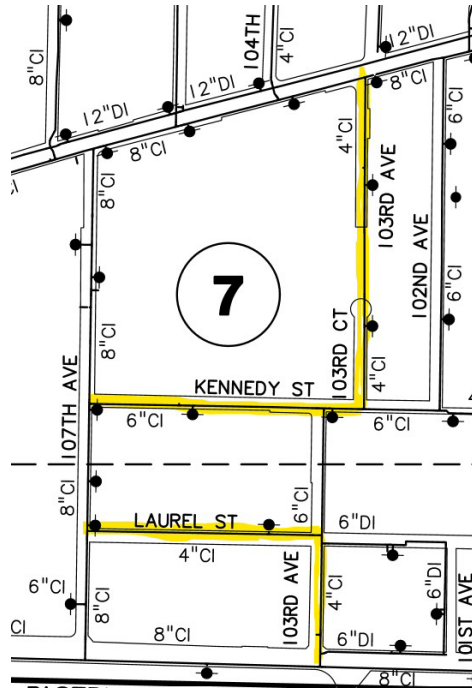
Project Justification: This project will replace a cast iron main installed in the late 1940s and early 1950s. The District has made numerous repairs on these pipeline segments since 2015. Increasing the diameter of the water from 4-inch to 8-inch will also improve fire flow capacity to the area residents.

Project Timeline: Funding for design and construction of this project could take place within the multi-year CIP Project Schedule.

Project Cost Estimate:	Construction costs =	\$732,000
	Engineering costs =	\$110,000
	Administrative costs =	\$73,000
	Contingency costs =	<u>\$147,000</u>
	Total Cost =	\$1,062,000

Project Data

- Project Number:** 04: 2023-2028 Planning Period (Master Plan Projects P1-P3)
- Project Name:** SW 103rd Avenue Water Line Replacement – SW Canyon Road to SW Beaverton-Hillsdale Highway
- Project Description:** Install a total of 3640 linear feet of 8-inch ductile iron pipe (1660 feet on SW 103rd Avenue, 1070 feet on SW Kennedy Street, and 910 feet on SW Laurel Street), and abandon the existing 4-inch and 6-inch cast iron water main.
- Map:**



Project Justification: This project will replace a cast iron main installed in the late 1940s and early 1950s. The District has made repairs on this section of pipeline. Increasing the diameter of the water from 4-inch to 8-inch will improve fire flow capacity to the area residents and provide a better movement of water in this area.

Project Timeline: Funding for design and construction of this project will take place within the multi-year CIP Project Schedule as a whole project or in parts.

Project Cost Estimate:

Construction costs =	\$713,000
Engineering costs =	\$107,000
Administrative costs =	\$71,000
Contingency costs =	<u>\$143,000</u>

Total Cost = **\$1,034,000**

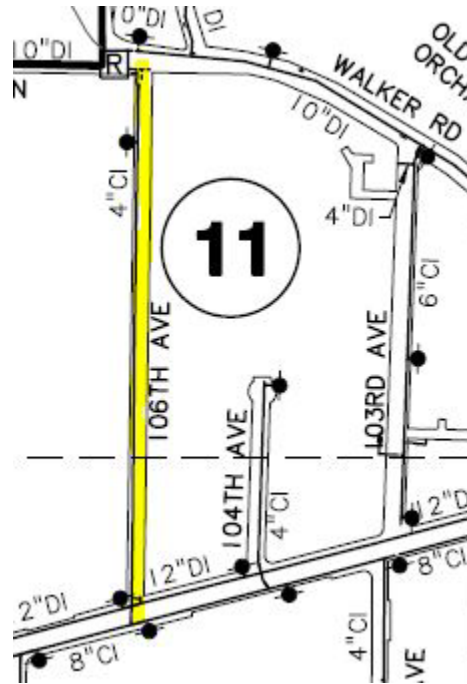
Project Data

Project Number: 05: 2023-2028 Planning Period (2014 Master Plan Project P37)

Project Name: SW 106th: SW Walker Road to SW Canyon Road

Project Description: Install 1620 linear feet of 8-inch ductile iron pipe and abandon the existing 4-inch cast iron water main. All water services along SW 106th Avenue in the project will be transferred to the new 8-inch water main.

Map:



Project Justification: This project will replace a cast iron main installed after World War II. The District has fixed main breaks on this water line three times since 2012.

Project Timeline: Funding for design and construction of this project will take place within the current multi-year CIP Project Schedule.

Project Cost Estimate:	Construction costs =	\$352,000
	Engineering costs =	\$53,000
	Administrative costs =	\$35,000
	Contingency costs =	<u>\$70,000</u>
	Total Cost =	\$510,000

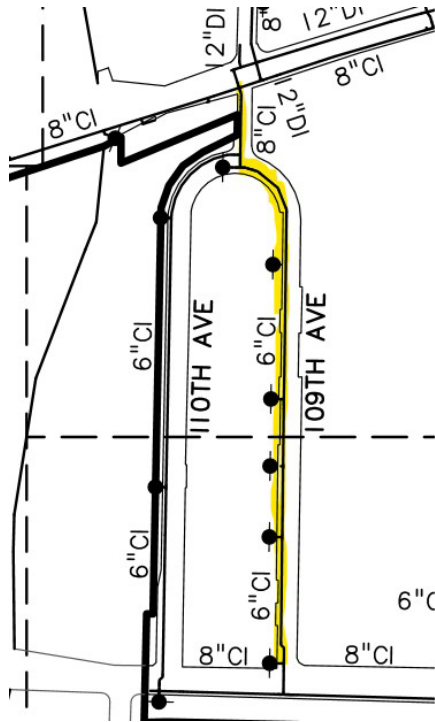
Project Data

Project Number: 06: 2023-2028 Planning Period (2014 Master Plan Project P10)

Project Name: SW 109th Avenue: SW Canyon Road to Beaverton-Hillsdale Hwy

Project Description: Install 1500 linear feet of 8-inch ductile iron pipe and abandon the existing 6-inch cast iron water main. All water services along SW 109th Avenue in the project will be transferred to the new 8-inch water main.

