



ADOPTED BUDGET

FISCAL YEAR 2026-27



**West Slope
Water District**

3105 SW 89th Avenue | Portland, OR 97225
503-292-2777 | www.WSWD.org



Safe Water | Exceptional Service | Financial Stewardship



Budget Committee Members

ELECTED COMMISSIONERS

Andy Smith, Chair
Chris Eppler
Paul Schuler
Susan Meamber
Ramesh Krishnamurthy

APPOINTED CITIZEN MEMBERS

Ron Witcosky
Michael Smith
Will Short
Andrew Marsch
Marjorie Taylor

Management Team

GENERAL MANAGER

Kenneth Ackerman, PE

FINANCE MANAGER / BUDGET OFFICER

Wendy Irwin, CPA, CPFO

OPERATIONS MANAGER

Daniel Gridinar



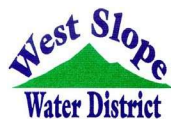


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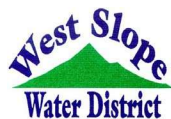
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Introduction

How to Use This Budget Document

This document serves as the District's financial plan for the fiscal year and is intended to function as a policy guide, operational reference, and communication tool for the Board of Commissioners, staff, and the community. It provides an overview of the District's services, priorities, and the resources allocated to support them.

For ease of use, the budget is organized into the following sections:

Introduction and Overview

Provides background on the District, including its service area, water system, and organizational structure.

Budget Message

Summarizes the proposed budget, highlighting key priorities, major initiatives, and significant changes from the prior year, as well as the policy and financial considerations that shaped the budget.

General Budget Information

Explains the budget process, calendar, and key financial concepts used in developing and managing the budget.

Strategic Planning and Direction

Presents the District's mission, vision, and strategic direction, along with long-term financial planning efforts that guide decision-making.

Budget Summary All Funds

Offers a high-level overview of total resources and requirements across all funds, supported by summary tables and graphs.

General Fund Operations

Provides detailed information on revenues, expenditures, staffing, and performance measures for the general fund and departments.

Other Funds

Provides detailed information of total resources and requirements for reserve funds.

Capital Improvement Plan

Outlines planned infrastructure investments, including project timelines and funding sources, to support system reliability and future growth.

Appendix

Includes supporting schedules, rate information, and required legal notices.

Readers seeking a general overview may focus on the Budget Message and Budget Summary sections, while more detailed information is available within the individual fund and capital sections.

Throughout this document, the District integrates its strategic goals with resource allocation and performance measures to support informed decision-making, accountability, and effective service delivery.

About Our District

Our vision is to sustain a thriving community by providing safe, reliable water with exceptional service to our current and future customers

The West Slope Water District is a water storage and distribution district which provides domestic water service to residential and commercial customers as well as water for fire protection. The District was formed in 1922, as a municipal corporation operating under the Oregon Revised Statutes Chapter 264. It is one of over 1,000 special districts in Oregon created by its constituents to meet specific service needs for their communities.

*Serving the
West Slope
Neighborhood
Since 1922*

An elected five-member Board of Commissioners governs the District. The Board sets policy and appoints a General Manager, who manages the day-to-day operations of the District. There are seven full-time employees.

The District is situated in Washington County, west of Portland, and is bounded by the Multnomah County line on the east and the City of Beaverton on the west. The District services a population of approximately 10,500.

The District purchases its water from the City of Portland Water Bureau (PWB) under a Regional Wholesale Water Sales Agreement which secures water resources from the Bull Run Watershed and Columbia South Shore well fields.

The District has a backup intertie with the Tualatin Valley Water District (TVWD). The intertie supplies the District with on-demand water supply for emergencies and scheduled maintenance.

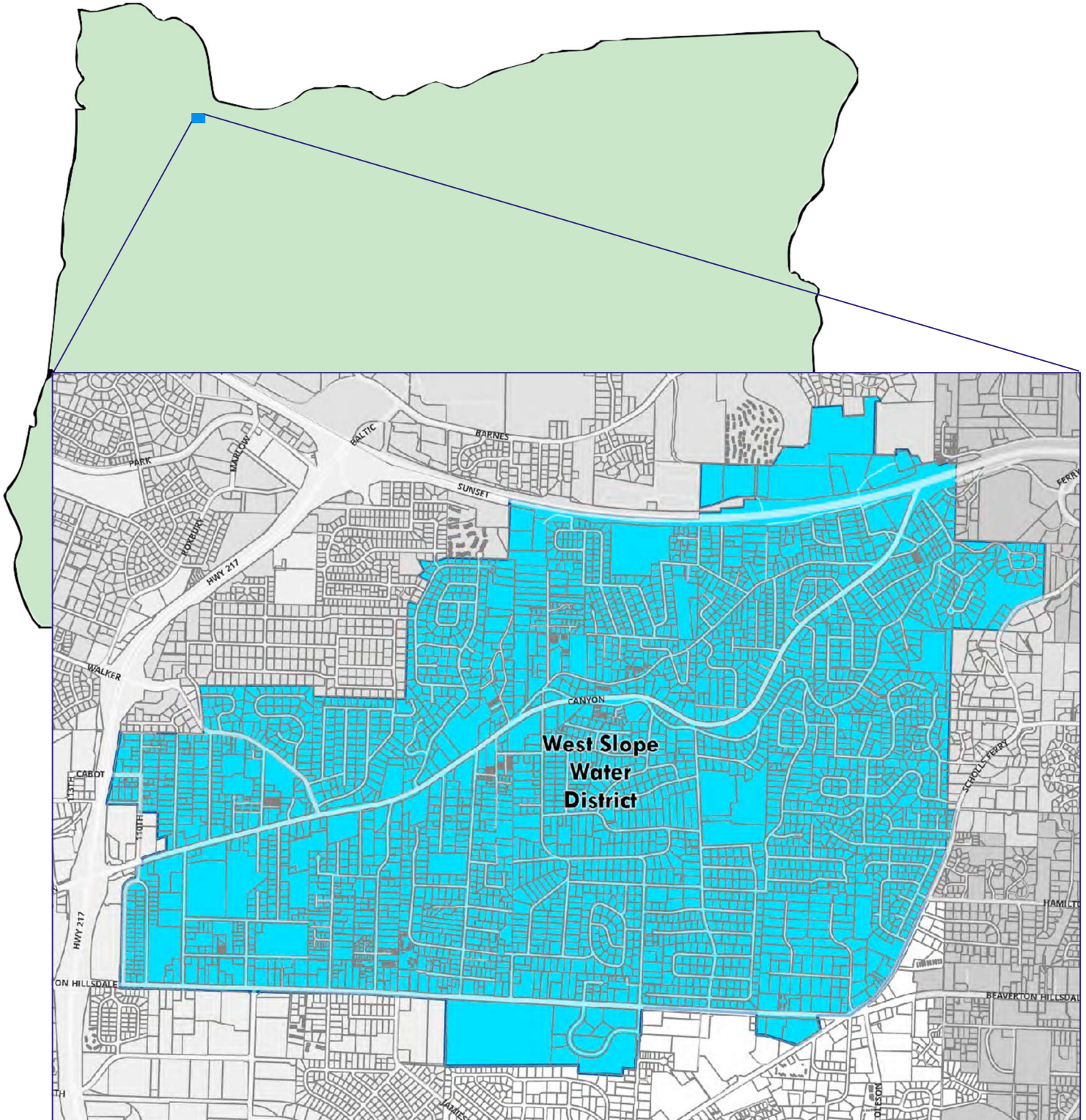
District staff monitors interties with PWB and TVWD utilizing Supervisory Control and Data Acquisition (SCADA) controls.

In May 2009, the City of Beaverton (COB) withdrew approximately 5% of the District's service territory. The District and the COB finalized an Intergovernmental Agreement (IGA) for debt service and unclaimed water reimbursement to cover loss revenue. The IGA expires in June 2028.

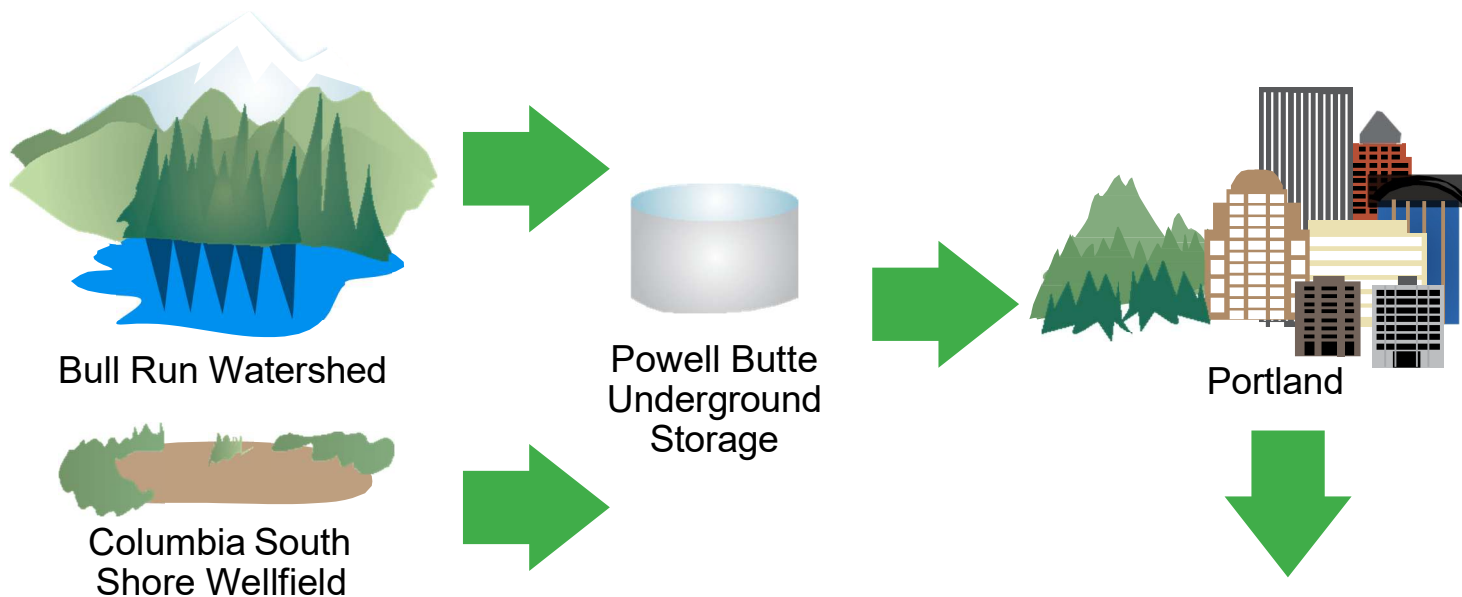


West Slope Water District Service Area Map

The District is situated in Washington County, west of Portland, and is bounded by the Multnomah County line on the east and the City of Beaverton on the west. The District services a population of approximately 10,500.



From the Water Source to the Customers



Water Source

100% of our water is purchased from the City of Portland Water Bureau Bull Run Watershed and Columbia South Shore well fields.

Backup Water Source

Intertie with the Tualatin Valley Water District

Average Production

Annual water supplied –
441 Million Gallons (MG)
Daily Average – 1.21 MG

Distribution System

Pipeline – 48 miles of 2" to 18"

Water Storage

2.25 MG Sylvan Hill Concrete Reservoir – Constructed in 1960

3.00 MG Sylvan Hill Concrete Reservoir – Constructed in 2009

0.80 MG SW Canyon Drive Welded Steel Standpipe Green Tank – Constructed in 1949 and seismically upgraded in 2017

West Slope

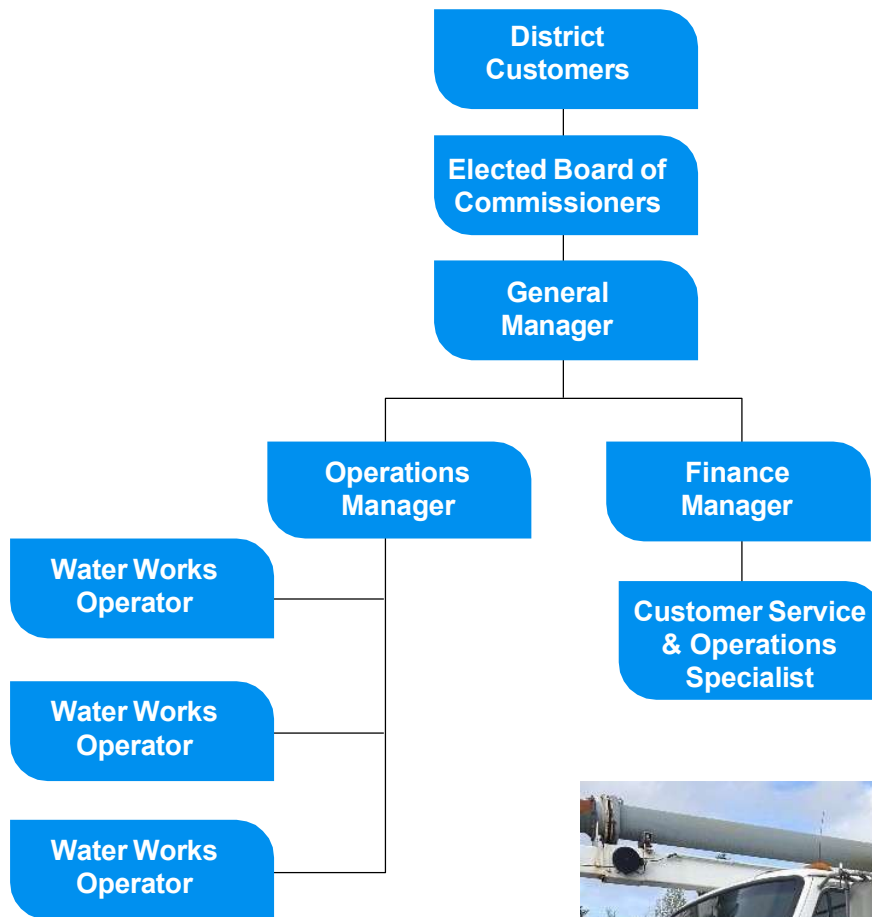
Customers Served

Service Area –
3.5 square miles

Total Service Connections –
3,300 Service Connections
(Residential, Commercial, & Irrigation)

People Served –
10,050

Organizational Chart



District's field staff, from left to right: Matt, Daniel, Quinton, and Brandon.

Budget Message

Introduction

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

We are pleased to present the West Slope Water District Budget for the fiscal year ending June 30, 2027 (FY27) for your review and consideration. This budget message is prepared in accordance with Oregon Budget Law and is designed to provide a clear overview of the District's financial plan, including significant changes from the prior year, key financial and operational priorities, and emerging issues that may impact future budgets.

The District's vision is to sustain a thriving community by providing safe, reliable water and exceptional customer service. This budget document serves as a key communication tool to demonstrate how financial resources are aligned with that vision, while promoting transparency and accountability to the customers and stakeholders we serve.

How to Use This Document

This budget is organized to guide the reader from a high-level financial overview to more detailed fund and program information. The Budget Message provides context and highlights, followed by sections detailing fund-level financial plans, capital improvement projects, and supporting financial and operational data. Readers are encouraged to use the table of contents and section summaries to navigate to areas of interest.

