

BUDGET DOCUMENT

FY 2014-2015



Prepared by:

West Slope Water District Staff
Heidi Starks, Budget Officer

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WEST SLOPE WATER DISTRICT INTRODUCTION FY 2014-2015

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.*

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

Section 2 – The budget cycle – A collection of documents that include the Budget Calendar, a roster of the Budget Committee members, a copy of the notice of committee's meeting, and the committee meeting agenda.

Section 3 – Proposed by budget officer – The proposed budget sheets include actual expenditures and revenues for two years preceding, the adopted current year budget, and proposed expenditures and revenues for the coming fiscal year.

Section 4 – Appendix – Supplemental information including water quality testing, water issues and management activities.

*Oregon Department of Revenue, Local Budget Law Manual

WEST SLOPE WATER DISTRICT

Budget Message

FY 2014-2015

April 18, 2014

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

The proposed fiscal year 2014-2015 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
- General Fund Resources
- General Fund Expenditures
- Debt Service and Debt Coverage
- Reserve Funds
- Other Funds

EXECUTIVE SUMMARY

The proposed budget contains differences between the current and prior year's budgets. These variances reflect West Slope's response to changing external factors as well as priorities within the organization. Discussion around each of the following highlights will be found in the body of the budget message.

General Fund Resources: The proposed budget of \$4,045,500 is an increase of \$444,750 or 13% from FY 2013-14. The increase is due to net an increase in working capital of \$345,000 or 42% to \$1,180,000. This will bring the working capital to a strong pre-recession balance. Water usage has stabilized after several years of unpredictable water usage patterns.

General Fund Expenditures: The proposed expenditure budget of \$4,045,500 is an increase of \$444,750 and matches resources. The General Fund is dedicated to operating expenses, bond debt payments, contingency, and transfers out.

Transfers to Others Funds: The District maintains an equipment reserve fund to purchase equipment such as radio read meters, work trucks, and computers. The transfer this year is \$30,000, a decrease of \$60,000 from last year.

In addition to the equipment reserve fund the district maintains a capital improvement reserve. The purpose of the capital improvement reserve is to accumulate funds over multiple years for large infrastructure projects identified in the water system master plan. The transfer this year is \$500,000 an increase of \$200,000 from last year. The District's long term goal as identified in the financial model is an annual transfer of \$200,000.

Contingency:

Past experience demonstrates the need to maintain a contingency fund to pay for unforeseeable infrastructure failures that are outside of regular maintenance. The published best practices recommendation from Government Finance Officers Association (GFOA) is a beginning reserve fund balance of 90 to 120 days of operating expenses or roughly 30% of operating expenses. We began implementation of this best practice in FY 2012-13, by increasing the contingency reserve to \$584,000. This was an increase of nearly \$300,000 or 103.9% over fiscal year 2011-12, in FY 2013-14 the operating contingency is \$713,150 or 122 days of operating expense. This budget, FY 2014-15 has a contingency of \$833,000 or 138 days and maintains the contingency reached last year. This enhanced financial practice will assist cash flow management in the first quarter of each fiscal year and increase the district's financial resiliency.

Debt Service: The proposed budget includes the annual debt service payment of \$360,000. The District has level debt payments for the 20 year term of the bonded indebtedness for the 2008 Revenue Bond. The bonds funded the replacement of a failing 2.25 million gallon concrete reservoir.

Debt Coverage: The bond covenant requires the district to budget adequate revenues to cover operating expenses and meet the debt payment; this is referred to as the debt coverage ratio. The minimum debt coverage ratio with System Development Charges (SDC) is 1.25 or \$450,000. The proposed budget includes a debt coverage ratio of 1.66 or \$597,600 with SDC revenue.

GENERAL INFORMATION

The West Slope Water District is a municipal corporation that provides domestic water service to residential and commercial customers as well as water for fire protection. The District is situated in Washington County, west of Portland, and it

is bounded by the Multnomah County line 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. Incorporated in 1922, the area within the District is about three-and-one-half square miles, with a population of approximately 10,324 people.

The District is governed by a five-member Board of Commissioners elected to four-year terms by voters who reside in the District.

The estimates for each fund contained in this proposed budget were prepared by assessing the expected benefits and related costs. The District's goal is to provide adequate amounts of safe, clean drinking water at a rate sufficient to generate adequate revenues at the least possible cost. Once the budget is approved by the budget committee and adopted by the Board of Commissioners, the District Manager has authority to make budget expenditures.

WATER SUPPLY SOURCE

The District signed a 20-year water supply agreement with the City of Portland commencing in July 1, 2006. The contract automatically renews for an additional ten-year term in perpetuity, unless either party issues a non-renewal five years prior to termination.

FINANCIAL CONDITION

The West Slope Water District has a solid financial foundation as a result of effective financial planning and management by the commissioners and staff, all of whom are committed to sustaining a sound financial position that ensures the District's ability to face future challenges. The proposed budget, ratemaking activities and financial planning are critical in evaluating the capital improvements required in the future and to ensure affordable rates.

The District's Water System Master Plan and 10-year Capital Improvement Plan (CIP) update was completed in February 2014. The Master Plan and CIP are typically updated every five to eight years. The Master Plan includes the philosophy of the capital program, summaries of each year's costs, a financing plan, and description of each project.

The CIP identifies capital improvement projects, from an engineering standpoint, that will be necessary over the next ten years and is prioritized annually. Accompanying the Master Plan and CIP was a revenue requirement study that provides a roadmap as to how the District can financially achieve its goals. One outcome of updating both plans and the revenue study is realigning the system

development charge (SDC) to reflect changes in the infrastructure that have occurred in the previous five years.

SDC's are collected from all new connections to the system. As required by law, a public hearing in October 2001 was held for citizens to express their views. The Board of Commissioners approved and adopted a SDC rate in November 2001. On December 19, 2007, the District adopted Resolution No. 11-07 revising the SDC schedule of charges, rates and fees. SDC rates are adjusted annually to the cost of construction as indexed in the Engineering and News Record (ENR). Effective February 1, 2014 the SDC schedule was increased 7.6% based on the ENR between December 2012 and December 2013.