Map:



Project Justification: This project will replace a 6-inch cast iron main to provide an 8-inch water main link between the existing 12-inch main on SW Canyon Road and the proposed 12-inch water main on SW Beaverton-Hillsdale Highway. The new main will provide improved fire flow service to customers along SW 107th including the existing Target store.

Project Timeline: Funding for design and construction of this project will take place after 2026.

Project Cost Estimate:	Construction costs =	\$298,000
	Engineering costs =	\$45,000
	Administrative costs =	\$30,000
	Contingency costs =	<u>\$59,000</u>
	Total Cost =	\$432,000

**SECTION 6 – SYSTEM DEVELOPMENT CHARGE (SDC) FUND
PROPOSED BUDGET DETAILS**

- System Development Fund Charge Resources and Requirements Detail

**WEST SLOPE WATER DISTRICT
SYSTEM DEVELOPMENT FUND**

This fund is authorized by ORS 280 100 and established by ordinance number 1-01 in 2001 for the specific purpose of Distribution System Improvements

Historical Data					DESCRIPTION RESOURCES AND REQUIREMENTS	Proposed by Budget Officer 2022-23
Actual		Revised Budget This Year 2021-22	Projected Actual This Year 2021-22			
Second Preceding Year 2019-20	First Preceding Year 2020-21					
					RESOURCES	
					BEGINNING FUND BALANCE	
1					1 Cash on Hand *(Cash Basis), or	1
2	\$ 14,794	\$ 30,789	\$ 54,000	\$ 54,754	2 Working Capital* (Accrual Basis)	\$ 33,000
3					3	
4					OTHER RESOURCES	
5	\$ 478	\$ 293		\$ 294	5 Earning from Temporary Investments	
6	\$ 15,517	\$ 23,672	\$ 16,000	\$ 15,394	6 SDC - REIMBURSEMENT	\$ 16,000
7					7 SDC - IMPROVEMENTS	
8					8	
9	\$ 30,789	\$ 54,754	\$ 70,000	\$ 70,442	9 Total Resources, Except Taxes to be Levied	\$ 49,000
10					10	
11					11	
12	\$ 30,789	\$ 54,754	\$ 70,000	\$ 70,442	12 TOTAL RESOURCES	\$ 49,000
					REQUIREMENTS	
1					1	
2					2	
3					3 BANKING FEES	
4					4	
5				\$ 37,066	5 BOND INTEREST - APRIL PAYMENT	\$ 32,000
6					6	
7	\$ 30,789	\$ 54,754	\$ 70,000	\$ 33,376	7 RESERVED FOR FUTURE EXPENDITURE	\$ 17,000
8	\$ 30,789	\$ 54,754	\$ 70,000	\$ 70,442	8 TOTAL REQUIREMENTS	\$ 49,000

SECTION 7 - SUPPLEMENTAL FINANCIAL SCHEDULES

- Eight-year financial forecast overview
- Assumptions for forecast
- Schedule 1 -Combined funds eight-year forecast for the fiscal years ended June 30, 2022 to June 30, 2028
- 2008 Revenue Bond Amortization Schedule

West Slope Water District
Schedule 1 –
Combined funds eight-year financial forecast

Last year this 8-year financial forecast was prepared based on being able to pay off the bonds in FY 2022-23. This was needed to avoid huge rate spikes to the District customers. Forecasts were showing 33% was needed in one of the eight years to cover Portland's forecasted rates to the District and still meet the bond rate covenants for operating profits 1.25 times annual debt service.

Significant changes to the rates calculated by PWB in the last year have reduced the rates in their forecast to the District dramatically. Accordingly, the attached forecast based upon these new rates shows the bond payments following the original amortization schedule of payments through maturity to October 2027.

During the last year, the Portland Water Bureau changed several key assumptions they use in the calculation of rates to the District and to other Wholesale customers under the existing contract.

This has reduced the highest rate forecasted over the upcoming 5-year period down to under \$2.6/unit where the previous forecasted rates were showing rates going as high as \$6.6/unit.

The long-term financial strategy has now moved from focusing on compliance with the bond rate covenant requirements to generating funds for needed infrastructure improvements within the District.

Using the list of assumptions on the next page indicates a forecast of \$14.5 million in funds generated for capital improvements over the next 8 years (after completing Beaverton Hillsdale HW).

The following assumptions are used in the following eight-year forecast:

Revenue assumptions:

1) Customer rate increase in FY2022-23

- a) 10% on the consumption rate in FY 2022-23
- b) 6% on the fixed monthly charge in FY 2022-23.

2) Customer Rate Increases for remaining seven years.

- a) 3% on both charges per year for the following years ended 06/30/2024-06/30/2030.