Long-Term Financial Planning and Capital Strategy

The District's budget is strategically focused on replacing and maintaining aging infrastructure to ensure a dependable and efficient distribution system. This long-term approach extends asset life, reduces the risk of service disruptions, and mitigates costly emergency repairs. The District's multi-year capital improvement plan prioritizes pipeline replacements and includes planning and funding for a new reservoir project anticipated within the next two to three years.

At the same time, the District remains committed to delivering exceptional customer service by investing in system reliability, responsiveness, and clear communication. These efforts reflect a balanced approach to operational excellence and infrastructure stewardship.



Reservoir #3 at Sylvan Hill, completed in 2009.



The District's Green Tank on Canyon Drive.

Budget Overview

Budget Summary and Major Changes

A summary of the FY27 budget along with a comparison of the prior year adopted budget and current year projected actual amounts is presented in *the table below*.

Table 1 - Budget Summary of All Funds				
	Adopted Budget FY2027	Revised Budget FY2026	Dollar Change in Budget	Projected Actual FY2026
Revenues and Other Sources				
Water Sales and Fees	\$ 5,775,000	\$ 5,637,000	\$ 138,000	\$ 5,376,000
Non-Operating	251,000	197,000	54,000	303,000
Subtotal	6,026,000	5,834,000	192,000	5,679,000
Transfers In	1,630,000	1,750,000	(120,000)	1,535,000
Total	7,656,000	7,584,000	72,000	7,214,000
Expenditures and Other Uses				
Personnel Services	1,415,000	1,359,000	56,000	1,319,000
Materials and Services	2,141,000	2,126,000	15,000	2,042,000
Debt Service	356,000	359,000	(3,000)	359,000
Contingency	521,000	457,000	64,000	-
Capital Outlay	2,160,000	2,170,000	(10,000)	888,000
Subtotal	6,593,000	6,471,000	122,000	4,608,000
Transfers Out	1,630,000	1,750,000	(120,000)	1,535,000
Total	8,223,000	8,221,000	2,000	6,143,000
Excess Revenues (Expenditures)	(567,000)	(637,000)	70,000	1,071,000
Beginning Fund Balances	8,726,000	7,534,000	1,192,000	7,655,000
Ending Fund Balances	\$ 8,159,000	\$ 6,897,000	\$ 1,262,000	\$ 8,726,000

Revenues – Water revenue is projected to increase due to rate adjustments adopted in 2025; however, this increase is partially offset by lower water consumption. Non-operating revenues are expected to increase, primarily due to higher interest earnings associated with increased reserve balances as major capital projects have been deferred to future years.

Expenditures – Total expenditures and other uses remain relatively consistent with the prior year. Personnel services reflect higher costs for employee benefits. Materials and services show a net increase driven by inflationary pressures as well as planned maintenance of reservoirs, valves, and meters. Purchased water costs have remained relatively consistent under the District's new wholesale water agreement, which transitions from a minimum purchase requirement to a usage-based structure.

Transfers In/Out – The District continues its commitment to financial sustainability by transferring net operating revenues to capital reserves. This strategy supports funding for ongoing pipeline replacement projects and future major capital investments, including the planned reservoir project.

Summary – Overall, the District's financial condition remains stable. This stability supports continued investment in infrastructure, maintenance of appropriate reserve levels, and advancement of long-term capital projects while minimizing the need for external financing.

Further details about the District's financial plan, policies, and priorities are provided in the following sections of the Budget Message.

Revenues

Water Sales and Fees

Water sales continue to represent the District's primary source of operating revenue. The District is located in a mature service area with limited opportunities for new development, and with no plans to expand service boundaries, the customer base is expected to remain relatively stable over the long term.

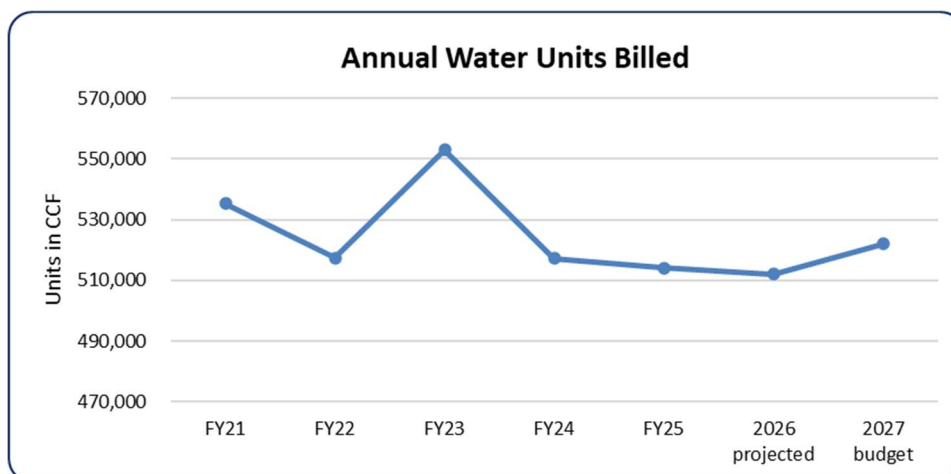
As a result, annual revenue is influenced less by customer growth and more by water consumption patterns, which are largely driven by weather conditions. Periods of hot, dry weather typically increase demand and corresponding revenues, while cooler, wetter conditions reduce usage. This variability introduces an element of uncertainty into revenue forecasting that is outside of the District's control.

Given these constraints, periodic rate adjustments are the District's primary tool for maintaining financial stability. Rate revenues must be sufficient to support ongoing operations, address inflationary cost pressures, and ensure the continued funding of capital improvements necessary to maintain system reliability.

The following graph illustrates historical annual water consumption, measured in hundred cubic feet (CCF), where 1 CCF equals 748 gallons. As shown, consumption levels fluctuate from year to year due to weather variability. To mitigate this volatility in the budgeting process, the District uses a five-year historical average of billed consumption when projecting revenue.



Bull Run Reservoir.



In November 2025, following the recommendations of the 2024 Water Rate Study, the District implemented an updated rate structure designed to improve equity and better align revenues with cost-of-service principles. The revised structure includes three distinct customer classes with tailored consumption rates that reflect differing usage characteristics. In addition, monthly fixed charges were updated and are now scaled by meter size, consistent with industry standards and the cost of maintaining system capacity.

Revenues

As recommended in the rate study, the Board adopted annual rate increases of 5% for FY26 and FY27. Adjustments to fixed monthly charges were also implemented over this same period to further align revenues with the cost to serve customers of varying demand levels. Additional information regarding the rate structure and the full Water Rate Study is available on the District's website <https://www.wswd.org/new-rate-structure>.

Consumption rates adopted for FY26 and FY27 along with history of percentage rate increases are presented in **the tables below:**

Table 2 - Water Consumption Rates (per CCF)		
	FY26 Current Rate	FY27 Effective 7/1/2026
Residential		
Tier 1 - 0 to 8	\$ 5.90	\$ 6.18
Tier 2 - 9 to 20	\$ 8.85	\$ 9.27
Tier 3 - 21+	\$ 11.80	\$ 12.36
Multi-Family		
Uniform Flat Rate	\$ 6.25	\$ 6.55
Commercial		
Tier 1 - 0 to 325	\$ 7.61	\$ 7.97
Tier 2 - 326+	\$ 11.42	\$ 11.96

History of Rate Increases	
Fiscal Year	Percentage Increase
FY27 Budget	5%
FY26	5%
FY25	6%
FY24	14%
FY23	10%

The District's rates remain competitive with those of neighboring water providers, as demonstrated in the Regional Water Providers Consortium's annual rate survey (see page 64). These neighboring water providers are also implementing rate increases in FY27 to address similar cost pressures related to operations, maintenance, and infrastructure investment.

Interest Income

The FY27 budget includes projected interest earnings on reserve balances held in the Oregon Local Government Investment Pool (LGIP). Established in 1973, the LGIP provides local governments with a secure and liquid investment option for public funds. As of May 2026, the District is earning 4.0% on LGIP balances. In recognition of anticipated easing in interest rates, the FY27 budget assumes an average return of 2.5% on projected reserve balances. This conservative approach is intended to avoid over-reliance on interest income as a revenue source.

Interest earnings continue to play a supporting role in the District's financial position, helping to offset operating costs and supplement funding for capital reserves.



Revenues

Summary

In summary, as noted in **the table below**, total budgeted revenues across all funds for FY27 are projected to increase by \$192,000 or about 3%, compared to the prior year.

This increase is primarily attributable to:

- Adopted rate adjustments consistent with the Water Rate Study
- Continued growth in interest earnings, despite a modest decline in projected rates

Overall, the District's revenue structure remains stable and predictable, with a strong reliance on ratepayer revenues supported by conservative financial forecasting practices. The projected increase in revenues will allow the District to address rising operating and maintenance costs, maintain service levels, and continue strategic transfers to capital reserves

These revenues are critical to ensuring the District can meet both its short-term operational needs and long-term infrastructure investment goals.

Table 3 - Revenues for All Funds

	Adopted Budget FY2027	Revised Budget FY2026	Projected FY2026	Actual FY2025	Actual FY2024
Operating					
Water Sales	\$ 5,678,000	\$ 5,541,000	\$ 5,271,000	\$ 5,054,274	\$ 4,782,873
Other Operating Revenue	97,000	96,000	105,000	103,575	104,434
Subtotal	5,775,000	5,637,000	5,376,000	5,157,849	4,887,307
Non-Operating					
Interest Income	243,000	193,000	303,000	299,574	311,133
Gain (Loss) on Disposition of Assets	-	-	-	2,945	-
SDC Revenue	8,000	4,000	-	4,014	9,848
Subtotal	251,000	197,000	303,000	306,533	320,981
Total Revenues - All Funds	\$ 6,026,000	\$ 5,834,000	\$ 5,679,000	\$ 5,464,382	\$ 5,208,288
Dollar Increase from PY	\$ 192,000				
Percentage Increase from PY	3.29%				



View of Bull Run Reservoir One, the primary source of the District's water supply.

Personnel Services

All personnel-related expenses are budgeted within the General Fund. The District currently employs seven full-time staff members who support all operational, administrative, and customer service functions. Led by the general manager, the organization emphasizes a collaborative and inclusive workplace culture, with a continued focus on delivering high-quality, responsive service to the community.

Salaries and Wages

The District remains fully staffed and has experienced little to no employee turnover in recent years, reflecting a stable workforce and positive organizational culture. In April 2026, the District completed a planned leadership transition following the retirement of the General Manager and the hiring of a successor. This transition is not expected to significantly impact operations, as staff continue to align under the District's 2026–2031 Strategic Plan.

The FY27 budget for salaries and wages reflects a modest increase from the prior year. The FY26 budget included temporary overlap costs associated with the General Manager transition, which are not carried forward. For FY27, the budget includes a projected 3.8% cost-of-living adjustment (COLA) and merit-based increases of up to 2.5% as employees progress within established pay ranges. These adjustments are intended to maintain competitive compensation levels and support employee retention.

Group Benefits

The District provides a comprehensive benefits package, including fully paid health, dental, and vision coverage for employees and their eligible dependents. This benefit structure supports recruitment and retention of qualified staff in a competitive labor market.

Group benefit costs are reviewed annually and may fluctuate based on premium rate adjustments and changes in employee enrollment. After approximately eighteen months of stable premiums, the FY27 budget reflects a projected 19% increase in costs. This increase is attributable to both rising premium rates and changes in covered dependents. The District continues to actively monitor plan options to balance cost containment with maintaining quality coverage.

PERS Retirement Plan

All full-time employees participate in the Oregon Public Employees Retirement System (PERS). Employer contribution rates are actuarially determined and applied to eligible payroll, with rates updated on a biennial basis.

For FY26 and FY27, employer contribution rates are 30.57% for Tier One/Two employees and 25.03% for OPSRP employees. The FY27 budget reflects an increase in retirement contributions compared to the prior year, primarily due to increasing salaries and wages on which the contributions are calculated.

Personnel Services

Summary

As noted in the table below, the overall budget for FY27 has increased by \$56,000 or 4% compared to prior year.

This increase reflects:

- Planned compensation adjustments to maintain market competitiveness
- Rising health insurance costs
- The absence of one-time transition-related costs included in the prior year

The District's personnel cost structure remains stable and predictable, supporting continuity of operations while ensuring the organization can attract and retain a qualified workforce. Personnel services represent a significant portion of the District's operating costs, and continued monitoring of benefit cost trends will be important to maintaining long-term financial sustainability.

Table 4 - Personnel Services					
	Adopted Budget FY2027	Revised Budget FY2026	Projected FY2026	Actual FY2025	Actual FY2024
Salaries and Wages	\$ 865,000	\$ 854,000	\$ 832,000	\$ 768,400	\$ 726,827
Group Benefits	245,000	205,000	201,000	196,584	168,224
Retirement Contributions	220,000	214,000	205,000	186,710	167,695
Taxes, Workers Comp, and Other	85,000	86,000	81,000	72,799	68,499
Total Personnel Services	\$ 1,415,000	\$ 1,359,000	\$ 1,319,000	\$ 1,224,493	\$ 1,131,245
Dollar Increase from PY	\$ 56,000				
Percentage Increase from PY	4.12%				



District's Staff in front of Vector Truck.

Materials and Services

Purchased Water

Purchased water is the largest expenditure within the District's materials and services budget. The District purchases one hundred percent of its water supply from the City of Portland Water Bureau (PWB) under a long-term wholesale agreement.

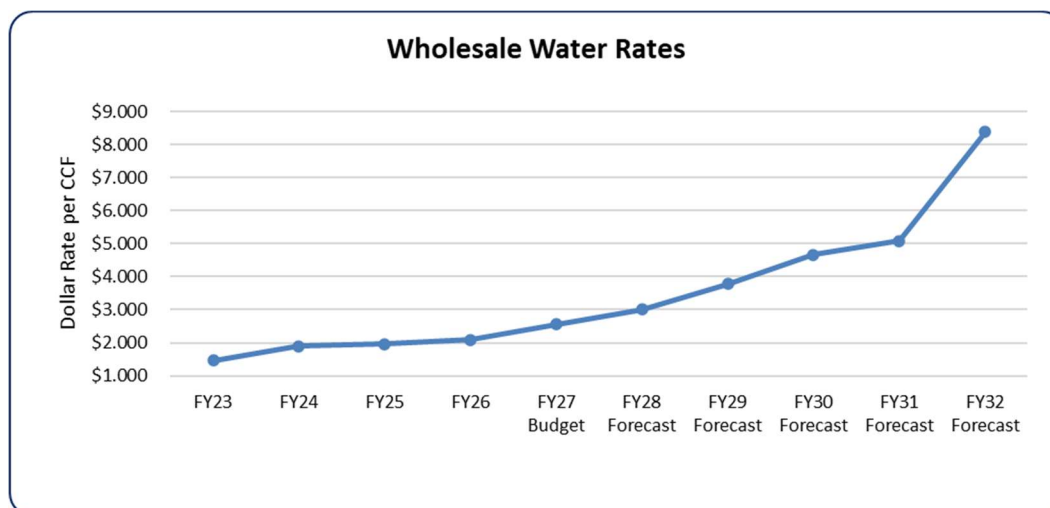
At the expiration of the current agreement, a new 30-year wholesale purchase agreement with PWB will take effect at the beginning of FY27, on July 1, 2026. This agreement includes more favorable terms for the District, most notably, the elimination of the minimum purchase requirement. This change provides greater flexibility by aligning costs more directly with actual consumption while continuing to ensure a reliable and high-quality water supply.