Even with new development paying its way, there is the need to renovate parts of the existing system and as the District becomes more densely populated, fire flow requirements may increase. The Board of Commissioners established a Capital Improvements Reserve Fund in February 2001 to pay for the repair and or replacement of reservoirs and main lines.

This fiscal year the District will begin the first phase of the Green tank seismic improvements. The first phase is replacing the 14-inch diameter cast iron (CI) distribution main on SW 73rd between SW Canyon Rd and the Green tank. The following year, FY 2015-2016, the District will begin phase 2 of the project, including site improvements and seismic improvements to the Green tank.

The District does not levy or receive tax revenues.

BUDGET COMPARISON

Adopted 2013-2014 Compared to Proposed 2014-2015 Budget

The following table shows both resources (where the money comes from) and expenditures (where the money goes) for all combined funds for both the current and the proposed annual budget. The tables also compare both budget periods by showing the percent increase or decrease for each category and the total.

Where the Money Comes From

Category	Adopted 2013-2014 Budget	Proposed 2014-2015 Budget	% Change from 2014 to 2015 Budget
Beginning Balance & Reserves	1,836,850	2,570,000	39.9%
Water Rate Revenue	2,734,000	2,834,000	3.7%
New Service Installations & SDC	6,500	6,500	0.0%
Interest & Miscellaneous Fees	36,750	37,900	3.1%
Total	4,614,100	5,448,400	18.1%

Where the Money Goes

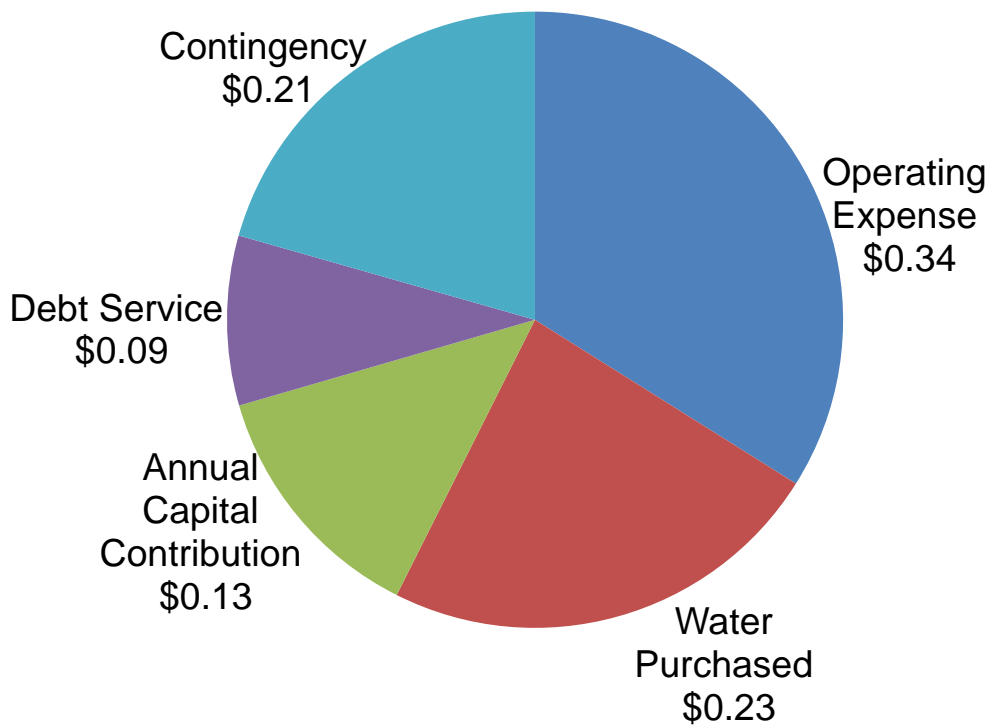
Category	Adopted 2013-2014 Budget	Proposed 2014-2015 Budget	% Change from 2014 to 2015 Budget
Operations Expense	2,177,600	2,322,500	6.7%
Reserves	1,403,350	1,932,900	37.7%
Debt service	360,000	360,000	0.0%
Contingency	673,150	833,000	23.7%
Total	4,614,100	5,448,400	18.1%

Budget Summary

How the District Proposes to Spend Each Dollar

The District's proposed 2014 – 2015 Budget appropriations (less internal fund transfers) total more than \$5.4 million. The following pie chart represents an average dollar in the District's budget. The cost of providing services by the District is divided into cost categories indicated by each slice of the pie, and the number of cents that will be spent in each category for every dollar spent in the District's budget is shown.

West Slope Budget Dollar



GENERAL FUND RESOURCES

The following table shows general fund resources for both the current and the proposed annual budget. The tables also compare both budget periods by showing the percent increase or decrease for each item and the total.

General Fund Resources

Category	Approved 2013-2014 Budget	Proposed 2014-2015 Budget	% Change from 2014 to 2015 Budget
Net Working Capital	835,000	1,180,000	41.3%
Interest	750	1,000	33.3%
Sale of Water	2,734,000	2,834,000	3.7%
Miscellaneous	31,000	30,500	-1.6%
Total	3,600,750	4,045,500	12.4%

Net working capital is budgeted at \$1,180,000 an increase of \$345,000 from FY2013-14 net working capital budget of \$835,000.

The District invests funds with the Local Government Investment Pool, the current interest rate is about .5%, and staff does not anticipate this to improve significantly in the 2014-15 budget year.

The proposed budget anticipates \$2,834,000 in water sales revenue, \$100,000 more than FY 2013-14. The Board voted at the April board meeting and rate hearing to raise the fixed charge or service charge effective November 1, 2014. The rate increase will generate \$30,000 for FY 2015. The quantity sold is expected to increase and generate additional revenues of \$70,000 for a total of \$100,000 in additional revenue compared to the budget for FY2013-14.

The District has an Intergovernmental Agreement (IGA) with the City of Beaverton for the portion of the District's service territory withdrawn in May 2009. The City of Beaverton will reimburse the District for a portion of our bond debt of around \$15,500 annually and a portion of our City of Portland water wholesale contract. The fiscal year 2014–15 revenue budget includes \$34,000 for the wholesale water portion of the IGA and \$15,500 for bond debt. The City of Beaverton bond debt payment is relatively the same year over year for the duration of the 20 year bonded debt issued in 2008.