3) Quantities billed to customers

- a) 535,229 units, which is the current five-year average

Expenditure assumptions:

1) Water purchase cost:

- a) Rates: 5 year (through FY 2026-27) forecasted rates provided by the Portland Water Bureau in February 2022. No forecasted rates were provided by PWB for FY's 2027-28, 2028-29, 2029-30 those years are included at the same rate as FY 2026-27.
- b) Purchased Water Volume – 683,155 CCFs in each year. This is the guaranteed minimum purchase volume currently declared by the District under the Portland Water Bureau contract.

2) General Fund operating contingency of three months' worth of operating expense in each year.

3) Headcount - 7 full time equivalent (FTE) employees over the whole period.

4) FY2023-24 includes \$300,000 for a seismic resiliency study.

5) PERS rates are assumed to increase 20% each two-year rate period.

6) 5% increase to all expenses other than PERS, purchased water, and seismic resiliency professional fees in FY2023-24.

7) Equipment capital costs are estimated at \$135,000/year (meters, vehicles, technology)

8) Transfers into the capital improvement reserve fund are made each year for all general fund resources generated over and above the general fund operating contingency, the transfers to the equipment reserve fund, and the annual debt service as per the bond amortization schedule.

West Slope Water District (all funds)

Schedule 1 - 06/30/23 Budget 8 Year Financial Forecast (5 yr rates from PWB February 2022)

Fiscal Year Ended----->	6/30/2022		6/30/2023		6/30/2024		6/30/2025	
Bond Balance----->	Projected		Proposed		\$1,320,000		\$1,010,000	
Wholesale Water Rates per unit---->	\$ 1.542		\$ 1.473 02/21		\$ 1.711		\$ 1.842	
	Projected	% Chng	Budget	Assmp/% Chng	Forecast	Assump/% Chng	Forecast	Assump/% Chng
Revenue:								
Aver Rev/Unit-Units billed	\$ 7.49	559,943	\$ 7.49	535,229		535,229		535,229
Billed to customers	\$ 4,191,300		\$ 4,326,000		\$ 4,758,600		\$ 4,901,358	
Water Reimbursed by Beavrtn	40,000		40,000		\$ 46,527		\$ 50,090	
Units reimbursed at PWB rate		27,193		27,193		27,193		27,193
Total Water Revenues	4,231,300	47%	4,366,000	3%	4,947,885	13%	5,098,488	3%
Total Misc. Income	98,097	103%	87,000		86,608		86,655	
Total Other Operating Income	136,955		133,000		126,608		126,655	
Total Revenue	\$ 4,368,255	48%	\$ 4,499,000		\$ 5,074,493		\$ 5,225,143	
Operating Expense:								
Total Water Cost	1,053,917	10%	1,006,000	-4%	1,168,878	16%	1,258,372	8%
Total Wages, Benefits, & Taxes	862,786	12%	955,000	11%	1,032,570	8%	1,084,199	5%
Total Other Materials & Services	449,312	48%	511,000	14%	794,550	55%	523,778	
Total Operating Expense	\$ 2,366,015	16%	\$ 2,472,000	4%	\$ 2,995,998	21%	\$ 2,866,348	
Operating Income	\$ 2,002,240	117%	\$ 2,027,000	1%	\$ 2,078,495	3%	\$ 2,358,796	
Capital and Debt Requirements								
Equip-Technology & Operations.	105,000		172,000		135,000		135,000	
Water system & Prop improvements	110,442		2,605,000	BH HWY				
Total Capital Outlay	215,442		2,777,000		135,000		135,000	
Debt Service Princ & Int	349,242		360,000		360,000		356,000	
Total Capital and Debt	564,684		3,137,000		495,000		491,000	
Net increase (decrease) in fund balance	\$ 1,437,556		(1,110,000)		1,583,495		1,867,796	
Fund Balance, End of year								
General Fund FB-Contingency	1,529,587		933,000		1,118,655	185,655	1,074,105	(44,550)
Rate Stabilization Fund	800,000		800,000		800,000	-	800,000	-
Cap Improvement -Water System	4,002,693		3,516,000		4,903,840	1,522,840	6,806,186	2,037,346
Equip Reserve (LT Eq Replacement)	294,973		285,000		285,000		285,000	
System Development (New Development)	33,376		17,000		27,000	10,000	37,000	10,000
Total Fund Balance, End of year	\$ 6,660,629		\$ 5,551,000		\$ 7,134,495	1,718,495	\$ 9,002,291	2,002,796
Check Balance.	-		(371)		-		-	
Debt Coverage (Op Inc, Minus Gaap, Minus Bv Dbt)	\$ 1,936,630		\$ 1,961,000		\$ 2,012,887		\$ 2,293,141	
Customer rates and increases:								
Useage Charge \$/% Increase - per unit const	\$ 4.31		\$ 4.74	10.0%	\$ 4.88	3.0%	\$ 5.03	3.0%
Service Charge \$/% Increase - fixed per mo :	\$ 14.07		\$ 14.91	6.0%	\$ 15.36	3.0%	\$ 15.82	3.0%
Customer cost based on 7 units/mo - 84/yr								
Monthly cost	\$ 44.24		\$ 47.45		\$ 49.54		\$ 51.03	
Monthly cost increase			\$ 3.21	7%	\$ 2.10	4%	\$ 1.49	3%
Annual cost	\$ 530.88		\$ 569.37		\$ 594.53		\$ 612.37	
Annual cost increase			\$ 38.49		\$ 25.16		\$ 17.84	3%
Customer cost based on 14units/mo - 168/yr								
Annual cost	\$ 892.92		\$ 975.46		\$ 1,004.72		\$ 1,034.86	
Annual cost increase			\$ 82.54		\$ 29.26		\$ 30.14	