Wholesale water rates are influenced by several factors, including the District's peak summer demand, which is the highest three consecutive days of usage, as well as capital investments made by PWB that are allocated to wholesale customers. As a result, rates are projected to increase over the next several years, driven in large part by PWB's Bull Run Filtration Facility project which directly benefit wholesale customers.

Although wholesale rates are projected to increase by approximately 22% in FY27, the District's total purchased water costs are budgeted to remain relatively consistent. This is primarily due to the elimination of the minimum purchase requirement and a corresponding reduction in projected water purchases of approximately 122,000 CCF units.

Historical and projected wholesale water rates, along with total purchased water costs, are presented in **the table and graph below**.

Table 5 - Wholesale Water Rates					
	Adopted Budget	Revised Budget	Actual		
	FY2027	FY2026	FY2025	FY2024	FY2023
Wholesale Water Rate (dollar per CCF)	\$2.558	\$2.094	\$1.964	\$1.892	\$1.471
	Estimated Actual	Minimum Guaranteed Purchase			
CCF Units charged	561,000	683,300	683,155	683,155	683,155
Total Purchased Water	\$ 1,435,000	\$ 1,431,000	\$ 1,342,551	\$ 1,296,906	\$ 1,005,579
Dollar decrease PY	\$ 4,000				
Percentage decrease PY	0.28%				



Materials and Services

Materials and Services Excluding Water

Excluding purchased water, total materials and services expenditures are budgeted to increase by approximately \$11,000, or 2%, compared to the prior year. This increase reflects targeted investments in system reliability, regulatory compliance, and operational support, partially offset by the absence of one-time costs incurred in the prior year.

Key components of the FY27 budget are summarized in *the table below*.

Table 6 - Materials & Services Excluding Water Purchased					
	Adopted Budget FY2027	Revised Budget FY2026	Projected FY2026	Actual FY2025	Actual FY2024
System maintenance	\$ 110,000	\$ 98,000	\$ 45,200	\$ 66,603	\$ 115,686
Water tests	9,000	10,000	7,500	8,122	7,560
Truck and equipment	30,000	62,000	61,500	24,123	29,895
Utilities	22,000	17,000	17,400	14,640	16,433
Billing and payment	101,000	99,000	99,300	92,429	104,135
Office supplies and postage	4,000	4,000	2,800	3,702	2,536
Uniforms	3,000	3,000	1,200	2,128	758
General insurance	77,000	72,000	70,500	64,791	55,691
Professional services	70,000	72,500	72,000	51,580	32,838
Property maintenance	24,000	7,000	6,100	6,369	11,704
IT services and office equip	105,000	101,000	101,000	97,492	84,397
General support	7,000	7,000	6,000	7,185	6,633
Janitorial	5,000	5,000	4,500	3,696	3,728
Right of Way (ROW) tax	65,000	61,000	62,000	61,689	59,575
Board	8,000	8,000	3,400	4,834	2,680
Bad debts	2,000	2,000	1,900	656	934
Ed, training, and memberships	33,000	36,000	25,000	26,718	29,784
Community relations	16,000	15,000	11,500	10,703	12,122
Conservation	8,000	8,000	7,700	7,705	7,353
Customer assistance program	7,000	7,500	4,500	-	-
Total Materials & Services Excluding Water	\$ 706,000	\$ 695,000	\$ 611,000	\$ 555,165	\$ 584,442
Dollar increase from previous year	\$ 11,000				
Percentage increase	1.58%				

System Maintenance

System maintenance includes routine and preventive maintenance of the District's distribution and storage infrastructure, including valves, hydrants, meter boxes, and vaults. These activities are critical to maintaining system reliability and minimizing service disruptions.

The FY27 budget reflects an increase to support planned activities such as reservoir cleaning, seismic testing and maintenance, and large meter calibration. The budget also includes contingency funding for unplanned repairs, including main breaks.

Billing and Payment

This category includes costs associated with utility billing, including printing and mailing services, online payment processing fees, and bank charges. The District continues to absorb credit card transaction fees as a customer service benefit. The FY27 budget remains consistent with the prior year, reflecting stable service levels and vendor costs.

Materials and Services

Truck and Equipment

This category includes vehicle maintenance, fuel, small equipment purchases, and mileage reimbursement for staff use of personal vehicles.

The FY27 budget reflects a decrease from the prior year due to the completion of a one-time major repair to the District's Vactor truck in FY26. This repair was necessary to extend the useful life of a critical asset used in responding to main breaks and maintaining system infrastructure.

General Insurance

General insurance includes property, liability, and auto coverage provided through Special District Insurance Services (SDIS) as part of the District's membership in the Special Districts Association of Oregon (SDAO).

The FY27 budget reflects an increase in premiums, consistent with broader trends in the insurance market, including rising claims costs, inflation, and increased exposure to natural disasters and cyber risks.

Professional Services

Professional services include external audit fees, legal services, payroll processing, and other contracted technical or consulting services.

Budgeted professional services for FY27 are slightly lower than FY26. The decrease is primarily attributable to elevated legal fees incurred in FY26 associated with a contractor dispute that has since been settled. This reduction is partially offset by additional contracted services budgeted in FY27 for grant-writing assistance and specialized consulting to support updates to emergency response and standard operating procedures.

IT Services and Office Equipment

This category includes outsourced IT support, software licensing and maintenance (including financial and utility billing systems), hosted server services, and office equipment below the capitalization threshold. Continued investment in IT systems supports operational efficiency, data security, and customer service reliability.

The FY27 budget reflects an increase due to rising software and service costs, as well as continued investment in reliable and secure technology systems.

Right-of-Way (ROW) Tax

The Right-of-Way (ROW) tax represents a 5% fee paid to the City of Beaverton for the use and maintenance of public rights-of-way where District infrastructure is located. This cost is passed through to customers within city limits and recorded as both revenue and expense in the General Fund.

Budgeted amounts vary annually based on projected water sales within the City of Beaverton service area.

Education, Training, and Memberships

This category includes professional dues, training, certifications, conference attendance, and related travel expenses. Staff are encouraged to attend annual conferences to support their professional growth and strengthen connections within the water utility industry. These investments support employee development, regulatory compliance, and industry engagement.

The FY27 budget reflects a consistent investment in training and professional development to ensure staff remain current with industry standards and best practices.



Beaverton-Hillsdale main pipe replacement project.

Materials and Services

Summary

Overall, the District's materials and services budget reflects a balanced approach to managing operating costs while maintaining service reliability and supporting long-term infrastructure needs.

Key drivers in FY27 include:

- Changes in wholesale water purchasing terms and rates
- Targeted increases in maintenance and infrastructure-related activities
- Rising insurance and technology costs
- The absence of one-time expenditures from the prior year

From a performance perspective, the District continues to monitor key cost drivers such as purchased water per unit, maintenance cost trends, and service reliability indicators to ensure that expenditures are aligned with operational priorities and customer service expectations.

Capital Outlay

Vehicles and Equipment

The District maintains an Equipment Reserve Fund to support the planned replacement of aging vehicles and equipment, as well as investment in new technology. Capital outlay expenditures are defined as items exceeding the capital threshold of \$5,000 with a useful life of more than one year.

The FY27 capital outlay budget includes funding for the replacement of a work truck, installation of supervisory control and data acquisition (SCADA) equipment at the District's green tank, and large meter replacement.

To ensure adequate funding for future equipment needs, the District makes annual transfers from the General Fund to the Equipment Reserve Fund. For FY27, a transfer of \$130,000 is budgeted, consistent with the District's long-term equipment replacement strategy. The District tracks equipment condition, age, and maintenance costs to optimize replacement timing and ensure operational reliability while controlling lifecycle costs.

Annual expenditures in the Equipment Reserve Fund may fluctuate based on the timing of planned replacements; however, the District's funding approach is designed to smooth these costs over time and minimize the need for unplanned expenditures.

Table 7 - Capital Outlay for Vehicles & Equipment			
	Adopted Budget FY2027	Revised Budget FY2026	Projected Actual FY2026
Equipment & Vehicles	\$ 50,000	\$ -	\$ -
Technology	40,000	-	-
Meters	20,000	20,000	18,000
Total Capital Outlay	\$ 110,000	\$ 20,000	\$ 18,000

Capital Outlay

Capital Improvement Projects

The District maintains a Capital Improvement Reserve Fund to finance both current and future infrastructure investments. Capital projects are guided by the District's Water Master Plan and prioritized based on system condition, risk, regulatory requirements, and service reliability.

Detailed information on planned projects is provided in the Capital Improvement Plan (CIP) section of this document.

Reservoirs and Main Lines

New 3.0 Million Gallon (MG) Reservoir #4

In FY26, the District initiated design and permitting for a new 3.0 MG earthquake-resilient reservoir at the Sylvan Hill site. The total project cost is currently estimated at approximately \$13 million. The FY27 budget includes \$600,000 for continued engineering and final design. The project is anticipated to be funded through a combination of capital reserves, grants, and future debt issuance. This project represents a critical investment in long-term system capacity, seismic resilience, and emergency preparedness.



District staff saw cutting street for pipe project.

Sharon Lane and Canyon Drive Pipe Replacements

The FY27 budget includes \$1.5 million for the design and construction of pipeline replacement projects on Sharon Lane (estimated at \$900,000) and Canyon Drive (estimated at \$550,000). Due to their relatively small scope, these projects are expected to be combined into a single contract to improve efficiency and reduce administrative costs.

Pipeline replacement projects are prioritized based on asset age, condition, and failure history to reduce water loss, minimize service disruptions, and lower long-term maintenance costs.

Future Capital Improvement Funding

The District continues to proactively fund future capital needs through annual transfers from the General Fund to the Capital Improvement Reserve Fund. This "pay-as-you-go" approach reduces reliance on debt and supports long-term financial sustainability. For FY27, a transfer of \$1.5 million is budgeted to support future capital projects identified in the Water Master Plan.

The District's capital funding model balances current investment with future needs by combining reserve funding, rate revenues, and strategic use of debt for large-scale projects.

Annual expenditures within the Capital Improvement Reserve Fund will vary depending on project timing; however, consistent funding contributions help stabilize long-term capital financing.

Table 8 - Capital Outlay for Capital Improvements			
	Adopted Budget FY2027	Revised Budget FY2026	Projected Actual FY2026
Property Improvements	\$ -	\$ 150,000	\$ -
Reservoirs and Main Lines	2,050,000	2,000,000	870,000
Total Capital Outlay	\$ 2,050,000	\$ 2,150,000	\$ 870,000

Capital Outlay

Summary

The FY27 capital outlay budget reflects the District's continued commitment to maintaining and improving critical infrastructure while planning for future system needs.

Key elements of the District's capital strategy include:

- Prioritizing infrastructure replacement based on condition and risk
- Funding capital projects through a combination of reserves, rates, and debt
- Maintaining stable and predictable reserve contributions
- Minimizing long-term costs through proactive planning and asset management

From a performance perspective, the District evaluates capital investments based on system reliability, risk reduction, and long-term cost efficiency to ensure that resources are aligned with strategic goals and service expectations.

Debt Service

Summary

The FY27 budget includes \$356,000 in annual debt service payments related to the \$5 million revenue bonds issued in 2008. These bonds financed the construction of Reservoir #3 and the demolition of Reservoir #1.

Debt service payments remain level, with the final payment scheduled for October 2027, at which point the District will retire this existing debt obligation.

Looking ahead, the District anticipates issuing new debt to partially finance the construction of Reservoir #4. The estimated project cost of approximately \$13 million is expected to be funded through a combination of existing reserves, grant funding, and new debt issuance. The District monitors debt service as a percentage of operating revenues and maintains conservative debt levels to preserve financial flexibility and affordability for ratepayers.

General Fund budgeted debt service payments, ***are listed below***:

Table 9 - Debt Service Payments				
	Adopted Budget FY2027			Revised Budget FY2026
	Total	Principal	Interest	Total
General Fund	\$ 356,000	\$ 335,000	\$ 21,000	\$ 359,000

Concluding Thoughts

Summary

The District's strong financial foundation reflects prudent planning, disciplined budgeting, and effective oversight by the Board of Commissioners. This foundation positions the District to successfully address both current operational needs and long-term infrastructure challenges. Financial planning, rate setting, and strategic investment remain central to ensuring the continued delivery of safe, reliable drinking water to the community.

Maintaining the condition and reliability of the water distribution system is a core priority. Infrastructure failures, such as water main breaks, can result in significant financial costs, service disruptions, and potential impacts to public health and property. The District mitigates these risks through a combination of proactive infrastructure replacement, ongoing system maintenance, and the availability of trained staff and equipment to respond to emergencies on a 24/7 basis.

The FY27 budget continues to prioritize long-term capital investment, including the replacement of aging infrastructure and the advancement of major projects such as the planned reservoir. These efforts are guided by the District's Water Master Plan and are essential to improving system resilience, reducing risk, and maintaining service reliability over time.

The District's reserve policies play a critical role in maintaining financial stability and managing uncertainty. The FY27 budget includes approximately \$1.5 million in General Fund reserves, equivalent to four months of operating expenditures, including contingency and unappropriated fund balance. In addition, the Rate Stabilization Fund maintains \$800 thousand to help mitigate the impact of future wholesale rate increases.

Significant resources have also been set aside for capital needs, including \$5.8 million in the Capital Improvement Reserve Fund and \$592 thousand in the Equipment Reserve Fund. These reserves support a proactive, pay-as-you-go approach to infrastructure investment while minimizing reliance on debt.

In summary, the FY27 budget reflects a balanced and forward-looking financial plan that aligns resources with the District's strategic priorities. Through continued investment in infrastructure, responsible financial management, and a commitment to customer service, the District is well positioned to meet the needs of the community both now and in the future.

We respectfully submit the West Slope Water District's Budget for Fiscal Year 2026-27 for your review and consideration.

A handwritten signature in blue ink, reading "Kenneth M. Ackerman".

Kenneth Ackerman, PE
General Manager

A handwritten signature in blue ink, reading "Wendy Irwin".

Wendy Irwin, CPA, CPFO
Finance Manager & Budget Officer

General Budget Information

Budget Process

Overview

The annual budget process is one of the District's most important financial planning activities. It establishes the District's fiscal policy direction, authorizes the use of public funds, and provides a framework for measuring financial performance, operational accountability, and service delivery outcomes.

In accordance with Oregon Local Budget Law (ORS Chapter 294), the District's budget is a financial plan that identifies expected revenues, expenditures, and other financial resources for a defined fiscal period. The annual budget also serves as the legal authorization for the District to incur obligations and expend public funds.

Compliance with Oregon Local Budget Law ensures transparency, public participation, and accountability throughout the budget development and adoption process.