Miscellaneous income remains level at \$15,000. Miscellaneous income is derived from fees and penalties charged to customers, payment for scrap metal, and other nominal payments. New service connections are difficult to predict, the district has limited buildable land, constricting the possibility for initial service installations to be a significant budget line item.

GENERAL FUND EXPENDITURES

The delivery of safe, clean drinking water to our customers and the ability to meet fire flow is our highest priority. Maintenance, leak detection, and improvements to the distribution system and reservoirs are similarly of high priority. Regulation by the Environmental Protection Agency (EPA) and the Oregon Health Authority (OHA) demand greater amounts of resources for testing, reporting, and public information activities.

General Fund Expenditures

Category	Approved 2013-2014 Budget	Proposed 2014-2015 Budget	% Change from 2014 to 2015 Budget
Personal Services	885,900	947,000	6.9%
Purchased Water	900,000	950,000	5.6%
Materials and Services	391,700	425,500	8.6%
Debt Service	360,000	360,000	0.0%
Transfer to Reserve Funds	390,000	530,000	35.9%
Operating Contingency	673,150	833,000	23.7%
Total	3,600,750	4,045,500	12.4%

Personnel Services

The personnel services budget for this year is 7 full time employees, including the general manager. The COLA as calculated by the Bureau of Labor is based on December 31, 2012 to December 31, 2013 is 2.5%. The District is a member of the Oregon Public Employees Retirement System. The overall Personal Services budget is increasing 6.6% or \$61,100. The District is expecting an increase of 5% in health insurance at renewal effective January 1, 2015.

Purchased Water

The cost of purchased water is the greatest single expense for the District. The cost of water supplied by Portland for FY 2014-15 is projected to increase 6.1% on July 1, 2014. As detailed in the chart above the Purchased Water budget is increasing 5.6%. The .5% discrepancy is because in FY 2013-14 the rate decreased 14%. I was cautious and did not budget the full 14% decrease between FY2013-14 and the previous fiscal year.

Water Quality

Water quality monitoring will continue to receive close attention in the coming year as the District complies with the US Environmental Protection Agency (EPA) and State requirements. In 2012 EPA issued the "Revisions to the Unregulated Contaminant Monitoring Rule (UCMR 3) for Public Water Systems." UCMR 3 monitoring will take place from 2014-2015, and includes monitoring for 28 chemicals and two viruses. The outcomes of the monitoring program will not be known for several years; however, District staff is anticipating additional testing will be required in the future.

In 2011, EPA revised the definition of “lead free” within the Safe Drinking Water Act. The new definition, effective January 4, 2014, now defines “lead free” as the wetted surfaces of pipes, pipe fittings, plumbing fittings, and fixtures meet a weighted average lead content of no more than 0.25%.

District staff is anticipating changes to EPA’s Coliform Rule in 2016. Rule changes are typically published two years prior to required implementation. The proposed changes recognize that the presence of coliform is not a public health threat.

Materials and Services

Assuring that the District’s distribution system and reservoirs are in good repair, leaks are detected, 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 exercising, maintaining, and replacing valves that fail to operate, water mains can more quickly be shut down when a main break occurs. Community safety requires that fire hydrants are easy to find, operate when called upon by the fire department and have the required water flow to meet demand.

Debt Service

Annual debt service on \$5 million is \$360,000 annually for 20-years.

Transfer to Reserve Funds

Transfers are used to allocate money from the General Fund to the Truck and Equipment Reserve Fund and the Capital Improvement Reserve Fund. Funds are held in reserve for replacement and purchase of District vehicles and equipment and to self-fund construction projects.

Operating Contingency

The proposed FY 2014-15 budget includes \$833,000 for use in the event of an emergency or unforeseen expense to operations. The unused portion of the operating contingency and excess revenue will become the working capital for the following fiscal year. As mentioned earlier on page 3, the increase to the Operating Contingency is based on a 2011 best practice from the Government Finance Officers Association (GFOA) titled, Appropriate Levels of Working Capital in Enterprise Funds.

RESERVE FUND – WORK TRUCK AND EQUIPMENT

Transfers are used to allocate money from the General Fund to the Truck and Equipment Reserve Fund. In the proposed FY 2014-15 budget, \$30,000 will be transferred from General Fund and added to the current balance for a reserve of \$176,300. Funds are held in reserve for replacement and purchase of District vehicles and equipment by funding depreciation. In the last fiscal year the District purchased a used backhoe and radio read meters. The Equipment budget of \$106,150 is designed to incrementally build funds to purchase replacement trucks and equipment. The Technology reserve budget increased \$12,000 or 52%. \$3,000 of the \$35,000 budget will be used to finish creating the district website. The remaining \$32,000 will incrementally build funds to replace technology as it ages or becomes outdated.

Resources

Category	Approved 2013-2014 Budget	Proposed 2014-2015 Budget	% Change from 2014 to 2015 Budget
Net working Capital	60,700	146,000	140.5%
Interest	300	300	0.0%
From the General Fund	90,000	30,000	-66.7%
Total	151,000	176,300	16.8%

Requirements

Category	Approved 2013-2014 Budget	Proposed 2014-2015 Budget	% Change from 2014 to 2015 Budget
Equipment	80,000	106,150	32.7%
Technology	23,000	35,000	52.2%
Radio Read Meters	47,850	35,000	-26.9%
Banking Fees	150	150	0.0%
Total	151,000	176,300	16.8%

RESERVE FUND – CAPITAL IMPROVEMENTS

Established in March 2001 the Capital Improvements Reserve Fund accumulates funds to pay for capital projects. Transfers allocate money from the General Fund to the Capital Improvement Reserve Fund.

With the adoption of the Water System Master Plan update in February 2014 completed, the Board and staff have a comprehensive planning document which is important to beginning the process of preparing a strategic plan for the District. The proposed strategic plan is expected to provide long-term, high-level policy direction for service delivery; detailed implementation and a planning frame of 5 – 10 years.