Schedule 1 - 06/30/23 Budget 8 Year Financial Forecast

6/30/2026		6/30/2027		6/30/2028		6/30/2029		6/30/2030		Totals
\$685,000		\$350,000		\$350,000		\$0				
\$ 1.920		\$ 2.654		\$ 2.654		\$ 2.654		\$ 2.654		
Forecast	Assump/ Chng	Forecast	Assump/ Chng	Forecast	Assump/ Chng	Forecast	Assump/ Chng	Forecast	Assump/ Chng	
	535,229		535,229		535,229		535,229		535,229	
\$ 5,048,399		\$ 5,199,851		\$ 5,355,846		\$ 5,516,522		\$ 5,682,017	10.62	40,788,593
\$ 52,211		\$ 72,170		Terms 06/30/27						260,998
	27,193		27,193		27,193		27,193		27,193	
<u>5,252,061</u>	3%	<u>5,428,016</u>	3%	<u>5,516,522</u>	2%	<u>5,682,017</u>	3%	<u>5,852,478</u>	3%	42,143,468
<u>86,678</u>		<u>86,676</u>		<u>86,676</u>		<u>86,676</u>		<u>86,676</u>		693,645
<u>126,678</u>		<u>126,676</u>		<u>126,676</u>		<u>126,676</u>		<u>126,676</u>		
\$ 5,378,739		\$ 5,554,692		\$ 5,643,198		\$ 5,808,693		\$ 5,979,154		\$ 43,163,113
<u>1,311,658</u>	4%	<u>1,813,093</u>	38%	<u>1,813,093</u>	0%	<u>1,813,093</u>	0%	<u>1,813,093</u>	0%	11,997,281
<u>1,177,860</u>		<u>1,236,753</u>		<u>1,350,786</u>		<u>1,484,091</u>		<u>1,641,160</u>		9,962,418
<u>544,690</u>		<u>576,650</u>		<u>599,942</u>		<u>674,603</u>		<u>660,516</u>		4,885,729
\$ 3,034,208		\$ 3,626,496		\$ 3,763,821		\$ 3,971,787		\$ 4,114,769		\$ 26,845,427
\$ 2,344,531		\$ 1,928,196		\$ 1,879,376		\$ 1,836,906		\$ 1,864,385		16,317,686
135,000		135,000		135,000		135,000		135,000		\$ 1,107,027
135,000		135,000		135,000		135,000		135,000		13,167,416
359,000		356,000		357,000						\$ 14,274,443
494,000		491,000		492,000		135,000		135,000		
<u>1,850,531</u>		<u>1,437,196</u>		<u>1,387,376</u>		<u>1,701,906</u>		<u>1,729,385</u>		
1,131,058	56,953	1,327,485	196,427	1,373,593	46,108	1,323,916	(49,678)	1,371,576	47,660	
800,000	-	800,000	-	800,000	-	800,000	-	800,000	-	
8,589,764	1,918,578	9,820,533	1,365,769	11,151,801	1,466,269	12,893,385	1,876,584	14,565,110	1,806,724	
285,000		285,000		285,000		285,000		285,000		
47,000	10,000	57,000	10,000	67,000	10,000	77,000	10,000	87,000	10,000	
\$ 10,852,822	1,985,531	\$ 12,290,018	1,572,196	\$ 13,677,395	1,522,376	\$ 15,379,301	1,836,906	\$ 17,108,686	1,864,385	
-		-		-		-		-		
\$ 2,278,853		\$ 1,862,520		\$ 1,813,700		\$ 1,771,230		\$ 1,798,709		
										8 Yr chng
\$ 5.18	3.0%	\$ 5.34	3.0%	\$ 5.50	3.0%	\$ 5.66	3.0%	\$ 5.83	3.0%	\$ 1.52
\$ 16.30	3.0%	\$ 16.79	3.0%	\$ 17.29	3.0%	\$ 17.81	3.0%	\$ 18.34	3.0%	\$ 4.27
\$ 52.56		\$ 54.14		\$ 55.76		\$ 57.44		\$ 59.16		\$ 14.92
\$ 1.53	3%	\$ 1.58	3%	\$ 1.62	3%	\$ 1.67	3%	\$ 1.72	3%	34%
\$ 630.74		\$ 649.66		\$ 669.15		\$ 689.22		\$ 709.90		\$ 179.02
\$ 18.37	3%	\$ 18.92	3%	\$ 19.49	3%	\$ 20.07	3%	\$ 20.68	3%	34%
\$ 1,065.91		\$ 1,097.89		\$ 1,130.82		\$ 1,164.75		\$ 1,199.69		\$ 306.77
\$ 31.05		\$ 31.98		\$ 32.94		\$ 33.92		\$ 34.94		34%