Fiscal Year

The District's fiscal year begins on July 1 and ends on June 30 of the following year. This document represents the District's financial plan for Fiscal Year 2026–27 (FY27).

Budget Committee

The Budget Committee is an advisory body established under Oregon law and is comprised of the Board of Commissioners and an equal number of appointed members who are electors of the District. Appointed members serve for staggered three-year terms to ensure continuity and community representation.

Each May, the Budget Committee meets in public session to receive the proposed budget, review financial assumptions, and consider input from District staff and the public. A key function of the Committee is to provide an open forum for community participation and ensure that the proposed budget reflects both operational needs and public priorities.

The Budget Committee may recommend changes to the proposed budget, provided that the budget remains balanced. Once the Committee is satisfied, it approves the budget and forwards it to the Board of Commissioners for final consideration.

Budget Adoption

Following the budget committee approval, the Board of Commissioners conducts a public hearing in June to receive final public comment and consider adoption of the budget.

The public hearing provides an additional opportunity for transparency and engagement prior to final action. After considering public input, the Board may make final adjustments consistent with Oregon Local Budget Law and then adopts the budget by resolution, along with the corresponding appropriations.

Once adopted, the budget becomes the District's legal financial plan and governs all expenditures and obligations for the fiscal year. District staff monitor budget-to-actual performance throughout the year and report financial results to the Board on a monthly basis.



Budget Process

Budget Amendments

Budget amendments are adjustments that increase or decrease the total appropriations originally adopted by the Board of Commissioners. Amendments may be necessary due to unforeseen circumstances, changes in service demand, or unanticipated revenues or expenditures.

Any budget amendments are brought to the Board of Commissioners, discussed, and if appropriate approved by resolution. Amendments to the original adopted budget must comply with Local Budget Law and may require a supplemental budget process.

Approved amendments are incorporated into the District's official budget records to ensure ongoing accuracy and transparency in financial reporting.

Basis of Budgeting

All funds are budgeted using the modified accrual basis of accounting, consistent with Oregon budgetary practices and statutory requirements:

- Revenues are recognized in the period they are both measurable and available
- Expenditures are recognized in the period the related liability is incurred
- Depreciation is not budgeted; instead, capital outlay is recorded in the year assets are acquired
- Debt principal payments are budgeted as expenditures rather than reductions of liability

For comparative purposes, prior-year financial results presented in this document are reported on a full accrual basis in accordance with generally accepted accounting principles (GAAP), which is the basis used for the District's audited financial statements.

Because the budget is prepared on a modified accrual basis and the annual financial statements are prepared on a full accrual basis, budgeted and audited results may differ. The primary differences relate to capital assets, depreciation, and long-term liabilities.

Budget Process Overview

DEC - JAN

Budget Kickoff

Board approves budget committee and calendar, and appoints budget officer

FEB - APRIL

Budget Preparation

Staff prepares proposed budget

MAY

Budget Committee Meeting

Committee meets to deliberate, hear public comment, and approve budget

JUNE

Budget Hearing

Board holds budget hearing to hear public comment, and adopt budget

JULY - JUNE

Budget Implementation

Staff implements budget, monitors and reports to Board; Board amends budget if needed

Budget Calendar – Fiscal Year 2026-2027

December 17, 2025 Board Meeting	Regular Board Meeting: • Board appoints budget committee members and approves roster
January 21, 2026 Board Meeting	Regular Board Meeting: • Board appoints budget officer. • Board approves budget calendar. • Staff introduce preliminary budget concepts.
February 18, 2026 Board Meeting	Regular Board Meeting
March 18, 2026 Board Meeting	Regular Board Meeting
March/April 2026	Staff prepares proposed budget.
April 15, 2026 Board Meeting	Regular Board Meeting: • Staff presents overview of proposed budget assumptions.
May 5, 2026	Staff delivers proposed budget document to Budget Committee and posts to District's website.
May 15, 2026	Notice of May 20th Budget Committee Meeting is published in community newspaper.
May 20, 2026 Board Meeting & Budget Committee Meeting	Regular Board Meeting: • General manager presents cost of living and staff salary scale recommendations for Board's consideration and approval for an effective date of July 1st. Budget Committee Meeting: • Budget message is presented by budget officer and general manager. • Committee discusses and receives public comment on proposed budget. • Budget committee approves budget as submitted, makes revisions, or schedules another meeting. • Budget officer prepares approved budget for public inspection.
June 12, 2026	Notice of June 17th budget hearing (Form LB-1) is published in community newspaper.
June 17, 2026 Board Meeting, Rate Hearing & Budget Hearing	Regular Board Meeting Rate Hearing (if applicable): • Board receives public comment on proposed rate increases. • Board adopts rate increases by resolution. Budget Hearing: • Board receives public comment on the approved budget document • Board discusses and makes revisions, if necessary, to approved budget. Board adopts budget and makes appropriations by resolution.
June 25, 2026	Budget officer publishes adopted budget. • Budget resolution is submitted to Oregon Department of Revenue. • Adopted budget is posted to District's website

Fund Structure

Overview

For financial reporting purposes, the District operates as a single enterprise activity and is reported as one enterprise fund in its audited financial statements. However, for budgetary control, legal compliance, and internal management, the District maintains separate self-balancing funds.

This structure provides transparency in how resources are allocated while maintaining flexibility in financial planning and accountability.

The District's primary budgetary funds are described below:

General Fund

The General Fund is the District's primary operating fund and accounts for most revenues and expenditures not required to be accounted for in a separate fund. Its primary revenue source is from water sales, rates and fees.

Rate Stabilization Fund

This fund is used to promote rate stability and help the District meet financial policy objectives and debt covenant requirements while minimizing rate spikes for customers. It is funded through transfers from the General Fund.

Equipment Reserve Fund

This fund provides resources for the planned replacement and acquisition of vehicles, equipment, and related technology. It is primarily funded through annual transfers from the General Fund.

Capital Improvement Reserve Fund

This fund is used to finance major infrastructure investments, including system improvements and replacement of aging assets. It is primarily funded through transfers from the General Fund and is guided by the District's Capital Improvement Plan.

System Development Charges (SDC) Fund

This fund accounts for fees collected from new development within the District's service area. The primary source of revenue is from system development charges (SDCs) collected for all new meter connections and meter size upgrades.



Financial Policies

The District maintains a comprehensive framework of financial management policies to ensure long-term financial sustainability, service reliability, and responsible stewardship of public resources. These policies guide decision-making across operations, capital planning, rate setting, and financial management, and are regularly reviewed by the Board to ensure alignment with best practices and the District's strategic direction.

Financial Planning and Balanced Budget

The District emphasizes long-term financial planning as a foundation of sound financial management. A multi-year financial forecast is prepared and updated annually to evaluate future revenues, expenditures, and financial position. This process supports proactive decision-making, maintains structural balance, and helps avoid significant or unexpected rate increases, while directly informing the District's annual budget development and strategic priorities.

A balanced budget is defined as one in which current year revenues and resources are sufficient to fund current year expenditures, with ongoing revenues supporting ongoing operations and one-time resources reserved for capital and other nonrecurring needs; the District develops its budget consistent with this principle.

Rates and Revenue Policy

The District establishes water rates, fees, and charges using a cost-of-service approach designed to recover the full cost of providing service, including operations, capital investment, and long-term obligations. Rates are reviewed annually and adjusted as needed to maintain financial stability, equity among customers, and alignment with the District's long-term financial plan and financial forecast.

Reserve and Financial Capacity Policies

The District maintains reserves to ensure financial stability, mitigate risk, and support long-term infrastructure needs. Reserve targets are established to provide adequate liquidity and financial flexibility, including:

- Maintaining working capital equal to approximately four months of operating expenses,
- Maintaining operating cash reserves sufficient to cover four months of operating expenses plus debt service, and
- Funding dedicated reserves to support equipment replacement and capital improvements identified in the District's long-term plans.

Reserves are intended primarily for unanticipated or nonrecurring needs and are replenished through the financial planning process to maintain target levels and support long-term financial stability.

Capital Planning and Asset Management

The District integrates long-term financial planning with its Capital Improvement Plan (CIP) and Water System Master Plan to identify infrastructure needs, prioritize investments, and guide funding strategies. These planning tools are aligned with the District's Strategic Plan and long-term financial forecast, ensuring that capital investments support service goals and financial sustainability. Capital projects are funded through a balanced approach that considers current revenues, reserves, and debt, supporting both affordability and intergenerational equity.

Financial Policies

Debt Management

The District uses debt strategically to finance major capital improvements when pay-as-you-go funding is not practical. Debt is limited to long-lived assets, structured to align repayment with useful life, and managed to maintain a strong financial position and creditworthiness. Debt issuance and repayment are evaluated within the context of the District's long-term financial plan to ensure affordability and alignment with future financial capacity.

Financial Reporting, Controls, and Accountability

The District is committed to transparency, accountability, and sound financial practices. Financial operations follow generally accepted accounting principles and are supported by strong internal controls, regular financial reporting, and an independent annual audit. These practices ensure accurate reporting, safeguarding of assets, and provide reliable information to support policy decisions, long-term planning, and public accountability.

Investment Policy

The District maintains a formal investment policy to ensure the prudent management of public funds. The primary objectives of the policy are to preserve principal, maintain sufficient liquidity to meet operational needs, and achieve a reasonable rate of return consistent with these priorities. Investments are managed in a manner that supports the District's cash flow requirements and long-term financial plan, while complying with Oregon law and established policy guidelines for safety, liquidity, and diversification.

Strategic Planning and Direction

Vision, Mission, and Core Values

Overview

During FY26, the District updated its mission and vision statements through a comprehensive strategic planning process designed to guide organizational priorities and decision-making. The resulting Strategic Plan establishes a long-term framework that defines the District's direction, aligns resources with community needs, and supports the delivery of high-quality services.

The strategic planning process included an evaluation of current operations and collaborative discussions with the Board of Commissioners and staff to gather input and data reflecting the needs and expectations of the District's stakeholders. This approach ensured that the Strategic Plan is both forward-looking and grounded in operational realities.

As part of this effort, the District identified a set of guiding principles that define its core values and establish a foundation for organizational culture, decision-making, and service delivery. These principles, outlined below, serve as a lens through which priorities are set and actions are taken, and they directly inform the development of the District's annual budget.

Vision Statement

To sustain a thriving community by providing safe, reliable water with exceptional service to our current and future customers.

Mission Statement

To deliver safe, reliable water and exceptional service through strong infrastructure, efficient operations, responsible financial management, and active community engagement, serving our customers today and tomorrow.

WE PRACTICE STEWARDSHIP BY HOLDING TRUE TO THESE CORE VALUES:



Safety and Reliability –
Delivery of safe, reliable water



Customer Focus –
Exceptional service, respect, and community engagement



Stewardship –
Financial and operational transparency and accountability



Excellence –
Continuous improvement in processes and technology



Collaboration –
Teamwork and partnerships

Goals, Objectives, and Key Initiatives

The strategic goals listed below will guide the District's work for the next five years. Each strategic goal is supported by specific objectives and key initiatives that the District aims to accomplish over the next five years.

These guiding principles and strategic priorities are directly integrated into the District's budget development process, ensuring that financial decisions, resource allocation, and performance measures are aligned with the District's long-term goals.

Goals	Objectives	Key Initiatives
1 Ensure a Reliable and Resilient Water System	Sustain the District's core operations and infrastructure to deliver safe, reliable water.	• Evaluate business viability, service levels, and cost-effectiveness • Develop and implement an infrastructure resilience and reliability plan • Maintain clear, transparent communication among staff, management, the Board, and the public • Uphold strong financial stewardship, accountability, and transparency
2 Enhance Customer Service and Community Engagement	Strengthen customer satisfaction and build meaningful community connections.	• Strive for customer service excellence through proactive communication and responsiveness • Maintain a well-trained, competent, and collaborative workforce • Identify and understand the diverse needs of our customers • Provide cost-effective, reliable water service to ensure affordability • Expand community engagement through public meetings, outreach programs, surveys, educational events, and online platforms
3 Enhance and Modernize Operational Performance	Continuously improve operations, strengthen financial sustainability, and leverage technology for efficiency.	• Attract, retain, and develop skilled employees who reflect District values • Utilize technology to modernize processes, including GIS and workflow improvements • Review, document, and refine operational processes and procedures • Monitor financial performance and operational efficiency against established benchmarks
4 Maintain and Replace Aging Infrastructure	Replace and upgrade assets as needed to ensure long-term reliability and safety.	• Assess needs, prioritize projects, and develop funding plan • Explore options for funding infrastructure upgrades, including grants, loans, and partnerships • Coordinate and collaborate with other jurisdictions to align timing of infrastructure work • Implement repairs and upgrades to maintain safe, reliable water

Five-Year Financial Forecast

As part of the District's long-term financial planning framework, a five-year financial forecast has been developed to evaluate the sustainability of current operations, anticipate future funding needs, and support strategic decision-making.

The forecast is intended as a planning tool rather than a precise prediction. It incorporates a set of reasonable assumptions regarding revenues, expenditures, capital investment, and debt financing based on current information, historical trends, and known future commitments. These assumptions are reviewed and updated annually to reflect changing conditions.

The District's long-term financial strategy focuses on:

- Maintaining sufficient revenues to support increasing operating costs, particularly for purchased water and personnel services
- Building and maintaining reserves to fund infrastructure replacement and major capital projects
- Minimizing rate volatility while ensuring long-term financial sustainability

The following key assumptions were used in developing the five-year forecast:

Revenue assumptions

1. Water Rate Revenue

Rate projections are based on a five-year average annual consumption of approximately 522,000 units to smooth year-to-year variability in water usage.

- FY26 (projected): 5% rate increase, with slightly lower revenues due to reduced consumption
- FY27–FY28: 5% annual rate increases
- FY29–FY31: 6% annual rate increases

2. Wholesale Water Agreement Changes

Beginning in FY27, the new wholesale agreement eliminates the minimum purchase requirement. As a result, water reimbursement revenues associated with the Beaverton intergovernmental agreement (IGA) are no longer included in the forecast.

3. Beaverton IGA Expiration

The Beaverton IGA is assumed to expire in FY29. As a result, approximately \$15,000 in annual revenue related to debt interest reimbursement is removed from the forecast for FY29 through FY31.

4. System Development Charges (SDCs)

SDC revenue is conservatively projected at \$5,000 annually, reflecting minimal anticipated new development within the District.

5. Interest Income

Interest earnings are projected at an average rate of 2.5% applied to prior-year ending fund balances, excluding approximately \$600,000 maintained in a non-interest-bearing checking account.

Five-Year Financial Forecast

Expenditure assumptions

1. Purchased Water

Purchased water costs are based on wholesale rate projections provided by the City of Portland Water Bureau (PWB):

- FY26 (Project): Based on the current contract, including the minimum purchase requirement of 683,300 units
- FY27–FY31: Based on the new contract, with costs calculated using estimated average demand of approximately 561,000 units and no minimum purchase requirement

2. Salaries and Wages

Assumes a staffing level of seven full-time employees, with annual increases of approximately 5%, including cost-of-living and merit adjustments.