This Fiscal Year the District will begin phase one of the Green tank seismic improvements. The first phase is replacing the 14-inch diameter cast iron (CI) distribution main on SW 73rd between SW Canyon Rd and the Green tank. The following year, 2015-2016, the District will begin making seismic improvements to the green tank and site improvements including the retaining walls, valve vault and security fencing.

Staff is monitoring the potential reconfiguration of the intersection at Beaverton-Hillsdale Hwy, Scholls Ferry Rd, and Oleson Rd.

Resources

Category	Approved 2013-2014 Budget	Proposed 2014-2015 Budget	% Change from 2014 to 2015 Budget
Net working Capital	801,150	1,149,000	43.4%
Interest	4,000	6,000	50.0%
From General Fund	300,000	500,000	66.7%
Total	1,105,150	1,655,000	49.8%

Requirements

Category	2013-2014 Budget	Proposed 2014-2015 Budget	% Change from 2014 to 2015 Budget
Reservoirs & Water Mains	160,000	400,000	150.0%
Construction / Relocation	160,000	0	-100.0%
Green Tank & SW 73rd	725,000	1,140,000	57.2%
Beaverton Hwy / Oleson Rd	25,000	24,850	-0.6%
Strategic Plan Implementation	0	75,000	100.0%
Property Improvements	0	15,000	100.0%
Vault Modifications (Safety)	25,000	0	100.0%
Birchwood Rd	10,000	0	-100.0%
Banking Fees	150	150	0.0%
Total	1,105,150	1,655,000	49.8%

SPECIAL FUND – SYSTEM DEVELOPMENT

A system development charge (SDC) is collected from all new connections to the system. ORS 223.297-312 provides for the creation of an SDC to compensate current customers for the unused portion of the existing utility and to offset future capital costs necessary to provide capacity for growth. Beginning in FY 2011-12 the District began using SDC's to make partial bond payments.

We added a new line item, Reserved for Future Expenditure. We are anticipating the \$46,450 to be spent in FY 2015-2016 to pay a portion of the bond debt payment.

Resources

Category	Adopted 2013-2014 Budget	Proposed 2014-2015 Budget	% Change from 2014 to 2015 Budget
Net working Capital	140,000	110,000	-21.4%
Interest	1,200	600	-50.0%
SDC - Reimbursements	3,000	3,000	0.0%
SDC - Improvements	3,000	3,000	0.0%
Total	147,200	116,600	-20.8%

Requirements

Category	Adopted 2013-2014 Budget	Proposed 2014-2015 Budget	% Change from 2014 to 2015 Budget
Fire Flow Improvements	66,000	0	-100.0%
Bond Payment	81,000	70,000	-13.6%
Banking Fees	200	150	-25.0%
Reserved for Future Expenditure	0	46,450	100.0%
Total	147,200	116,600	-20.8%

WEST SLOPE WATER DISTRICT

BUDGET CALENDAR

Fiscal Year 2014-2015

December 2013	Staff reviews and prepares updated Capital Improvement Plan
December 18, 2013 Board Meeting Wednesday	Board appoints Budget Officer for FY 2014-15 Board approves Budget Calendar for FY 2014-15 Manager introduces proposed budget concepts for FY 2014-15 Board reviews Budget Committee membership
February 2014	City of Portland announces preliminary wholesale rates for FY 2014-15
February 19, 2014 Board Meeting Wednesday	Regular Board Meeting Staff presents list of Budget Committee candidates Board appoints Budget Committee members
March 19, 2014 Board Meeting Wednesday	Regular Board Meeting General Manager presents salary scale recommendations Board adjusts salary scale for budgeting purposes Board reviews General Manager's performance
March/April	Staff finalizes preliminary budget numbers
March 20, 2014 Thursday	As required by ORS 294.425(publication requirements) public notice information to Community Newspapers. Two dates of publication required (May 1 and May 8, 2014) Mail to budget members - Budget calendar, roster of Budget Committee members and Board members
April 16, 2014 Board Meeting Wednesday	Regular Board Meeting

April 17 – May 9	Review process & programs with new & returning Budget Committee members
April 21	Washington County budget summary to be posted on Washington County website. Submit via email.
May 1 Thursday	Publish first notice of Budget Committee meeting to be held on May 14.
May 2 Friday	Mail meeting reminder to Budget Committee members
May 8 Thursday	Publish second notice of Budget Committee meeting to be held on May 14.
May 14, 2014 Board Meeting Wednesday	Combined Budget Committee and Board Meeting <ul style="list-style-type: none"> 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. Budget Committee approves budget as submitted or revises 7. Budget Officer prepares Budget for Publication and makes available to the public.
May 15 Thursday	Provide public notice to Community Newspapers. One date of publication required for Budget Hearing (ORS 294.425)
June 12 Thursday	Publication of Budget and Budget Hearing to be held on June 18, 2014.
June 18, 2014 Board Meeting Wednesday	Combined Budget Hearing and Board Meeting <ul style="list-style-type: none"> 1. Public Hearing 2. Adopt budget by resolution 3. Make appropriations
June 19, 2014 Thursday	Mail adopted budget to: <ul style="list-style-type: none"> 1. State of Oregon 2. Washington County Clerk 3. Auditor 4. Notify BOLI form wh-118

This is the 2nd Wednesday of May

WEST SLOPE WATER DISTRICT

Budget Committee Members FY 2014-2015

District Citizens

Phil Miller

LeRoy Patton

John Ryan

Hester Nau

Rosalie Stevenson

Board of Commissioners

Charles Conrad, Chair

Donna Davis, Treasurer

Bruce Hellebuyck, Secretary

Robert W. Rieck

Noel Reierson

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, 2014 to June 30, 2015 will be held at **3105 SW 89th Ave, Portland, OR 97225**. The meeting will take place on the **14th day of May 2014 at 5:00 PM**. 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 May 1, 2014 at 3105 SW 89th Ave, Portland, OR 97225, between the hours of 8:00 AM and 4:30 PM. 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.