West Slope Water District														
Revenue Bonds														
Issued 02/26/2008														
Reservoir replacement and improvements														
Date	Coupon	Principal	Interest	Total	Calendar Year totals			Fiscal Year Totals			Princ Bal at FYE	Rem Int		
					Principal Payments	Interest Payments	Total Payments	Principal Payments	Interest Payments	Total Payments				
10/1/2008	3.500%	155,000	111,430.47	266,430.47	155,000.00	111,430.47	266,430.47	2008	155,000	202,008.60	357,008.60	630/2009	4,845,000	2,044,963.92
4/1/2009	3.500%	180,000	90,578.13	270,578.13	180,000.00	181,156.26	361,156.26	2009	180,000	178,006.26	358,006.26	630/2010	4,665,000	1,954,385.79
10/1/2009	3.500%	180,000	90,578.13	270,578.13	180,000.00	181,156.26	361,156.26	2009	180,000	178,006.26	358,006.26	630/2010	4,665,000	1,954,385.79
4/1/2010	3.500%	185,000	87,428.13	272,428.13	185,000.00	174,856.26	359,856.26	2010	185,000	171,618.76	356,618.76	630/2011	4,480,000	1,688,951.40
10/1/2010	3.500%	185,000	87,428.13	272,428.13	185,000.00	174,856.26	359,856.26	2010	185,000	171,618.76	356,618.76	630/2011	4,480,000	1,688,951.40
4/1/2011	3.500%	195,000	84,190.63	279,190.63	195,000.00	168,381.26	363,381.26	2011	195,000	164,968.76	359,968.76	630/2012	4,285,000	1,520,570.14
10/1/2011	3.500%	195,000	84,190.63	279,190.63	195,000.00	168,381.26	363,381.26	2011	195,000	164,968.76	359,968.76	630/2012	4,285,000	1,520,570.14
4/1/2012	3.500%	200,000	80,778.13	280,778.13	200,000.00	161,556.26	361,556.26	2012	200,000	158,056.26	358,056.26	630/2013	4,085,000	1,439,792.01
10/1/2012	3.500%	200,000	80,778.13	280,778.13	200,000.00	161,556.26	361,556.26	2012	200,000	158,056.26	358,056.26	630/2013	4,085,000	1,439,792.01
4/1/2013	3.500%	205,000	77,278.13	282,278.13	205,000.00	154,556.26	359,556.26	2013	205,000	150,968.76	355,968.76	630/2014	3,880,000	1,281,735.75
10/1/2013	3.500%	205,000	77,278.13	282,278.13	205,000.00	154,556.26	359,556.26	2013	205,000	150,968.76	355,968.76	630/2014	3,880,000	1,281,735.75
4/1/2014	3.500%	215,000	73,690.63	288,690.63	215,000.00	147,381.26	362,381.26	2014	215,000	143,618.76	358,618.76	630/2015	3,665,000	1,130,786.99
10/1/2014	3.500%	215,000	73,690.63	288,690.63	215,000.00	147,381.26	362,381.26	2014	215,000	143,618.76	358,618.76	630/2015	3,665,000	1,130,786.99
4/1/2015	4.000%	225,000	69,928.13	294,928.13	225,000.00	139,856.26	364,856.26	2015	225,000	135,356.26	360,356.26	630/2016	3,440,000	1,057,076.36
10/1/2015	4.000%	225,000	69,928.13	294,928.13	225,000.00	139,856.26	364,856.26	2015	225,000	135,356.26	360,356.26	630/2016	3,440,000	1,057,076.36
4/1/2016	4.000%	230,000	65,428.13	295,428.13	230,000.00	130,856.26	360,856.26	2016	230,000	126,256.26	356,256.26	630/2017	3,210,000	987,148.23
10/1/2016	4.000%	230,000	65,428.13	295,428.13	230,000.00	130,856.26	360,856.26	2016	230,000	126,256.26	356,256.26	630/2017	3,210,000	987,148.23
4/1/2017	4.000%	240,000	60,828.13	300,828.13	240,000.00	121,656.26	361,656.26	2017	240,000	116,856.26	356,856.26	630/2018	2,970,000	851,791.97
10/1/2017	4.000%	240,000	60,828.13	300,828.13	240,000.00	121,656.26	361,656.26	2017	240,000	116,856.26	356,856.26	630/2018	2,970,000	851,791.97
4/1/2018	3.500%	250,000	56,028.13	306,028.13	250,000.00	112,056.26	362,056.26	2018	250,000	107,681.26	357,681.26	630/2019	2,720,000	786,363.84
10/1/2018	3.500%	250,000	56,028.13	306,028.13	250,000.00	112,056.26	362,056.26	2018	250,000	107,681.26	357,681.26	630/2019	2,720,000	786,363.84
4/1/2019	3.500%	260,000	51,653.13	311,653.13	260,000.00	103,306.26	363,306.26	2019	260,000	98,756.26	358,756.26	630/2020	2,460,000	664,707.58
10/1/2019	3.500%	260,000	51,653.13	311,653.13	260,000.00	103,306.26	363,306.26	2019	260,000	98,756.26	358,756.26	630/2020	2,460,000	664,707.58
4/1/2020	3.650%	270,000	47,103.13	317,103.13	270,000.00	94,206.26	364,206.26	2020	270,000	89,278.76	359,278.76	630/2021	2,190,000	608,679.45
10/1/2020	3.650%	270,000	47,103.13	317,103.13	270,000.00	94,206.26	364,206.26	2020	270,000	89,278.76	359,278.76	630/2021	2,190,000	608,679.45
4/1/2021	3.650%	280,000	42,175.63	322,175.63	280,000.00	84,351.26	364,351.26	2021	280,000	79,241.26	359,241.26	630/2022	1,910,000	552,651.32
10/1/2021	3.650%	280,000	42,175.63	322,175.63	280,000.00	84,351.26	364,351.26	2021	280,000	79,241.26	359,241.26	630/2022	1,910,000	552,651.32
4/1/2022	3.750%	290,000	37,065.63	327,065.63	290,000.00	74,131.26	364,131.26	2022	290,000	68,693.76	358,693.76	630/2023	1,620,000	500,998.19
10/1/2022	3.750%	290,000	37,065.63	327,065.63	290,000.00	74,131.26	364,131.26	2022	290,000	68,693.76	358,693.76	630/2023	1,620,000	500,998.19
4/1/2023	3.750%	300,000	31,628.13	331,628.13	300,000.00	63,256.26	363,256.26	2023	300,000	57,631.26	357,631.26	630/2024	1,320,000	449,345.06
10/1/2023	3.750%	300,000	31,628.13	331,628.13	300,000.00	63,256.26	363,256.26	2023	300,000	57,631.26	357,631.26	630/2024	1,320,000	449,345.06
4/1/2024	3.875%	310,000	26,003.13	336,003.13	310,000.00	52,006.26	362,006.26	2024	310,000	46,000.01	356,000.01	630/2025	1,010,000	402,241.93
10/1/2024	3.875%	310,000	26,003.13	336,003.13	310,000.00	52,006.26	362,006.26	2024	310,000	46,000.01	356,000.01	630/2025	1,010,000	402,241.93
4/1/2025	3.875%	325,000	19,996.88	344,996.88	325,000.00	39,993.76	364,993.76	2025	325,000	33,696.88	358,696.88	630/2026	685,000	355,138.80
10/1/2025	3.875%	325,000	19,996.88	344,996.88	325,000.00	39,993.76	364,993.76	2025	325,000	33,696.88	358,696.88	630/2026	685,000	355,138.80
4/1/2026	4.000%	335,000	13,700.00	348,700.00	335,000.00	27,400.00	362,400.00	2026	335,000	20,700.00	355,700.00	630/2027	350,000	270,000.00
10/1/2026	4.000%	335,000	13,700.00	348,700.00	335,000.00	27,400.00	362,400.00	2026	335,000	20,700.00	355,700.00	630/2027	350,000	270,000.00
4/1/2027	4.000%	350,000	7,000.00	357,000.00	350,000.00	14,000.00	364,000.00	2027	350,000	7,000.00	357,000.00	630/2028	-	14,000.00
10/1/2027	4.000%	350,000	7,000.00	357,000.00	350,000.00	14,000.00	364,000.00	2027	350,000	7,000.00	357,000.00	630/2028	-	14,000.00
Total		5,000,000	2,156,394	7,156,394	5,000,000	2,156,394	7,156,394		5,000,000.00	2,156,394.39	7,156,394.39			7,000.00