3. Employee Benefits

Benefit costs are projected to increase by approximately 7% annually, reflecting anticipated healthcare cost trends.

4. PERS Retirement Contributions

Employer contribution rates are projected to increase by approximately 10% every two-year rate-setting cycle.

5. Other Operating Expenses

All other materials and services costs are projected to increase by approximately 5% annually due to inflation and general cost escalation.

Capital Outlay / Debt assumptions

1. Capital Improvement Program (CIP)

Capital outlay projections reflect planned investments identified in the District's Capital Improvement Plan, including pipeline replacements, equipment purchases, and the development of a new reservoir:

- FY27: \$2.2 million (reservoir design, water mains, and equipment)
- FY28: \$700,000 (continued reservoir design and smaller capital projects)
- FY29: \$7.3 million (initiation of reservoir construction)
- FY30: \$5.3 million (continued reservoir construction)
- FY31: \$1 million (ongoing pipeline replacements and equipment)

2. Debt Financing

- FY26–FY28: Debt service reflects existing bond amortization schedules
- FY29: Assumes issuance of approximately \$5 million in new debt to partially fund reservoir construction
- New debt is modeled over a 20-year term at an assumed interest rate of 6%, resulting in estimated annual debt service of approximately \$430,000

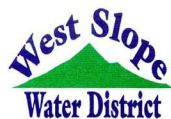
Five-Year Financial Forecast

Forecast Highlights

The five-year financial forecast highlights several key trends and considerations for the District's long-term financial planning:

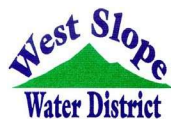
- **Rate Increases Are Necessary to Maintain Financial Stability**
Projected increases in purchased water, personnel costs, and capital investment needs will require continued, predictable rate adjustments to maintain a structurally balanced financial position.
- **Capital Investment Will Significantly Increase Funding Needs**
Planned construction of the new reservoir and ongoing pipeline replacement projects will place substantial demands on financial resources, requiring a balanced approach between reserves, rate revenues, and future debt issuance.
- **Reserves Play a Critical Role in Financial Flexibility**
Maintaining adequate reserve levels will be essential to managing risk, smoothing rate impacts, and funding capital projects without over-reliance on debt.
- **Revenue Stability Remains Sensitive to External Factors**
The District's reliance on consumption-based revenue introduces variability due to weather patterns, while wholesale water rates are influenced by regional capital investments, reinforcing the importance of conservative forecasting and long-term planning.

Overall, the forecast demonstrates that proactive financial planning and disciplined implementation of rate and capital strategies will be essential to maintaining long-term service reliability and financial sustainability



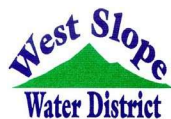
Five-Year Financial Forecast – FY26 through FY28

	Bond Balance		\$685,000		\$350,000		\$0
	Wholesale Water Rate / Est. Units		\$2.094 / 683,155 Units		\$2.558 / 561,000 Units		\$3.011 / 561,000 Units
			<u>6/30/2026</u>		<u>6/30/2027</u>		<u>6/30/2028</u>
			<u>Actual</u>		<u>Adopted</u>	% Change	<u>Forecast</u>
			<u>Projected</u>		<u>Budget</u>		
Revenue:							
Billed to customers	\$	5,214,500	512,000	\$	5,678,000	522,000	\$ 5,961,900
Water Reimbursed by Beaverton		57,000			-		-
Water Revenues		5,271,500			5,678,000	8%	5,961,900
Other Operating Income		104,200			97,000		100,800
SDC Fees		-			8,000		5,000
Interest Income		303,000			243,000		189,000
Interest Income							2.5% rate
Total Revenue		5,678,700			6,026,000	6%	6,256,700
Total Revenue							4%
Operating Expense:							
Purchased Water		1,430,900			1,435,000	0%	1,689,200
Personnel Services		1,318,900			1,415,000	7%	1,510,200
Other Materials & Services		610,900			706,000	16%	741,400
Total Operating Expense		3,360,700			3,556,000		3,940,800
Total Operating Expense							
Income before Capital and Debt		2,318,000			2,470,000		2,315,900
Income before Capital and Debt							
Capital and Debt Requirements:							
Capital Outlay		888,000			2,160,000		700,000
Debt Service Principal & Interest		358,700			356,000		357,000
Debt Proceeds		-			-		-
Total Capital and Debt		1,246,700			2,516,000		1,057,000
Total Capital and Debt							
Contingency		-			521,000	15%	591,100
Contingency							15%
Net increase (decrease) in fund bal		1,071,300			(567,000)		667,800
Net increase (decrease) in fund bal							
Fund Balance & Reserves, Beg of year		7,654,200			8,726,000		8,159,000
Fund Balance & Reserves, Beg of year							
Fund Balance & Reserves, End of year	\$	8,725,500		\$	8,159,000		\$ 8,826,800
Fund Balance & Reserves, End of year							



Five-Year Financial Forecast – FY29 through FY31

	Bond Balance Wholesale Water Rate / Est. Units		\$5,000,000 \$3.783 / 561,000 Units		\$4,867,000 \$4.671 / 561,000 Units		\$4,725,000 \$5.083 / 561,000 Units	
			<u>6/30/2029</u> <u>Forecast</u>	% Change	<u>6/30/2030</u> <u>Forecast</u>	% Change	<u>6/30/2031</u> <u>Forecast</u>	% Change
Revenue:								
Billed to customers	\$	6,319,600	522,000		\$ 6,698,800	522,000	\$ 7,100,700	522,000
Water Reimbursed by Beaverton		-			-		-	
Water Revenues		6,319,600	6%		6,698,800	6%	7,100,700	6%
Other Operating Income		88,700			92,300		96,100	
SDC Fees		5,000			5,000		5,000	
Interest Income		246,800	2.5% rate		222,600	2.5% rate	83,100	2.5% rate
Total Revenue		6,660,100	6%		7,018,700	5%	7,284,900	4%
Operating Expense:								
Purchased Water		2,122,300	26%		2,620,400	23%	2,851,600	9%
Personnel Services		1,591,100	5%		1,703,900	7%	1,794,900	5%
Other Materials & Services		778,200	5%		841,800	8%	857,500	2%
Total Operating Expense		4,491,600			5,166,100		5,504,000	
Income before Capital and Debt		2,168,500			1,852,600		1,780,900	
Capital and Debt Requirements:								
Capital Outlay		7,300,000			5,300,000		1,000,000	
Debt Service Principal & Interest		-			430,000		430,000	
Debt Proceeds		(5,000,000)			-		-	
Total Capital and Debt		2,300,000			5,730,000		1,430,000	
Contingency		673,700	15%		774,900	15%	825,600	15%
Net increase (decrease) in fund bal		(805,200)			(4,652,300)		(474,700)	
Fund Balance & Reserves, Beg of year		8,826,800			8,021,600		3,369,300	
Fund Balance & Reserves, End of year	\$	8,021,600			3,369,300		2,894,600	



Budget Summary All Funds

Resources and Requirements - All Funds

Table 10 - Budget Summary (All Funds)

	Historical Data				Budget 2026-27			
	Actual		Revised Budget 2025-26 This Year		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
	2023-24 Prior Year	2024-25 Prior Year						
				RESOURCES				
1	\$ 7,794,504	\$ 6,366,248	\$ 7,534,000	1 Beginning Working Capital	\$ 8,726,000	\$ 8,726,000	\$ 8,726,000	1
2				2 REVENUES				2
3	4,782,873	5,054,274	5,541,000	3 Sale of Water	5,678,000	5,678,000	5,678,000	3
4	104,434	103,575	96,000	4 Other Operating	97,000	97,000	97,000	4
5	311,133	302,519	193,000	5 Interest and Other Non-Operating	243,000	243,000	243,000	5
6	9,848	4,014	4,000	6 SDC Fees	8,000	8,000	8,000	6
7	5,208,288	5,464,382	5,834,000	7 SUBTOTAL	6,026,000	6,026,000	6,026,000	7
8				8 TRANSFERS IN				8
9	40,000	120,000	35,000	9 Equipment Reserve Fund	130,000	130,000	130,000	9
10	1,337,000	1,850,000	1,715,000	10 Capital Improvement Reserves Fund	1,535,000	1,500,000	1,500,000	10
11	1,377,000	1,970,000	1,750,000	11 TOTAL TRANSFERS IN	1,665,000	1,630,000	1,630,000	11
12				12				12
13	\$ 14,379,792	\$ 13,800,630	\$ 15,118,000	13 TOTAL RESOURCES	\$ 16,417,000	\$ 16,382,000	\$ 16,382,000	13

				REQUIREMENTS				
14	\$ 1,131,245	\$ 1,224,493	\$ 1,359,000	14 Personnel Services	\$ 1,399,000	\$ 1,415,000	\$ 1,415,000	14
15	1,296,906	1,342,551	1,431,000	15 Purchased Water	1,410,000	1,435,000	1,435,000	15
16	584,442	555,165	695,000	16 Other Materials and Services	706,000	706,000	706,000	16
17	357,631	355,997	359,000	17 Debt Service	356,000	356,000	356,000	17
18	-	-	457,000	18 Contingency	527,000	521,000	521,000	18
19	3,266,320	698,191	2,170,000	19 Capital Outlay	2,160,000	2,160,000	2,160,000	19
20	6,636,544	4,176,397	6,471,000	20 SUBTOTAL	6,558,000	6,593,000	6,593,000	20
21				21 TRANSFERS OUT				21
22	40,000	120,000	35,000	22 Equipment Reserve Fund	130,000	130,000	130,000	22
23	1,337,000	1,850,000	1,715,000	23 Capital Improvement Reserves Fund	1,535,000	1,500,000	1,500,000	23
24	1,377,000	1,970,000	1,750,000	24 TOTAL TRANSFERS OUT	1,665,000	1,630,000	1,630,000	24
25				25				25
26	8,013,544	6,146,397	8,221,000	26 TOTAL EXPENDITURES	8,223,000	8,223,000	8,223,000	26
27				27				27
28				28 ENDING FUND BALANCES				28
29	1,271,373	1,066,331	782,000	29 Unappropriated Fund Balance	765,000	980,000	980,000	29
30	5,094,875	6,587,902	6,115,000	30 Reserved for Future Expenditures	7,429,000	7,179,000	7,179,000	30
31	6,366,248	7,654,233	6,897,000	31 TOTAL ENDING FUND BALANCES	8,194,000	8,159,000	8,159,000	31
32	\$ 14,379,792	\$ 13,800,630	\$ 15,118,000	32 TOTAL REQUIREMENTS	\$ 16,417,000	\$ 16,382,000	\$ 16,382,000	32

Budget Summary by Fund

Table 11 - Budget Summary by Fund						
	Adopted FY2027	General Fund	Rate Fund	Equipment Fund	Capital Impr Fund	SDC Fund
Revenues and Other Sources						
Water Sales and Fees	\$ 5,775,000	\$ 5,775,000	\$ -	\$ -	\$ -	\$ -
Non-Operating	251,000	35,000	-	20,000	188,000	8,000
Subtotal	6,026,000	5,810,000	-	20,000	188,000	8,000
Transfers In	1,630,000	-	-	130,000	1,500,000	-
Total	7,656,000	5,810,000	-	150,000	1,688,000	8,000
Expenditures and Other Uses						
Personnel Services	1,415,000	1,415,000	-	-	-	-
Materials and Services	2,141,000	2,141,000	-	-	-	-
Debt Service	356,000	356,000	-	-	-	-
Contingency	521,000	521,000	-	-	-	-
Capital Outlay	2,160,000	-	-	110,000	2,050,000	-
Subtotal	6,593,000	4,433,000	-	110,000	2,050,000	-
Transfers Out	1,630,000	1,630,000	-	-	-	-
Total	8,223,000	6,063,000	-	110,000	2,050,000	-
Excess Revenues (Expenditures)	(567,000)	(253,000)	-	40,000	(362,000)	8,000
Beginning Fund Balances	8,726,000	1,233,000	800,000	552,000	6,127,000	14,000
Ending Fund Balances	\$ 8,159,000	\$ 980,000	\$ 800,000	\$ 592,000	\$ 5,765,000	\$ 22,000

Sources and Uses of Budgeted Funds

The figures below show FY27 budgeted revenues by source and expenditures by use, excluding transfers in/out.

Figure 1

FY27 Budgeted Revenues by Source (All Funds)
\$6,026,000

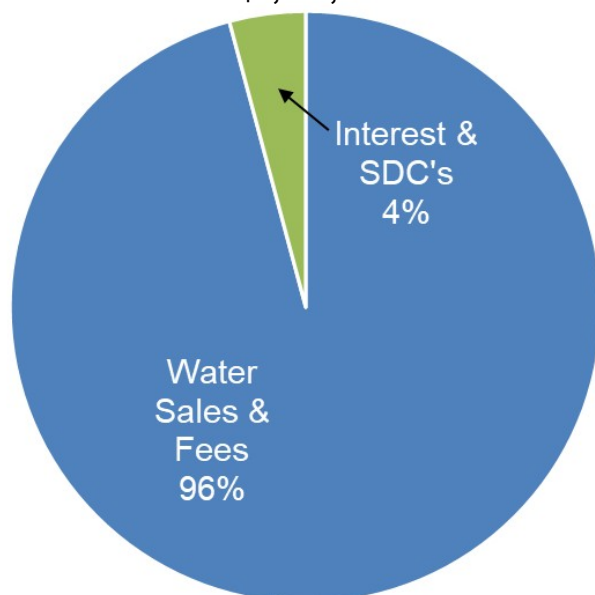
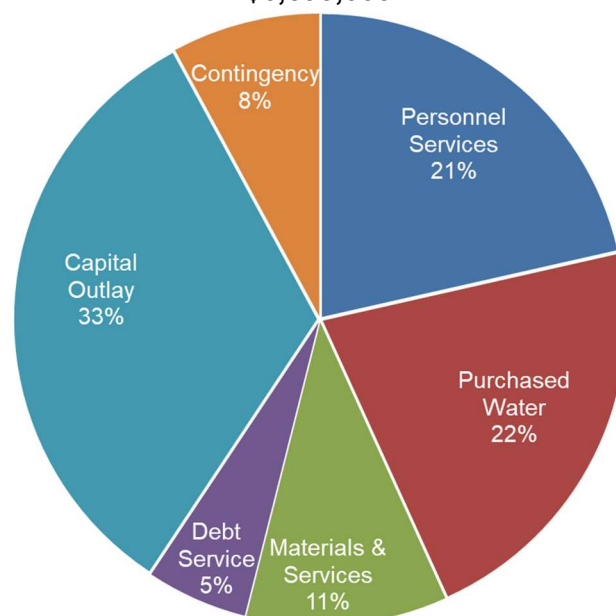


Figure 2

FY27 Budget Expenditures by Use (All Funds)
\$6,593,000



Fund Balance and Reserves

The District maintains fund balance and reserve levels to ensure financial stability, support long-term planning, and provide resources for both anticipated and unforeseen needs. Fund balance represents the difference between assets and liabilities and serves as a key indicator of the District's financial health.