Heidi Starks, Budget Officer

Beaverton Valley Times

Published

May 1, 2014

May 8, 2014

WEST SLOPE WATER DISTRICT
Budget Committee Meeting
FY 2014-2015

AGENDA

Wednesday, May 14, 2014
5:00 PM

Welcome and Introductions – Board Chair Charles Conrad

1. **Call to Order – Budget Committee Meeting
Board Chair Charles Conrad**
2. Election of Officers – Chair and Secretary
3. Public Comment/Communications*
4. General Manager Jerry Arnold and Budget Officer Heidi Starks
 - 4.1 Past Year Accomplishments
 - 4.2 Purpose and overview of Budget Process
 - 4.3 Capital Improvement Plan
 - 4.4 2013-14 Budget Requests
 - 4.5 Questions, Answers, and Comments
5. Budget Committee discusses AND approves budget, or makes appropriate changes AND approves budget, or 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**

Please sign-in, if you wish to speak.

**RESOURCES
GENERAL FUND**

WEST SLOPE WATER DISTRICT

Line Item	Historical Data			Adopted Budget This Year 2013-14	RESOURCE DESCRIPTION	Budget For Next Year 2014-15		
	Actual		First Preceding Year 2012-13			Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body
	Second Preceding Year 2011-12	First Preceding Year 2012-13						
Beginning Fund Balance:								
1					1 Available Cash on Hand* (Cash Basis), or			
2	\$ 589,566	\$ 801,419	\$ 835,000	\$ 835,000	2 Net Working Capital* (Accrual Basis)	\$ 1,180,000		
3					3 Previously Levied Taxes to be Received			
4	\$ 379	\$ 1,504	\$ 750	\$ 750	4 Interest	\$ 1,000		
5					5 OTHER RESOURCES			
6					6			
7	\$ 2,556,529	\$ 2,899,800	\$ 2,700,000	\$ 2,700,000	7 SALE OF WATER	\$ 2,800,000		
8	\$ 35,079	\$ 39,675	\$ 34,000	\$ 34,000	8 SALE OF WATER - WHOLESALE	\$ 34,000		
9	\$ 2,655	\$ 2,050	\$ 500	\$ 500	9 NEW SERVICE INSTALLATIONS	\$ 500		
10					10			
11	\$ 13,315	\$ 22,127	\$ 15,000	\$ 15,000	11 MISCELLANEOUS	\$ 15,000		
12					12			
13	\$ 15,708	\$ 15,624	\$ 15,500	\$ 15,500	13 BEAVERTON REIMBURSEMENTS	\$ 15,000		
14					14			
15					15			
16					16			
17					17			
18					18			
19					19			
20					20			
21					21			
22					22			
23					23			
24					24			
25					25			
26					26			
27					27			
28					28			
29	\$ 3,213,231	\$ 3,782,199	\$ 3,600,750	\$ 3,600,750	29 Total Resources, Except Taxes to be Levied	\$ 4,045,500	\$ -	\$ -
30					30 Taxes Necessary to Balance			
31					31 Taxes Collected in Year Levied			
32	\$ 3,213,231	\$ 3,782,199	\$ 3,600,750	\$ 3,600,750	TOTAL RESOURCES	\$ 4,045,500	\$ -	\$ -

* Includes Unappropriated Balance Budgeted Last Year

EXPENDITURE SUMMARY
BY FUND, ORGANIZATIONAL UNIT OR PROGRAM
GENERAL FUND
WEST SLOPE WATER DISTRICT

	Historical Data			Adopted Budget This Year 2013-14	EXPENDITURE DESCRIPTION	Budget For Next Year 2014-15			
	Actual		Proposed by Budget Officer			Approved by Budget Committee	Adopted by Governing Body		
	Second Preceding Year 2011-12	First Preceding Year 2012-13							
1					PERSONAL SERVICES				1
2									2
3									3
4									4
5	\$ 732,942	\$ 722,074	\$ 885,900	\$ 947,000	TOTAL PERSONNEL SERVICES	\$ 947,000	\$ -	\$ -	5
6					MATERIALS AND SERVICES				6
7									7
8									8
9									9
10	\$ 1,144,680	\$ 1,317,369	\$ 1,291,700	\$ 1,375,500	TOTAL MATERIALS AND SERVICES	\$ 1,375,500	\$ -	\$ -	10
11					DEBT SERVICE				11
12									12
13									13
14									14
15	\$ 279,191	\$ 280,778	\$ 360,000	\$ 360,000	TOTAL DEBT SERVICE	\$ 360,000	\$ -	\$ -	15
16									16
17									17
18									18
19									19
20									20
22					TRANSFERRED TO OTHER FUNDS				22
23	\$ 80,000	\$ 80,000	\$ 90,000	\$ 30,000	TO TRUCK AND EQUIPMENT FUND	\$ 30,000	\$ -	\$ -	23
24	\$ 175,000	\$ 200,000	\$ 300,000	\$ 500,000	TO CAPITAL IMPROVEMENTS FUND	\$ 500,000	\$ -	\$ -	24
25			\$ 673,150	\$ 833,000	GENERAL OPERATING CONTINGENCY	\$ 833,000	\$ -	\$ -	25
26	\$ 255,000	\$ 280,000	\$ 1,063,150	\$ 1,363,000	TOTAL TRANSFERS & CONTINGENCIES	\$ 1,363,000	\$ -	\$ -	26
27	\$ 2,411,813	\$ 2,600,221	\$ 3,600,750	\$ 4,045,500	TOTAL EXPENDITURES	\$ 4,045,500	\$ -	\$ -	27
28	\$ 801,418	\$ 1,181,978	\$ -	\$ -	UNAPPROPRIATED ENDING FUND BALANCE	\$ -	\$ -	\$ -	28
29	\$ 3,213,231	\$ 3,782,199	\$ 3,600,750	\$ 4,045,500	TOTAL	\$ 4,045,500	\$ -	\$ -	29