SECTION 8 – BUDGET PROCESS INFORMATION

- Budget Calendar
- Budget Committee Members
- Notice of Budget Committee Meeting.
- Budget Committee Meeting Agenda

WEST SLOPE WATER DISTRICT

BUDGET CALENDAR

Fiscal Year Ending June 30, 2023 (FY2022-23)

January 19, 2022 Board Meeting	Board appoints Budget Officer Board approves Budget Committee roster Manager introduces preliminary budget concepts for FYE 06/30/2023
February 2022	City of Portland announces preliminary wholesale rates for FYE 06/30/2023
February 16, 2022 Board Meeting	Board approves Budget Calendar for FYE 06/30/2023 Letter from General Manager to Budget Committee members with budget calendar, and Budget Committee roster. General Manager presents cost of living and staff salary scale recommendations Board approves cost of living adjustment and salary scales.
March 16, 2022 Board Meeting	Regular Board Meeting
March/April 2021	Staff finalizes preliminary budget numbers
April 20, 2022 Board Meeting	Regular Board Meeting
April 22, 2022	Deliver proposed budget document to full Budget Committee
April 25, 2022	Request publication of notice of May 18, 2022 Budget Committee meeting in Community Newspapers. ORS 294.425 requires two notices 5 to 30 days before the committee meeting (May 5 and May 12, 2022).
April 25 – May 13, 2022	Review process & programs as desired with individual Budget Committee members
April 26, 2022	Email form LB-1 (proposed budget financial summary) to sswashtsc@co.washington.or.us prior to the first budget committee meeting for posting on Washington County's website. Post budget to WSWD website.
May 5, 2022	First notice of May 18, 2022 Budget Committee meeting is published in community newspaper. Email meeting reminder to Budget Committee members

- May 12, 2022** Second notice of May 19 Budget Committee meeting is published in community newspaper.
- May 18, 2022 Board Meeting** Combined Budget Committee and Board Meeting
1. Elect Budget Committee Officers
 2. Hear Budget Message from Budget Officer
 3. Receive Budget Document – Discuss
 4. Hear persons for or against budget
 5. Announce time of next meeting if necessary
 6. If timely, Budget Committee approves budget as submitted or revises
 7. Budget Officer prepares Budget for Publication and makes available to the public.
- May 20, 2022** Request publication of notice (form LB-1) of budget hearing in community newspaper. One date of publication required for Budget Hearing (ORS 294.425)
- June 1, 2022** Notice of budget (form LB-1) and June 16 Budget Hearing is published in community newspaper.
- June 15, 2022 Board Meeting** Combined Budget Hearing and Board Meeting
1. Public budget hearing
 2. Adopt budget by resolution
 3. Make appropriations
- June 20, 2022** Mail Resolution only to:
1. Department of Revenue
Property Tax Division
PO Box 14380 NE
Salem 97309-5075
- Mail form WH-118 to:
2. Prevailing Wage Rate Unit
Wage and Hour Division, #1045
Bureau of Labor and industries
800 NE Oregon St.
Portland, OR 97232-2180