The District's reserve practices are guided by established policies that define appropriate minimum levels and intended uses, including operating contingencies, capital investment, rate stabilization, and emergency response. Maintaining adequate reserves allows the District to manage cash flow, mitigate financial risk, and sustain reliable service delivery over time.

A summary of the District's reserve policy is as follows:

Reserve Category	Target Level	Purpose	Target Met for FY27 Budget
Working Capital	Minimum of 4 months (180 days) of operating expenses	Maintains sufficient liquidity to meet day-to-day cash flow needs and ensures continuity of operations in the event of timing differences in revenue collection or unforeseen operating expenditures.	Yes
Operating Cash Reserves	Minimum of 4 months (180 days) of operating expenses plus debt service requirements	Provides financial stability to absorb revenue volatility, unplanned operating costs, and emergency events, while ensuring the District can meet its debt obligations without disruption.	Yes
Equipment Reserves	Reserves based on equipment replacement schedule	Ensures cash for timely funding for the repair and replacement of vehicles and equipment, reducing service interruptions.	Yes
Capital Improvement Reserves	1-3 years of planned capital expenditures per Capital Improvement Plan (CIP)	Supports pay-as-you-go funding of capital projects, reduces reliance on debt financing, and promotes long-term infrastructure sustainability.	Yes

Table 12 - Fund Balance and Reserves	
Unappropriated	
General Fund	\$ 980,000
Reserved for Future Use	
Rate Stabilization Reserve Fund	800,000
Equipment Reserve Fund	592,000
Capital Improvement Reserve Fund	5,765,000
SDC Reserve Fund	22,000
Subtotal	7,179,000
Ending Fund Bal and Reserves	\$ 8,159,000

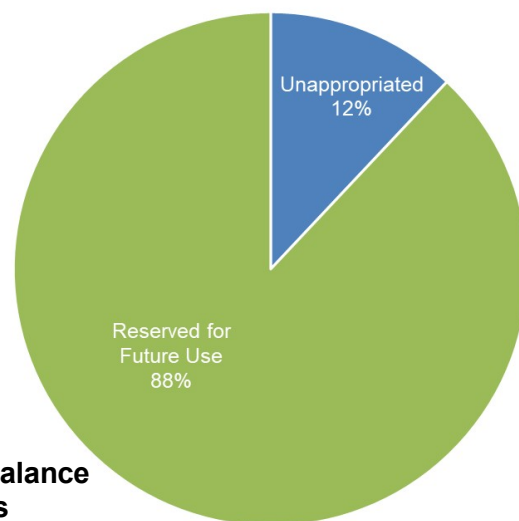


Figure 3
FY27 Fund Balance and Reserves

General Fund Operations

General Fund Resources and Requirements

The General Fund is the primary operating fund and accounts for most of the revenues and expenses of the District, unless required to be accounted for in another fund. The fund's primary source of revenue is from water rates and fees.

General Fund Resources

The **following table** shows the General Fund resources for the FY27 budget and historical data:

Table 13 - General Fund Resources								
	Historical Data			RESOURCE DESCRIPTION	Budget 2026-27			
	Actual		Revised Budget 2025-26 This Year		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
	2023-24 Prior Year	2024-25 Prior Year						
				BEGINNING FUND BALANCE				
1	\$ 1,061,708	\$ 1,271,373	\$ 1,161,000	1 Beginning Working Capital	\$ 1,018,000	\$ 1,233,000	\$ 1,233,000	1
2				2				2
3				3 OTHER RESOURCES				3
4	4,731,424	5,000,867	5,484,000	4 Sale of Water	5,678,000	5,678,000	5,678,000	4
5	51,449	53,407	57,000	5 Beaverton Wholesale Water	-	-	-	5
6	7,229	8,055	5,000	6 Service Installation and Fees	5,000	5,000	5,000	6
7	4,941	7,936	5,000	7 Miscellaneous	2,000	2,000	2,000	7
8	17,260	13,455	10,000	8 Penalties	10,000	10,000	10,000	8
9	69,582	62,373	35,000	9 Interest	35,000	35,000	35,000	9
10	15,606	15,535	15,000	10 Beaverton Debt Reimbursement	15,000	15,000	15,000	10
11	59,398	61,539	61,000	11 Right of Way (ROW) tax	65,000	65,000	65,000	11
12	4,956,889	5,223,167	5,672,000	12 TOTAL OTHER RESOURCES	5,810,000	5,810,000	5,810,000	12
13	\$ 6,018,597	\$ 6,494,540	\$ 6,833,000	13 TOTAL RESOURCES	\$ 6,828,000	\$ 7,043,000	\$ 7,043,000	13

General Fund Requirements

The **following table** shows the General Fund summary requirements for the FY27 budget and historical data:

Table 14 - General Fund Requirements (Summary)								
	Historical Data			EXPENDITURE DESCRIPTION	Budget 2026-27			
	Actual		Revised Budget 2025-26 This Year		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
	2023-24 Prior Year	2024-25 Prior Year						
				REQUIREMENTS				
1	\$ 1,131,245	\$ 1,224,493	\$ 1,359,000	1 Personnel Services	\$ 1,399,000	\$ 1,415,000	\$ 1,415,000	1
2	1,881,348	1,897,716	2,126,000	2 Materials and Services	2,116,000	2,141,000	2,141,000	2
3	-	-	457,000	3 Contingency	527,000	521,000	521,000	3
4	357,631	336,000	359,000	4 Debt Service	356,000	356,000	356,000	4
5	3,370,224	3,458,209	4,301,000	5 SUBTOTAL	4,398,000	4,433,000	4,433,000	5
6				6				6
7				7 TRANSFERS OUT				7
8	40,000	120,000	35,000	8 Equipment Reserve Fund	130,000	130,000	130,000	8
9	1,337,000	1,850,000	1,715,000	9 Capital Improvement Reserves Fund	1,535,000	1,500,000	1,500,000	9
10	1,377,000	1,970,000	1,750,000	10 TOTAL TRANSFERS OUT	1,665,000	1,630,000	1,630,000	10
11				11				11
12	4,747,224	5,428,209	6,051,000	12 TOTAL EXPENDITURES	6,063,000	6,063,000	6,063,000	12
13	1,271,373	1,066,331	782,000	13 UNAPPROPRIATED ENDING FD BALANCE	765,000	980,000	980,000	13
14	\$ 6,018,597	\$ 6,494,540	\$ 6,833,000	14 TOTAL REQUIREMENTS	\$ 6,828,000	\$ 7,043,000	\$ 7,043,000	14

General Fund Requirements Detail

The **following table** shows the General Fund line-item detail requirements for the FY27 budget and historical data:

Table 15 - General Fund Requirements (Detail)									
	Historical Data			EXPENDITURE DESCRIPTION	Number of FTE	Budget 2026-27			
	Actual		Revised Budget 2025-26 This Year			2026-27			
	2023-24 Prior Year	2024-25 Prior Year				Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
1				1 PERSONNEL SERVICES					1
2	\$ 177,829	\$ 178,313	\$ 231,000	2 General Manager	1	\$ 195,000	\$ 196,000	\$ 196,000	2
3	327,695	363,993	368,000	3 Labor Maintenance	4	392,000	394,000	394,000	3
4	197,526	207,967	224,000	4 Office Salaries	2	239,000	239,000	239,000	4
5	23,777	18,127	31,000	5 Overtime		36,000	36,000	36,000	5
6	168,224	196,584	205,000	6 Group Benefits		245,000	245,000	245,000	6
7	167,695	186,710	214,000	7 PERS Retirement		207,000	220,000	220,000	7
8	61,380	65,675	77,000	8 Payroll Taxes		78,000	78,000	78,000	8
9	4,735	6,145	7,000	9 Workers Compensation		6,000	6,000	6,000	9
10	2,384	979	2,000	10 Other Employee Related Costs		1,000	1,000	1,000	10
11	1,131,245	1,224,493	1,359,000	11 TOTAL PERSONNEL SERVICES	7	1,399,000	1,415,000	1,415,000	11
12				12					12
13				13 MATERIALS & SERVICES					13
14	1,296,906	1,342,551	1,431,000	14 Purchased Water		1,410,000	1,435,000	1,435,000	14
15	115,686	66,603	98,000	15 System Maintenance		110,000	110,000	110,000	15
16	7,560	8,122	10,000	16 Water Tests		9,000	9,000	9,000	16
17	29,895	24,123	62,000	17 Truck and Equipment Expense		30,000	30,000	30,000	17
18	16,433	14,640	17,000	18 Utilities		22,000	22,000	22,000	18
19	104,135	92,429	99,000	19 Billing and Payment		101,000	101,000	101,000	19
20	2,536	3,702	4,000	20 Office Supplies and Postage		4,000	4,000	4,000	20
21	758	2,128	3,000	21 Uniforms and PPE		3,000	3,000	3,000	21
22	55,691	64,791	72,000	22 General Insurance		77,000	77,000	77,000	22
23	32,838	51,580	72,500	23 Professional Services		70,000	70,000	70,000	23
24	11,704	6,369	7,000	24 Property Maintenance		24,000	24,000	24,000	24
25	84,397	97,492	101,000	25 IT Services and Office Equipment		105,000	105,000	105,000	25
26	6,633	7,185	7,000	26 General Support Services		7,000	7,000	7,000	26
27	3,728	3,696	5,000	27 Janitorial Expense		5,000	5,000	5,000	27
28	59,575	61,689	61,000	28 Right of Way (ROW) Tax		65,000	65,000	65,000	28
29	2,680	4,834	8,000	29 Board Expenses		8,000	8,000	8,000	29
30	934	656	2,000	30 Bad Debts		2,000	2,000	2,000	30
31	29,784	26,718	36,000	31 Ed, Training, and Memberships		33,000	33,000	33,000	31
32	12,122	10,703	15,000	32 Community Relations		16,000	16,000	16,000	32
33	7,353	7,705	8,000	33 Conservation		8,000	8,000	8,000	33
34	-	-	7,500	34 Customer Assistance Program		7,000	7,000	7,000	34
35	1,881,348	1,897,716	2,126,000	35 TOTAL MATERIALS & SERVICES		2,116,000	2,141,000	2,141,000	35
36				36					36
37	-	-	457,000	37 CONTINGENCY		527,000	521,000	521,000	37
38				38					38
39				39 DEBT SERVICE					39
40				40 2008 Revenue Bond (20 year):					40
41	300,000	310,000	325,000	41 Principal Payment		335,000	335,000	335,000	41
42	57,631	26,000	34,000	42 Interest Pymt (also SDC Fund)		21,000	21,000	21,000	42
43	357,631	336,000	359,000	43 TOTAL DEBT SERVICE		356,000	356,000	356,000	43
44				44					44
45	3,370,224	3,458,209	4,301,000	45 SUB TOTAL		4,398,000	4,433,000	4,433,000	45
46				46					46
47				47 TRANSFERS OUT					47
48	40,000	120,000	35,000	48 Equipment Reserve Fund		130,000	130,000	130,000	48
49	1,337,000	1,850,000	1,715,000	49 Capital Improvement Reserve Fund		1,535,000	1,500,000	1,500,000	49
50	1,377,000	1,970,000	1,750,000	50 TOTAL TRANSFERS OUT		1,665,000	1,630,000	1,630,000	50
51				51					51
52	4,747,224	5,428,209	6,051,000	52 TOTAL EXPENDITURES		6,063,000	6,063,000	6,063,000	52
53	1,271,373	1,066,331	782,000	53 UNAPPROPRIATED ENDING FUND BAL		765,000	980,000	980,000	53
54	\$ 6,018,597	\$ 6,494,540	\$ 6,833,000	54 TOTAL		\$ 6,828,000	\$ 7,043,000	\$ 7,043,000	54

Departments

Overview

The General Fund accounts for the District's primary operating activities and is organized into three functional departments:

- Executive Administration – provides overall leadership and strategic direction
- Finance – provides financial management, customer service, and administrative support
- Operations – provides for the daily operation, maintenance and repair of the water distribution system

These departments collectively support governance, financial and customer service, and the daily operation of the District's water distribution system. Organizing the General Fund by department provides transparency, accountability, and clear alignment between resources, operational responsibilities, and the District's strategic and capital planning objectives. All personnel costs are paid through the general fund and are allocated by department.

The District's fund and department structure shown in the **table below** illustrates the relationship between departments and funds.

Table 16 - Departmental / Fund Relationships

	General*	Rate Stabilization Reserve	Equipment Reserve	Capital Improvement Reserve	System Development Charges Reserve
Executive Administration	X	X		X	
Finance	X	X	X	X	
Operations	X		X	X	X
*100% of department wages are allocated to the general fund					

A summary of operating expenses by department for the FY27 Budget is shown in the **following table**. Detail information by department is described in the following pages.

Table 17 - Operating Expenses by Department

	Budget 2026-27			
	Executive Administration	Finance	Operations	Total
PERSONNEL SERVICES				
FTE positions	1	2	4	7
Salaries and Wages	\$ 196,000	\$ 239,000	\$ 430,000	\$ 865,000
Benefits and Taxes	100,000	169,000	281,000	550,000
TOTAL PERSONNEL SERVICES	296,000	408,000	711,000	1,415,000
MATERIALS & SERVICES				
Purchased Water	-	-	1,435,000	1,435,000
Materials and Services	99,000	366,000	241,000	706,000
TOTAL MATERIALS & SERVICES	99,000	366,000	1,676,000	2,141,000
TOTAL OPERATING EXPENSES	\$ 395,000	\$ 774,000	\$ 2,387,000	3,556,000

Departments

Executive Administration

The Executive Administration Department provides overall leadership and strategic direction for the District. This department supports the Board of Commissioners, implements Board policies, ensures compliance with applicable laws and regulations, and oversees organizational performance. Executive Administration guides long-range planning and strategic initiatives, including development and oversight of the District's Capital Improvement Plan (CIP) to ensure infrastructure investments align with financial capacity and community needs. The department works to promote sustainable operations and responsible stewardship of public resources.

The position summary is shown in the **table below**.

Table 18 - Executive Administration Position Summary				
Position	Actual		Budget	Budget
	2023-24	2024-25	2025-26	2026-27
Board of Commissioners (volunteers)	(5)	(5)	(5)	(5)
General Manager	1	1	1	1
Total FTE	1	1	1	1

FY2026 Accomplishments (Mapped to Strategic Plan Goals)

- **Leadership Transition and Organizational Continuity** (*Goals 2 and 3*)
Successfully recruited, hired, and onboarded a new General Manager; ensuring continuity of operations and alignment with Board priorities.
- **Strategic Plan Update and Organizational Alignment** (*Goals 1, 2 and 3*)
Completed a comprehensive update to the District's strategic plan, establishing clear priorities and aligning organizational performance, financial planning, and infrastructure investment.

FY2027 Key Initiatives (Mapped to Strategic Plan Goals)

- **Advance Reservoir Design and Funding Strategy** (*Goals 1 and 4*)
Continue design, permitting, and development of a comprehensive funding plan for the new reservoir to enhance system reliability and support long-term infrastructure needs.
- **Implement Strategic Plan Performance Monitoring** (*Goals 2 and 3*)
Develop and implement a performance management framework to track progress on strategic goals and support transparency and accountability.