**DETAILED EXPENDITURES
GENERAL FUND**

WEST SLOPE WATER DISTRICT

	Historical Data			Adopted Budget This Year 2013-14	EXPENDITURE DESCRIPTION	Number of FTE Employ- ees	Budget For Next Year 2014-15			
	Actual		Proposed by Budget Officer				Approved by Budget Committee	Adopted by Governing Body		
	Second Preceding Year 2011-12	First Preceding Year 2012-13								
1					1	PERSONNEL SERVICES				1
2	\$ 108,347	\$ 124,995	\$ 130,000	\$ 130,000	1	2 MANAGER	\$ 135,000			2
3	\$ 200,826	\$ 217,580	\$ 250,750	\$ 250,750	4	3 LABOR MAINTENANCE	\$ 280,000			3
4	\$ 120,485	\$ 134,375	\$ 155,150	\$ 155,150	2	4 OFFICE SALARIES	\$ 160,000			4
5	\$ 104,297	\$ 89,381	\$ 105,000	\$ 105,000		5 MEDICAL/DENTAL/VISION INSURANCE	\$ 110,000			5
6	\$ 93,122	\$ 89,589	\$ 140,000	\$ 140,000		6 RETIREMENT PLAN	\$ 150,000			6
7	\$ 40,604	\$ 41,485	\$ 52,000	\$ 52,000		7 PAYROLL TAXES	\$ 56,000			7
8	\$ 7,950	\$ 8,592	\$ 10,000	\$ 10,000		8 WORKERS COMPENSATION	\$ 10,000			8
9	\$ 38,439	\$ -	\$ -	\$ -		9 VACATION EXPENSE	\$ -			9
10	\$ 18,872	\$ 16,077	\$ 43,000	\$ 43,000		10 OVERTIME	\$ 46,000			10
11					11					11
12	\$ 732,942	\$ 722,074	\$ 885,900	\$ 885,900		12 TOTAL PERSONNEL SERVICES	\$ 947,000	\$ -	\$ -	12
13					13					13
14					14	MATERIALS AND SERVICES				14
15					15					15
16	\$ 896,502	\$ 1,009,564	\$ 900,000	\$ 900,000		16 WATER PURCHASED	\$ 950,000			16
17	\$ 22,097	\$ 59,158	\$ 115,000	\$ 115,000		17 MAINTENANCE	\$ 85,000			17
18	\$ 5,100	\$ 4,946	\$ 11,000	\$ 11,000		18 WATER TESTS	\$ 11,000			18
19	\$ 24,771	\$ 23,450	\$ 20,000	\$ 20,000		19 TRUCK AND EQUIPMENT EXPENSE	\$ 25,000			19
20	\$ 16,414	\$ 15,452	\$ 20,000	\$ 20,000		20 UTILITIES	\$ 22,000			20
21	\$ -	\$ -	\$ -	\$ -		21 BILLING AND PAYMENT	\$ 55,000			21
22	\$ 39,144	\$ 35,591	\$ 45,000	\$ 45,000		22 OFFICE SUPPLIES AND POSTAGE	\$ 5,000			22
23	\$ 1,966	\$ 3,626	\$ 3,000	\$ 3,000		23 UNIFORMS & PPE	\$ 3,000			23
24	\$ 21,306	\$ 23,832	\$ 27,000	\$ 27,000		24 GENERAL INSURANCE	\$ 27,000			24
25	\$ 40,101	\$ 68,156	\$ 55,000	\$ 55,000		25 PROFESSIONAL SERVICES	\$ 75,000			25
26	\$ 1,190	\$ 1,755	\$ 3,000	\$ 3,000		26 PROPERTY MAINTENANCE	\$ 3,000			26
27	\$ 29,066	\$ 24,517	\$ 35,000	\$ 35,000		27 OFFICE EQUIP AND TECH MAINT	\$ 40,000			27
28	\$ -	\$ 1,562	\$ 700	\$ 700		28 ELECTIONS	\$ -			28
29	\$ 14,046	\$ 16,684	\$ 13,000	\$ 13,000		29 GENERAL SUPPORT EXPENSE	\$ 5,000			29
30	\$ 4,260	\$ 4,380	\$ 5,000	\$ 5,000		30 JANITORIAL EXPENSE	\$ 5,500			30
31					31					31
32					32	TOTAL EXPENDITURES (CONT ON NEXT PAGE)				32
33					33					33

**DETAILED EXPENDITURES
GENERAL FUND**

WEST SLOPE WATER DISTRICT

	Historical Data				EXPENDITURE DESCRIPTION	Budget For Next Year 2014-15		
	Actual		Adopted Budget This Year 2013-14	Proposed by Budget Officer		Approved by Budget Committee	Adopted by Governing Body	
	Second Year 2011-12	First Preceding Year 2012-13						
1					1			
2	\$ 4,152	\$ 4,223	\$ 4,000		2	\$ 10,500		
3	\$ 492	\$ -	\$ 3,000		3	\$ 3,000		
4	\$ 9,043	\$ 8,971	\$ 15,000		4	\$ 30,000		
5	\$ 9,593	\$ 5,913	\$ 10,000		5	\$ 13,000		
6	\$ 5,437	\$ 5,589	\$ 7,000		6	\$ 7,500		
7					7			
8					8			
9	\$ 1,144,680	\$ 1,317,369	\$ 1,291,700		9	\$ 1,375,500	\$ -	\$ -
10					10			
11					11			
12					12			
13	\$ 195,000	\$ 200,000	\$ 200,000		13	\$ 215,000	\$ -	\$ -
14	\$ 84,191	\$ 80,778	\$ 160,000		14	\$ 145,000	\$ -	\$ -
15	\$ -	\$ -	\$ -		15	\$ -	\$ -	\$ -
16	\$ 279,191	\$ 280,778	\$ 360,000		16	\$ 360,000	\$ -	\$ -
17					17			
18					18			
19					19			
20					20			
21					21			
22					22			
23					23			
24	\$ 2,156,813	\$ 2,320,221	\$ 2,537,600		24	\$ 2,682,500	\$ -	\$ -
25					25			
26	\$ -	\$ -	\$ 673,150		26	\$ 833,000		
27					27			
28	\$ 80,000	\$ 80,000	\$ 90,000		28	\$ 30,000		
29	\$ 175,000	\$ 200,000	\$ 300,000		29	\$ 500,000		
30					30			
31	\$ 2,411,813	\$ 2,600,221	\$ 3,600,750		31	\$ 4,045,500	\$ -	\$ -
32	\$ 801,418	\$ 1,181,978	\$ -		32	\$ -	\$ -	\$ -
33	\$ 3,213,231	\$ 3,782,199	\$ 3,600,750		33	\$ 4,045,500	\$ -	\$ -