WEST SLOPE WATER DISTRICT

Budget Committee Members For FY 2022-2023 Budget Process

District Citizens

Ron Witcosky

Michael Smith

Andrew Marsch

Marjorie Taylor

Chris Eppler

Board of Commissioners

Andy Smith, Chair

Paul Schuler, Treasurer

Carol Wild

Ramesh Krishnamurthy

Susan Meamber

NOTICE OF BUDGET COMMITTEE MEETING

A public meeting of the Budget Committee of the **West Slope Water District**, Washington County, State of Oregon, to discuss the budget for fiscal year July 1, 2022 to June 30, 2023 will be held via zoom at the following link on the **18th day of May 2022 at 5:00 PM.**

<https://us02web.zoom.us/j/84803479322?pwd=SlQ4YjQ2dWF4WkRiQ0J3NERqdit2QT09>

Meeting ID: 848 0347 9322

Passcode: 197896

Phone link (audio only): (253) 215-8782

The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. A copy of the budget document may be inspected or obtained after April 24, 2022 at 3105 SW 89th Ave, Portland, OR 97225, M-F between the hours of 8:00 AM and 4:30 PM.

A PDF of the budget document is also available at [WSWD.ORG-ABOUT US-FINANCE AND CUSTOMER SERVICE-ANNUAL BUDGETS](http://WSWD.ORG-ABOUT-US-FINANCE-AND-CUSTOMER-SERVICE-ANNUAL-BUDGETS).

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. Written comment may also be submitted via email to customer.service@wswd.org. Written and oral testimony will become part of the public record.

Lucy Dawes, Budget Officer

Beaverton Valley Times

Published

May 5, 2022

May 12, 2022

Notice Posted to West Slope Water District Web Site



NEWS & ANNOUNCEMENTS

[View all News](#)

01/2022 Quarterly News Letter

Please click [here](#) to view the quarterly news letter.

02/09/2021 RESUMING WATER DOORTAG AND SHUTOFF VISIT FEES FOR PAST DUE ACCOUNTS

Starting February 9, 2021 the district will resume door hanger and water shutoff visit fees for past due accounts. Please click [here](#) for more details.

Regional Water Providers Consortium Events

For more information regarding upcoming Regional Water Providers Consortium Events click [here!](#)

UPCOMING EVENTS

[View all Events](#)

Water Bill Due Date

May 10, 2022

Regular Board of Commissioners Meeting

May 18, 2022

BUDGET COMMITTEE MEETING

May 18, 2022

EMAIL AND TEXT NOTIFICATIONS

[Click here for options to receive email and text notifications](#)

Office: 3105 SW 89th, Portland, OR 97225 | 503-292-2777 | customer.service@wswd.org | [Get Directions](#)
Mail: PO Box 25140, Portland, OR 97298
Hours: Monday - Friday, 8:00am - 4:30pm. Closed 12pm - 1pm.
Site by [Revize](#) | [Login](#)



Calendar Name: Master
Event Name: BUDGET COMMITTEE MEETING

 CLOSE  ICAL  EDIT  DELETE

Date:	May 18, 2022
Day:	Wed
Time:	05:00 pm - 06:00 pm
Duration:	1 Hour
Notable:	yes
Detail:	<p>A public meeting of the Budget Committee of the West Slope Water District, Washington County, State of Oregon, to discuss the budget for fiscal year July 1, 2022 to June 30, 2023 will be held via zoom at the following link on the 18th day of May 2022 at 5:00 PM. https://us02web.zoom.us/j/84803479322?pwd=SIQ4YjQ2dWF4WkRiQ0J3NERqdj2QT09 Meeting ID: 848 0347 9322 Passcode: 197896 Phone link (audio only): (253) 215-8782 The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. A copy of the budget document may be inspected or obtained after April 24, 2022 at 3105 SW 89th Ave, Portland, OR 97225, M-F between the hours of 8:00 AM and 4:30 PM. A PDF of the budget document is also available at WSWD.ORG-ABOUT US-FINANCE AND CUSTOMER SERVICE-ANNUAL BUDGETS. 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. Written comment may also be submitted via email to customer.service@wswd.org. Written and oral testimony will become part of the public record. Lucy Dawes, Budget Officer</p>
Contact Name:	<u>Lucy Dawes Budget Officer</u>
Contact Phone:	503-292-2777
Event updated:	Thursday April 14, 2022 03:44:58 pm
No Signup Form	

Viewing Event Details as Editor - All fields shown

 CLOSE  ICAL  EDIT  DELETE

WEST SLOPE WATER DISTRICT
Budget Committee Meeting
FY 2022-2023

AGENDA

Wednesday, May 18, 2022
5:00 PM

Welcome and Introductions – Board Chair- Andy Smith

- 1) Call to Order – Budget Committee Meeting - Board Chair
- 2) Budget Committee Elects a Chair and Secretary
- 3) General Manager Michael Grimm and Budget Officer Lucy Dawes
 - a) Past Year Accomplishments
 - b) Purpose and overview of Budget Process
 - c) 2022-23 Budget Requests
 - d) Questions, Answers, and Comments
- 4) Public Comment/Communications*
- 5) Budget Committee
 - a) Discusses AND recommends budget, or
 - b) Makes changes AND approves budget, or
 - c) Sets additional meeting.
- 6) Adjourn Budget Committee