The **following table** shows the historical data, prior year budget and current year budget for the executive administration department.

Table 19 - Executive Administration Dept Expenses					
Historical Data			Expenses	FTE	Budget 2026-27
Actual		Revised Budget			
2022-24 Prior Year	2024-25 Prior Year	2025-26 This Year			
\$ 259,407	\$ 256,798	\$ 329,000	Personnel Services		\$ 296,000
59,632	62,990	102,900	Materials and Services		99,000
\$ 319,038	\$ 319,788	\$ 431,900	TOTAL	1	\$ 395,000

Departments

Finance

The Finance Department provides financial management and administrative support to the District. Core functions include budgeting, accounting, financial reporting, customer service, human resources, payroll, information technology, and records management. This department supports the development and financial planning of the Capital Improvement Plan (CIP), including funding analysis, rate modeling, debt management, and grant administration. Finance ensures strong internal controls, regulatory compliance, and long-term financial sustainability to support ongoing operations and capital investments.

The position summary is shown in the **table below**.

Table 20 - Finance Position Summary				
Position	Actual		Budget	Budget
	2023-24	2024-25	2025-26	2026-27
Finance Manager	1	1	1	1
Customer Service Specialist	1	1	1	1
Total FTE	2	2	2	2

FY2026 Accomplishments (Mapped to Strategic Plan Goals)

- Implementation of Tiered Rate Structure** (*Goals 1 and 2*)
 Implemented a new tiered water rate structure to promote equitable cost distribution, support conservation, and ensure adequate revenue to maintain reliable service.
- Excellence in Financial Reporting Achievement** (*Goals 2 and 3*)
 Received the Government Finance Officers Association Distinguished Achievement Award for Excellence in Financial Reporting, demonstrating transparency, accountability, and high-quality financial management.

FY2027 Key Initiatives (Mapped to Strategic Plan Goals)

- Pursue Distinguished Budget Presentation Award** (*Goals 2 and 3*)
 Prepare and submit the District's budget document for the GFOA Distinguished Budget Presentation Award to enhance financial transparency and align the budget with strategic priorities.
- Upgrade Cross-Connection Control Software System** (*Goals 1 and 3*)
 Implement updated cross-connection control software to improve regulatory compliance, data management, and operational efficiency.

The **following table** shows the historical data, prior year budget and current year budget for the finance department.

Table 21- Finance Department Expenses					
Historical Data			Expenses	FTE	Budget 2026-27
Actual		Revised Budget			
2022-24 Prior Year	2024-25 Prior Year	2025-26 This Year			
\$ 309,814	\$ 351,522	\$ 361,000	Personnel Services		\$ 408,000
305,127	317,080	341,200	Materials and Services		366,000
\$ 614,940	\$ 668,602	\$ 702,200	TOTAL	2	\$ 774,000

Departments

Operations

The Operations Department is responsible for the daily operation, maintenance, and repair of the District's water system infrastructure. This includes water production, distribution system monitoring, system testing, preventative maintenance, emergency repairs, and compliance with water quality and safety standards. The department plays a key role in identifying infrastructure needs, supporting asset management planning, and implementing projects included in the District's Capital Improvement Plan (CIP). Its primary focus is delivering safe, reliable drinking water while preserving the long-term integrity of District assets.

The position summary is shown in the **table below**.

Table 22 - Operations Position Summary				
Position	Actual		Budget	Budget
	2023-24	2024-25	2025-26	2026-27
Operations Manager	1	1	1	1
Water Operators	3	3	3	3
Total FTE	4	4	4	4

FY2026 Accomplishments (Mapped to Strategic Plan Goals)

- Garden View Water Main Replacement** (*Goals 1 and 4*)
 Completed replacement of aging water main infrastructure in the Garden View area, including installation of approximately 2,100 feet of new ductile iron, improving system reliability.
- Preventative Maintenance and System Monitoring** (*Goals 1 and 3*)
 Conducted system preventative maintenance, including annual valve servicing, replacement of over forty meters, and repair of six main line breaks, improving system reliability, reducing water loss, and maintaining compliance with water quality standards.

FY2027 Key Initiatives (Mapped to Strategic Plan Goals)

- Sharon Lane and Canyon Lane Water Main Replacements** (*Goals 1 and 4*)
 Complete water main replacement projects to address aging infrastructure, reduce system risk, and ensure reliable water service.
- Reservoir Seismic Assessment and Preventative Maintenance** (*Goals 1 and 4*)
 Conduct seismic evaluation of reservoir infrastructure and implement key preventative maintenance activities, including large meter calibration and reservoir tank cleaning, to improve system reliability, water quality, and long-term asset performance.

The **following table** shows the historical data, prior year budget and current year budget for the operations department.

Table 23 - Operations Department Expenses					
Historical Data			Expenses	FTE	Budget 2026-27
Actual		Revised Budget			
2022-24 Prior Year	2024-25 Prior Year	2025-26 This Year			
\$ 562,025	\$ 616,173	\$ 669,000	Personnel Services		\$ 711,000
1,296,906	1,342,551	1,431,000	Purchased water		1,435,000
219,684	175,095	250,900	Materials and services		241,000
\$ 2,078,614	\$ 2,133,819	\$ 2,350,900	TOTAL	4	\$ 2,387,000

Performance Measures

Key Performance Indicators (KPIs) are essential metrics used to evaluate the efficiency, effectiveness, and overall performance of water utilities. They provide a structured way to monitor operations, identify opportunities for improvement, and ensure alignment with regulatory requirements and customer expectations. When used effectively, KPIs support informed decision-making and continuous improvement in service delivery, reliability, and long-term sustainability.

The District measures performance in areas that advance its mission, vision, and values. These KPIs are used to track and evaluate the outcomes of District efforts over time. The following section summarizes key performance indicators across three primary functional areas: operations, customer service, and finance.

Operations

The Key Performance Indicators for District Operations, include:

- 1. Annual Consumer Confidence Report (CCR)** – This report is governed by the Oregon Health Authority (OHA). All community water systems are required to submit an annual CCR to their customers. A CCR must cover the previous calendar year and be delivered to customers by July 1st each year. This metric indicates the District's compliance with the rule.
- 2. Water Quality Compliance Monitoring and Reporting** – This data is governed by the OHA and Environmental Protection Agency (EPA). The metric reported below indicates the number of violations annually.
- 3. System Water Loss** – This metric is guided by the Oregon Water Resources Department (OWRD) and represents the percentage of water entering the distribution system that is not delivered to customers or billed. Water loss includes both real losses (such as leaks and main breaks) and apparent losses (such as meter inaccuracies or billing errors). While OWRD does not establish a strict compliance limit, it uses a planning threshold of approximately 10% system-wide water loss, above which utilities are expected to evaluate causes and implement corrective actions.
- 4. New Service Connections** – This metric represents the number of new water service meters installed during the reporting period. Because the District has limited land available for new development, most new services are associated with infill development on existing parcels within the service area.
- 5. Meter Replacements** – This metric reflects the number of water meters replaced during the reporting period due to failure, damage, or scheduled replacement. In 2021 and 2022, replacement activity was elevated as the District transitioned from manual-read meters to radio-read meters to improve the efficiency and accuracy of monthly meter reading.
- 6. Main Break Repairs** – This metric represents the number of water main breaks repaired during the reporting period. It is used as an indicator of distribution system condition and helps inform the timing and prioritization of pipe replacement projects. Reported breaks usually involve cast iron water mains ranging from 4-inch to 8-inch diameter pipe.

		Fiscal Year				
#	KPI	2025	2024	2023	2022	2021
1	Consumer Confidence Report	yes	yes	yes	yes	yes
2	Water Quality Compliance	0	0	0	0	0
3	System Water Loss	6.00%	6.74%	10.37%	4.76%	13.37%
4	New Service Connections	2	4	11	5	10
5	Meter Replacements	45	42	80	384	601
6	Main Break Repairs	5	7	9	3	4

Performance Measures

Customer Service

Some of the key performance indicators from the District's Customer Service function, include:

- 7. Service Orders Completed** – This metric represents the total number of service orders completed during the reporting period, including leak investigations and other miscellaneous customer service requests.
- 8. Leak Adjustments** – This metric reflects the number of billing adjustments issued to customers due to verified leaks, such as toilet leaks, irrigation system failures, or service line breaks occurring on the customer's side of the meter.
- 9. Backflow Testing Compliance** – This metric, governed by the OHA, measures the percent of all known backflow assemblies that were tested and reported annually.

#	KPI	Fiscal Year				
		2025	2024	2023	2022	2021
7	Service Orders Completed	590	596	586	726	823
8	Leak Adjustments	61	107	68	59	57
9	Backflow Testing Compliance	91%	90%	93%	89%	91%

Finance

The District also tracks financial performance data . Some key performance indicators of the District's financial health include:

- 10. Revenue Growth** – the change in total operating revenue during the reporting period. Total operating revenue is the revenue derived directly from water sales plus other regular income sources related to the normal business operations of the utility.
- 11. Net Income** – The utility's net income at the close of the reporting period.
- 12. Change in Net Income** – The rate of change in the utility's net income at the close of each reporting period.
- 13. Days of Cash on Hand** – The number of days an entity can continue to pay its operating expenses with the current cash it has available, not including cash reserved for capital projects.
- 14. Bond Rating** – A bond rating is an evaluation of the creditworthiness of a bond issuer, typically provided by rating agencies like Moody's, Standard & Poor's (S&P), and Fitch Ratings. These ratings help investors assess the risk associated with investing in a particular bond. The ratings presented in **the table below** are based on the District's initial rating and annual surveillance conducted by Moody's.

#	KPI	Fiscal Year				
		2025	2024	2023	2022	2021
10	Revenue Growth	5.5%	4.4%	16.6%	0.7%	11.0%
11	Net Income (\$ in millions)	\$1.7	\$1.8	\$2.1	\$1.3	\$1.0
12	Change in Net Income	-3.9%	-14.1%	58.7%	52.6%	120.6%
13	Days of Cash on Hand	188	260	277	300	246
14	Bond Rating (Moody)	Aa3	Aa3	Aa3	A1	A1

Other Funds

Rate Stabilization Fund

The Rate Stabilization Fund accounts for monies accumulated for the purpose of assisting with meeting bond debt covenants while smoothing rate spikes. The fund was authorized by Resolution on June 20, 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. This fund shall be reviewed and either renewed or discontinued before June 20, 2028.

Its only source of revenue is operating transfers from the General Fund. The last transfer was made in FY21. Since then, the PWB wholesale water rates have stabilized so additional transfers were no longer needed for reserves. However, per PWB, forecasted wholesale water rates are expected to spike in future years. Therefore, this fund will more than likely be used to smooth the impact of these wholesale water rate price increases in the next couple of years.

The cash for this fund is held in the General Fund and interest earned is included in the General Fund's interest income. The **following table** shows the Rate Stabilization Fund resources and requirements for the FY27 budget and historical data:

Table 24 - Rate Stabilization Fund Resources & Requirements								
	Historical Data			RESOURCES AND REQUIREMENTS DESCRIPTION	Budget 2026-27			
	Actual		Revised Budget 2025-26 This Year		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
	2023-24 Prior Year	2024-25 Prior Year						
				RESOURCES				
1				1 BEGINNING FUND BALANCE				1
2	\$ 800,000	\$ 800,000	\$ 800,000	2 Beginning Working Capital	\$ 800,000	\$ 800,000	\$ 800,000	2
3				3				3
4	\$ 800,000	\$ 800,000	\$ 800,000	4 TOTAL RESOURCES	\$ 800,000	\$ 800,000	\$ 800,000	4
5				5				5
6				6 REQUIREMENTS				6
7				7				7
8	\$ 800,000	\$ 800,000	\$ 800,000	8 RESERVED FOR FUTURE EXPENDITURE	\$ 800,000	\$ 800,000	\$ 800,000	8
9	\$ 800,000	\$ 800,000	\$ 800,000	9 TOTAL REQUIREMENTS	\$ 800,000	\$ 800,000	\$ 800,000	9

Equipment Reserve Fund

The Equipment Reserve Fund was reauthorized by Resolution on February 17, 2021, for the specific purpose of accumulating funds and recording the purchase of vehicles and equipment. This fund shall be reviewed and either renewed or discontinued before February 17, 2031. Its primary revenue source is operating transfers from the General Fund.

The following table shows the Equipment Reserve Fund resources and requirements for the FY27 budget and historical data:

Table 25 - Equipment Reserve Fund Resources & Requirements								
	Historical Data			RESOURCES AND REQUIREMENTS DESCRIPTION	Budget 2026-27			
	Actual		Revised Budget 2025-26 This Year		2026-27			
	2023-24 Prior Year	2024-25 Prior Year			Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
				RESOURCES				
1				1 BEGINNING FUND BALANCE				1
2	\$ 402,155	\$ 439,401	\$ 513,000	2 Beginning Working Capital	\$ 552,000	\$ 552,000	\$ 552,000	2
3				3				3
4				4 OTHER RESOURCES				4
5	20,903	23,556	18,000	5 Interest	20,000	20,000	20,000	5
6	40,000	120,000	35,000	6 Transfers In - General Fund	130,000	130,000	130,000	6
7	60,903	143,556	53,000	7 TOTAL OTHER RESOURCES	150,000	150,000	150,000	7
8	\$ 463,058	\$ 582,957	\$ 566,000	8 TOTAL RESOURCES	\$ 702,000	\$ 702,000	\$ 702,000	8
9				9				9
10				10 REQUIREMENTS				10
11				11 CAPITAL OUTLAY				11
12	\$ 8,004	\$ -	\$ -	12 Technology	\$ 40,000	\$ 40,000	\$ 40,000	12
13	6,047	14,790	20,000	13 Radio Read Meters	20,000	20,000	20,000	13
14	9,606	55,888	-	14 Equipment & Vehicles	50,000	50,000	50,000	14
15	23,657	70,678	20,000	15 TOTAL CAPITAL OUTLAY	110,000	110,000	110,000	15
16				16				16
17	439,401	512,279	546,000	17 RESERVED FOR FUTURE EXPENDITURE	592,000	592,000	592,000	17
18	\$ 463,058	\$ 582,957	\$ 566,000	18 TOTAL REQUIREMENTS	\$ 702,000	\$ 702,000	\$ 702,000	18

Capital Improvement Reserve Fund

The Capital Improvement Reserve Fund was re-authorized by Resolution on February 17, 2021, to specifically accumulate and track funding for capital improvement projects. This fund will be reviewed and either renewed or discontinued before February 17, 2031. Its primary revenue source is operating transfers from the General Fund.