RESERVE FUND
RESOURCES AND REQUIREMENTS
WORK TRUCK AND
EQUIPMENT RESERVE

Year this fund will be reviewed to be continued or abolished.
 Date cannot be more than 10 years after establishment
 Review Year: 2020

FORM LB-11
 This fund is authorized by Resolution 2-2001, on
 February 13, 2001 for the following specific purposes:
 To purchase work trucks and equipment

WEST SLOPE WATER DISTRICT

				Historical Data		Adopted Budget This Year 2013-14		Budget For Next Year 2014-15			
		Actual		First Preceding Year 2012-13		This Year 2013-14		Proposed by Budget Officer		Approved by Budget Committee	Adopted by Governing Body
		Second Preceding Year 2011-12		Year 2012-13		This Year 2013-14					
DESCRIPTION											
RESOURCES AND REQUIREMENTS											
RESOURCES											
Beginning Fund Balance:											
1											
2	\$	49,524	\$	77,531	\$	60,700	\$	146,000			
3											
4	\$	319	\$	541	\$	300	\$	300			
5	\$	-	\$	10,200	\$	-	\$	-			
6	\$	80,000	\$	80,000	\$	90,000	\$	30,000			
7	\$	33,000			\$	-					
8	\$	1,074			\$	-			\$	-	\$
9	\$	163,917	\$	168,272	\$	151,000	\$	176,300	\$	-	\$
10											
11											
12	\$	163,917	\$	168,272	\$	151,000	\$	176,300	\$	-	\$
REQUIREMENTS											
1	\$	53,761	\$	44,232	\$	80,000	\$	106,150			
2											
3	\$	2,293	\$	35,089	\$	23,000	\$	35,000			
4											
5	\$	30,211	\$	-	\$	47,850	\$	35,000			
6	\$	120	\$	120	\$	150	\$	150			
7											
8											
9	\$	-									
10	\$	-									
11	\$	-									
12	\$	-									
13	\$	-									
14	\$	-			\$	-	\$	-			\$
15	\$	-			\$	-	\$	-			\$
16	\$	77,532			\$	-	\$	-	\$	-	\$
17	\$	163,917	\$	79,441	\$	151,000	\$	176,300	\$	-	\$
TOTAL REQUIREMENTS											

RESERVE FUND
RESOURCES AND REQUIREMENTS
CAPITAL IMPROVEMENTS
RESERVE

FORM LB-11
 This fund is authorized by Resolution 3-2001, on
 March 13, 2001 for the following specific purposes:
 capital projects and improvements

Year this fund will be reviewed to be continued or abolished.
 Date cannot be more than 10 years after establishment
 Review Year: 2020

WEST SLOPE WATER DISTRICT

	Historical Data		Adopted Budget This Year 2013-14	DESCRIPTION	Budget For Next Year 2014-15		
	Actual	First Preceding Year 2012-13			Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body
RESOURCES AND REQUIREMENTS							
RESOURCES							
Beginning Fund Balance:							
1				1 Cash on Hand *(Cash Basis), or			1
2	\$ 810,575	\$ 956,393	\$ 801,150	2 Working Capital* (Accrual Basis)	\$ 1,149,000		2
3				3 Previously Levied Taxes Estimated to be Received			3
4	\$ 4,613	\$ 4,839	\$ 4,000	4 Earning from Temporary Investments	\$ 6,000		4
5				5 Earnings from Bond Proceeds			5
6				6 Transferred from Other Funds			6
7	\$ 175,000	\$ 200,000	\$ 300,000	7 FROM THE GENERAL FUND	\$ 500,000		7
8				8			8
9				9			9
10	\$ 990,188	\$ 1,161,232	\$ 1,105,150	10 Total Resources, Except Taxes to be Levied	\$ 1,655,000	\$ -	10
11				11 Taxes Necessary to Balance			11
12				12 Taxes Collected in Year Levied			12
	\$ 990,188	\$ 1,161,232	\$ 1,105,150	13 TOTAL RESOURCES	\$ 1,655,000	\$ -	-
REQUIREMENTS							
1	\$ -	\$ 9,578	\$ 160,000	1 RESERVOIRS & WATER MAINS	\$ 400,000		1
2	\$ -	\$ -	\$ 160,000	2 CONSTRUCTION / RELOCATION	\$ -		2
3	\$ 120	\$ 120	\$ 150	3 BANKING FEES	\$ 150		3
4	\$ -	\$ -	\$ 25,000	4 VAULT MODIFICATIONS (SAFETY)	\$ -		4
5	\$ -	\$ -	\$ 725,000	5 GREEN TANK & 73RD UPGRADE	\$ 1,140,000		5
6	\$ -	\$ -	\$ 25,000	6 BEAVERTON HWY / OLESON RD	\$ 24,850		6
7	\$ -	\$ -	\$ -	7 STRATEGIC PLAN IMPLEMENTATION	\$ 75,000		7
8	\$ 7,685	\$ -	\$ -	8 PROPERTY IMPROVEMENTS	\$ 15,000		8
9	\$ 25,989	\$ 306,847	\$ 10,000	9 SIDEWALKS BIRCHWOOD RD	\$ -		9
10				10			10
11				11			11
12				12			12
13				13			13
14				14			14
15				15			15
16	\$ 956,394	\$ 844,687	\$ -	16 Reserved for Future Expenditure	\$ -	\$ -	16
17	\$ 990,188	\$ 1,161,232	\$ 1,105,150	17 TOTAL REQUIREMENTS	\$ 1,655,000	\$ -	-

**SPECIAL FUND
RESOURCES AND REQUIREMENTS
SYSTEM DEVELOPMENT**

This fund is authorized by ORS 280 100 and established by ordinance number 1-01 in 2001 for the following specified purposes:

Water District Future System Improvements

WEST SLOPE WATER DISTRICT

	Historical Data			Adopted Budget This Year 2013-14	DESCRIPTION	Budget For Next Year 2014-15		
	Actual		First Preceding Year 2012-13			Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body
	Second Preceding Year 2011-12	First Preceding Year 2012-13						
RESOURCES								
Beginning Fund Balance:								
1					1 Cash on Hand *(Cash Basis), or			
2	\$ 261,375	\$ 200,084	\$ 140,000	\$ 110,000	2 Working Capital* (Accrual Basis)			
3					3 Previously Levied Taxes Estimated to be Received			
4	\$ 1,260	\$ 1,090	\$ 1,200	\$ 600	4 Earning from Temporary Investments			
5					5 Transferred from Other Funds			
6					6 FROM THE GENERAL FUND			
7	\$ 4,763	\$ 10,875	\$ 3,000	\$ 3,000	7 SDC - REIMBURSEMENT			
8	\$ 13,584	\$ 27,984	\$ 3,000	\$ 3,000	8 SDC - IMPROVEMENTS			
9					9			
10	\$ 280,982	\$ 240,033	\$ 147,200	\$ 116,600	10 Total Resources, Except Taxes to be Levied			\$ -
11					11 Taxes Necessary to Balance			
12					12 Taxes Collected in Year Levied			
13	\$ 280,982	\$ 240,033	\$ 147,200	\$ 116,600	13 TOTAL RESOURCES	\$ 116,600	\$ -	\$ -
REQUIREMENTS								
1					1			
2					2			
3	\$ 120	\$ 121	\$ 200	\$ 150	3 BANKING FEES			
4	\$ -	\$ -	\$ 66,000	\$ -	4 FIRE FLOW IMPROVEMENTS			
5	\$ 80,778	\$ 77,278	\$ 81,000	\$ 70,000	5 BOND PAYMENT - INTEREST ONLY			
6					6			
7					7			
8					8			
9					9			
10					10			
11					11			
12					12			
13					13			
14					14			
15	\$ 200,084	\$ 162,634		\$ 46,450	15 Reserved for Future Expenditure			\$ -
16	\$ 280,982	\$ 240,033	\$ 147,200	\$ 116,600	16 TOTAL REQUIREMENTS	\$ 116,600	\$ -	\$ -

West Slope Water District
Distribution System Summary

Customers

3,500 Service Connections
10,060 Population
Residential, commercial & irrigation
5/8" to 6" Diameter Service

Storage

Sylvan - Concrete

Reservoir #3 (replaced Reservoir #1) - 3 MG; Constructed in 2008-2009;
Reservoir #2 – 2.25 MG; Constructed in 1960 – Interior surface renovation
and new access hatch in 2002;

SW Canyon Dr - Steel

Green Tank - .8 MG; Constructed in 1949 – Comprehensive
improvements in 1986; Re-painted in 1992-93; Pressure washed in 1999;
Pressure washed in 2004 and paint touched-up; interior cleaned and float
replaced 2005; exterior cleaned and paint touched-up 2009 & 2014.
Seismic upgrade design and engineering completed to 90% in 2010;
construction to begin when funds are available.

Pipelines

30 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: 1922-2014

System Components

450 Hydrants
3,317 Meters
3 Pressure Zones – 8 sub-zones
19 Pressure Reducing Stations
43 Automatic Control Valves
600 Valves

WEST SLOPE WATER DISTRICT
Water Quality
Regulatory Compliance

Total Coliform Rule (TCR)

Total coliform, chlorine residual
Weekly sampling – 3 locations

Disinfection By-Products (DBPs)

Trihalomethanes (THMs)
Haloacetic Acids (HAAs)
Quarterly sampling - 4 locations
May 2012 – Begin Stage 2 DBPR monitoring and sampling

Unregulated Contaminant Monitoring Rule (UCRM 3)

Began collecting samples and testing at entry points to the distribution in 2013 for 28 additional chemicals and 2 viruses – project will end with last quarterly sample in Sept 2014.

Consumer Confidence Report

Annual – distributed to customers prior to July 1

Cross Connection Program

Plan review to identify requirements
Record keeping & notification of annual testing requirement

Lead and Copper Testing – Joint Water Wholesalers Program

Quarterly sampling – Distribution System – 25+ locations
Semi-annual sampling – Customer homes – 100+ locations
(Locations are throughout the metropolitan area)

Distribution Flushing Program (District Policy)

Biennial – 84 locations

Reservoirs 2 & 3 (District Policy)

Clean every 5 years
Clean and inspect Reservoirs No. 2 & 3 – June 9, 2012
Next clean & inspect 2017

Green Tank

Clean and spot paint exterior every 5 years – most recent 2014
Seismic upgrades – summer 2016

WEST SLOPE WATER DISTRICT
Water Quality Issues and Management Activities

Water Age

Issue: Water is a “perishable product”
Objective: Minimize degradation by minimizing water age
Activities: Maximize tank and reservoir turnover
Maximize system circulation
Infrastructure Master Planning

Chlorine Residual Maintenance

Issue: Chlorine is the “preservative” for “perishable product”
Objective: Maximize residual while minimizing aesthetic impacts
Activities: Distribution system analysis and improved circulation
System flushing to increase turnover and circulation
Monitor chlorine level of finished water provided by City of Portland/TVWD
Monitor and regulate reservoir levels to meet seasonal demand

Reservoirs

Issue: Reservoirs can present water quality risks and potential public health impacts
Objective: Minimize risks and impacts while accommodating aesthetic and community concerns
Activities: Reservoir cleaning every five years
Capital improvements (fencing, landscaping, irrigation)
Landscape maintenance
Bird control

Nitrification and Biofilm Growth

Issue: Increased pH provides favorable environment for bacterial growth
Objective: Minimize bacterial growth
Activities: Maximize chlorine residual
Flushing to scour inside of pipes
Monitor pH levels of finished water provided by City of Portland/TVWD

(Continued)

WEST SLOPE WATER DISTRICT
Water Quality Issues and Management Activities

(Continued)

Disinfection By-Product Control

Issue: New, lower DPB standards but increasing disinfection requirements
Objective: Minimize DBPs while meeting other objectives
Activities: Minimize water age (circulation, turnover, flushing)
Quarterly testing and monitoring for THM's and HAA's
Required quarterly testing started May 2012

Cross Connection Control

Issue: Potential contamination of potable water
Objective: Prevent the backflow or back-siphonage of contaminated water into the water system
Activities: Plan review to identify requirements
Inspection of system containment devices
Record keeping and notification of annual testing requirement