***Public comment is limited to 3 minutes per person to give everyone a chance to speak unless an extension is granted by the Board.**



NOTICE OF PROPOSED RATE INCREASE

The Board of Commissioners will be holding a **Public Hearing on June 15, 2022 at 5pm to hear public comment** regarding a proposed 10% increase to customer consumption rates and a 6% increase to the flat monthly rate. The meeting will be held via zoom virtual conferencing at the following link:

<https://us02web.zoom.us/j/84803479322?pwd=SlQ4YjQ2dWF4WkRiQ0J3NERqdit2QT09>

Meeting ID: 848 0347 9322

Passcode: 197896

Phone link (audio only): (253) 215-8782

The public is encouraged to attend and provide comment.

Written comment may also be submitted via email to customer.service@wswd.org.
Written and oral testimony will become part of the hearing record.

The Board of Commissioners is proposing an increase to the District's Consumption Charge and the Monthly Minimum (flat fee) charge. The increase will be effective for bills generated on or after June 16, 2022.

- The consumption charge will increase \$.57 from \$5.73 to \$6.30 for each 748 gallons (1 unit) of use. For a customer who uses ten units of water per month the increase would be \$5.70 a month or \$68.40 per year.
- The Monthly Minimum (flat fee) for the typical ¾" meter will increase \$1.12, from \$18.71 to \$19.83 per month or \$13.44 per year. The flat monthly fee for all other meter sizes will increase proportionately.

The additional revenues will be utilized primarily for projects to improve/replace District water mains and reservoirs as well as to support increases in District operating costs.

SECTION 9 – APPENDIX

Frequently Asked Questions About West Slope Water and Water Rates

- **Where does my water come from?** West Slope purchases 100% of its water supply from the City of Portland which uses Bull Run surface water year-round with additional groundwater from wells as needed during the summer months.
- **If my water rates increase 10% for water used and 6% for the flat monthly fee, how much more will I be paying for water?** For example, if your monthly water bill is about \$76, then your bill for the same volume of water including the flat fee would increase by about \$7 to \$83. If your monthly water bill is about \$47, then your bill for the same volume of water including the monthly flat fee would increase by about \$4 to \$51.
- **Why is this water rate increase necessary?** The cost to operate a drinking water utility like West Slope increases annually along with the general cost of living. The District’s water distribution system that brings your water to you needs improvement to provide seismic resilience and replacement when pipe materials fail. The largest part of this rate increase will go to fund capital projects which improve the integrity of the water distribution system.
- **Will there be more water rate increases in the years to come?** Yes, and for reasons related to the region as well as specific to West Slope. By 2026, the Portland Water Bureau will begin to operate the new Bull Run Water Filtration Treatment Facility. Portland and their other wholesale water customers like West Slope will share in the cost of the new water treatment facility through our water rates to Portland. The total cost for the water treatment facility and projects serving wholesale customers will exceed \$1 billion. Additionally, West Slope has its own share of capital projects to replace aging pipelines and one reservoir within the District. The cost to pay for those improvements comes from your water rates.
- **How can I get more information about Portland’s projects?** The Portland Water Bureau provides the public with regular updates to their construction projects at: <https://www.portland.gov/water/improvements>
- **How can I get more information about the District’s budget and projects in West Slope?** The District’s budget for July 1, 2022 to June 30, 2023 can be found on the District’s website at http://www.wswd.org/about_us/finance/budget_information.php. If you have questions about the budget, please call the District at 503-292-2777 8 AM-Noon and 1-4:30 PM weekdays or email the District at customer.service@wswd.org.
- **How can I share my thoughts and concerns about the water rate increase with the District?** Besides contacting the District (see above), you can speak to the Board of Commissioners directly during the virtual public hearing for the water rate increase at 5 PM, Wednesday, June 16. This meeting will be held via Zoom, and you can join at the link listed on page one of this notice.

- Distribution System Summary

West Slope Water District Distribution System Summary

Customers

3,300 Service Connections (approximately)
10,500 Population (approximately)
Residential, commercial & irrigation
5/8" to 6" Diameter Services

Storage

Sylvan Hill – Concrete Reservoirs

Reservoir #3 - 3 MG; Constructed in 2008-2009.

Reservoir #2 – 2.25 MG; Constructed in 1960 – Interior surface renovation and new access hatch built in 2002.

Both reservoirs cleaned and inspected in 2018 using divers.

SW Canyon Drive – Welded Steel Standpipe

Green Tank - .8 MG; Constructed in 1949 –Exterior and interior painted 2017.

Construction project to seismically upgrade the standpipe's foundation and build new walk-in control vault completed December 2017.

Pipelines

48 miles of pipeline - 2" to 18" diameter

Materials:

Cast iron – lined & unlined.

Steel

Ductile iron – lined.

Copper & brass – taps, service lines, meters

Other – plastic, galvanized iron

Age: 1922-2019

System Components

452 Hydrants

3 Pressure Zones – 8 sub-zones

19 Pressure Reducing Stations

43 Automatic Control Valves

Over 600 Valves