The following table shows the Capital Reserve Fund resources and requirements for the FY27 budget and historical data:

Table 26 - Capital Reserve Fund Resources & Requirements								
	Historical Data			RESOURCES AND REQUIREMENTS DESCRIPTION	Budget 2026-27			
	Actual		Revised Budget 2025-26 This Year		2026-27			
	2023-24 Prior Year	2024-25 Prior Year			Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
				RESOURCES				
1				1 BEGINNING FUND BALANCE				1
2	\$ 5,513,732	\$ 3,827,733	\$ 5,049,000	2 Beginning Working Capital	\$ 6,342,000	\$ 6,127,000	\$ 6,127,000	2
3				3				3
4				4 OTHER RESOURCES				4
5	219,664	212,488	140,000	5 Interest	188,000	188,000	188,000	5
6	1,337,000	1,850,000	1,715,000	6 Transfers In - General Fund	1,535,000	1,500,000	1,500,000	6
7				7				7
8	\$ 7,070,396	\$ 5,890,221	\$ 6,904,000	8 TOTAL RESOURCES	\$ 8,065,000	\$ 7,815,000	\$ 7,815,000	8
9				9				9
10				10 REQUIREMENTS				10
11				11 CAPITAL OUTLAY				11
12	\$ 3,179,892	\$ 448,460	\$ 2,000,000	12 Reservoirs and Main Lines	\$ 2,050,000	\$ 2,050,000	\$ 2,050,000	12
13	-	-	150,000	13 Property Improvements	-	-	-	13
14	62,771	179,053	-	15 Master Plan Update / Rate Study	-	-	-	14
15	3,242,663	627,513	2,150,000	16 TOTAL CAPITAL OUTLAY	2,050,000	2,050,000	2,050,000	15
16				17				16
17	3,827,733	5,262,708	4,754,000	18 RESERVED FOR FUTURE EXPENDITURE	6,015,000	5,765,000	5,765,000	17
18	\$ 7,070,396	\$ 5,890,221	\$ 6,904,000	19 TOTAL REQUIREMENTS	\$ 8,065,000	\$ 7,815,000	\$ 7,815,000	18

System Development Charges (SDC) Fund

The System Development Charges (SDC) Fund was established by Ordinance in 2001 to fund improvements made to the District's water distribution system. The fund's primary source of revenue is from the collection of SDCs for all new meter connections or meter size upgrades. Under Oregon Revised Statutes (ORS), these charges are permitted to reimburse current customers for unused capacity in the existing system and to help cover future infrastructure costs needed to support growth. The fund tracks SDCs collected for new development within the District.

The District SDC fees are based on a 2015 rate study conducted by an independent consultant. Since then, the fees have been adjusted annually in accordance with the Engineering News Record Construction Cost Index.

Annual SDC revenue projections are informed by current projects in the permitting process. However, because the timing of project initiation is often uncertain, revenue estimates are conservative. SDC revenues also represent a relatively small portion of the District's overall budget.

The following table shows the SDC Fund resources and requirements for the FY27 budget and historical data:

Table 27 - SDC Fund Resources & Requirements									
	Historical Data			RESOURCES AND REQUIREMENTS DESCRIPTION	Budget 2026-27				
	Actual		Revised Budget 2025-26 This Year		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board		
	2023-24 Prior Year	2024-25 Prior Year							
				RESOURCES					
1				1 BEGINNING FUND BALANCE				1	
2	\$ 16,909	\$ 27,741	\$ 11,000	2 Beginning Working Capital	\$ 14,000	\$ 14,000	\$ 14,000	2	
3				3				3	
4				4 OTHER RESOURCES				4	
5	984	1,157	-	5 Interest	-	-	-	5	
6	9,848	4,014	4,000	6 SDC Fees Collected	8,000	8,000	8,000	6	
7				7				7	
8	\$ 27,741	\$ 32,912	\$ 15,000	8 TOTAL RESOURCES	\$ 22,000	\$ 22,000	\$ 22,000	8	
9				9				9	
10				10 REQUIREMENTS				10	
11				11 DEBT SERVICE				11	
12	\$ -	\$ 19,997	\$ -	12 Bond Interest Payment	\$ -	\$ -	\$ -	12	
13				13				13	
14	27,741	12,915	15,000	14 RESERVED FOR FUTURE EXPENDITURE	22,000	22,000	22,000	14	
15	\$ 27,741	\$ 32,912	\$ 15,000	15 TOTAL REQUIREMENTS	\$ 22,000	\$ 22,000	\$ 22,000	15	

Capital Improvement Fund

Overview

The District's Capital Improvement Plan (CIP) outlines planned investments in water system infrastructure over a multi-year planning horizon. The CIP serves as a strategic tool to prioritize major projects, maintain regulatory compliance, preserve system reliability, and ensure the long-term sustainability of District assets.

The CIP is reviewed and updated annually in conjunction with the District's budget process. Project timing and funding sources are evaluated based on system need, financial capacity, rate impacts, available reserves, debt financing, and grant opportunities. Adoption of the CIP does not commit the District to undertake a project until funding is formally approved by the Board through the annual budget or separate Board action.

Because the District is nearly fully developed, CIP priorities are focused on replacing aging infrastructure and enhancing seismic resilience. Metal pipes typically have a useful life of 70-100 years. Pipe installed in 1946-47 have now been in service for 80 years. While this doesn't mean these pipes will fail immediately, it does signal the need for a proactive strategy. The District must evaluate the current condition and criticality of each pipe segment, considering potential risk factors such as external corrosion, internal pressure, landslide-prone areas, and vulnerability to seismic events.

Over the next 30-40 years, the District faces the critical but complex challenge of coordinating and prioritizing repairs and replacements of aging infrastructure before failures occur. To ensure the effective and efficient renewal of its water distribution system, the District is developing a comprehensive asset management program.

The first phase of this asset management program involves partnering with Fracta, a specialized asset management consultant, to create an advanced condition assessment and decision-making tool. Using artificial intelligence and machine learning, this tool integrates multiple infrastructure metrics to help the District identify and prioritize the most at-risk pipe segments for replacement.

These metrics include:

- Likelihood of Failure (LOF) assessment – an estimate of how likely the asset is to fail within a given number of years; this assessment includes a visual inspection of exposed pipe during repairs or tie-in work.
- Consequence of Failure (COF) assessment – an evaluation of the potential impacts on the system and surrounding public and private property if the asset were to fail.
- Total Business Risk exposure – the Consequence of Failure and Likelihood of Failure assessments factored together
- Pipe age, pipe material, and pipe condition
- Recent history of repairs and breaks
- Coordination with roadway improvement projects led by external agencies, including Oregon Department of Transportation, City of Beaverton, and Washington County
- Ease of access to infrastructure in the public right-of-way
- Internal pipe pressure data
- Soil stability, corrosivity, and stray current data
- Water loss audit data
- Seismic resiliency assessment
- Staff knowledge and assessment of the system infrastructure
- Budgetary constraints

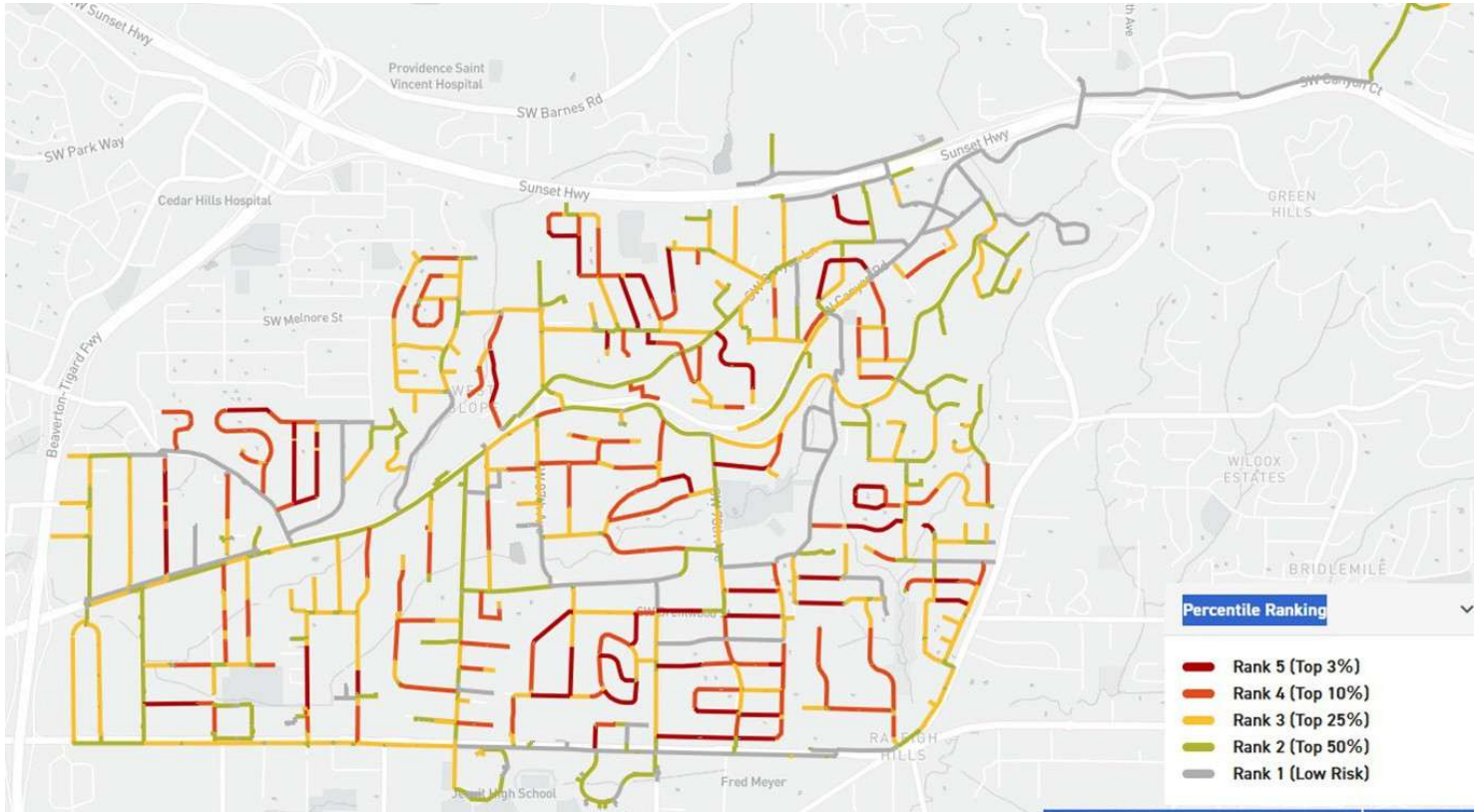


Water pipe cut showing condition of pipe.

Overview

The map ***pictured below***, prepared by Fracta, shows the District's pipe distribution system and uses color coding to represent the Total Business Risk exposure.

Fracta Map of the District's Distribution System March 2026



The second phase yet to be fully implemented is to conduct a detailed condition assessment of specific pipe segments based on AWWA's manual of standards and practices as well as field GIS data for specific assets.

For the FY27 budget year, the District will be managing the following projects included in the CIP project priority list.

- **New 3.0 MG Reservoir #4** In 2025, the District completed a preliminary design report documenting the general cost of the project to assist the District in pursuing funding options for the project's construction costs. For FY27, a budget of \$600,000 is allocated for final design and permitting.
- **SW Sharon Ln:** This project is to replace an 8-inch cast iron water main with ductile iron pipe. For FY27, a budget of \$900,000 is allocated for engineering and construction.
- **SW Canyon Dr:** This project is to replace an 8-inch cast iron water main with ductile iron pipe. For FY27, a budget of \$550,000 is allocated for engineering and construction.

The two pipe replacement projects for FY27, Sharon Lane and Canyon Drive, will likely be combined for design and construction purposes since both projects are relatively small individually.

Overview

The **table below** is a summary of the CIP Project Priority List for the next ten years. The projects included in the current list are considered by the District to be its most current critical infrastructure needs based on the current Water Master Plan and total risk assessment.

Table 28 - CIP Project Priority List				
	Master Plan Project	Estimated Project Cost	Estimated Timing by Priority	Individual Project Data Sheet Page
1 to 5 Year				
Reservoir	R-4	\$ 12,980,000	2026-29	52
Sharon Ln	P-1	906,000	2026-27	53
Canyon Dr	P-2	548,000	2026-27	54
99th Ave	FF-3	1,169,000	2029-30	55
106th Ave	FF-1	933,000	2029-30	56
TOTAL		\$ 16,536,000		
6 to 10 Year				
Gayle / Katherine Ln	FF-7	\$ 987,000	2031-36	58
89th Ave	FF-10	835,000	2031-36	59
75th Ave	FF-4	2,281,000	2031-36	60
98th Ave / 100th Ave	FF-2	1,887,000	2031-36	61
TOTAL		\$ 5,990,000		

Individual Data sheets are included on the following pages and provide a description, justification, and cost summary for each CIP project. The items on the 1 to 5 Year Priority List are the most critical to complete. The items in the 6 to 10 Year Priority List have been identified as priority projects in the Water Master Plan and will be started sometime after 2031. District staff has ranked this list in order of priority.

Through disciplined capital planning, the District seeks to balance infrastructure investment with financial stewardship while continuing to provide safe, reliable drinking water to the community.



Construction crew installing water main pipe.

Priority List – 1 to 5 Year

Project	Condition/Assessment	Consequence of Failure (CCF) & Likelihood of Failure (LOF)	Total Business Risk Exposure (from Fracta)	Effective Utility Management (EUM) Attributes	Cost in million	Funding	Priority
Reservoir #4: 3.0 MG Project R-4	Standard practice recommends 3X peak day demand (PDD) in water storage. District does not have the recommended storage capacity. Current Res #2 is not earthquake resilient and has a remaining useful life of 15-20 years.	Any loss of the District's current finished water storage adversely impacts the District's ability to meet peak day demands which results in the District peaking off the system, which significantly increases wholesale water rates.	Not calculated by Fracta to date, but a high COF and a high LOF results in a High total business risk exposure	Infrastructure Strategy and Performance. Financial Viability. Customer satisfaction. Stakeholder understanding and support.	\$13	Water rates plus DWSRF Loan or earmark revenue if available	High-Project design and permitting to begin in 2026
Sharon Ln Water Main Project P-1	The exact cause of the three recent main breaks is unknown, but the cast iron pipe dates back to the early 1950s so its age is 70 years or more	This section of pipe is listed by Fracta as in the top 9% of LOF with a medium low COF. The project will also connect the SW Sharon Lane/SW Ridgewood intersection with the water main on SW Brentwood	The total business risk for the pipe in this project scope is listed as Medium High to Very High	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support	\$0.9	Water rates	High – Project to begin in 2026
Canyon Dr Water Main Project P-2	The cast iron water pipe built in the late 1940s will likely experience another similar failure which will be equally difficult to repair. The exterior surface of the pipe exposed in Feb 2024 appeared to be in good condition, but the threat of tree roots pressing on the pipe is a major concern	This section of pipe is listed by Fracta as in the top 15% of LOF with a medium high COF. The project will also add valves on SW Canyon Dr between SW 78th and SW Miner	The total business risk for the pipe in this project scope is listed Very High	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support	\$0.6	Water rates	High – Project to begin in 2026
99th Ave Water Main Project FF-3	Water main breaks have occurred on this section of pipe in 2011, twice in 2023, and in 2025; system pressure can be as high as 130 PSI.	This section of pipe has no backup supply; the water main is a key connector in the system; COF and LOF are in the top 3%.	Full section of pipe is listed as Very High for total business risk based on break data, pipe age and material	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	\$1.2	Water rates	High – Project to begin in 2029 to 2031
106th Ave Water Main Project FF-1	Water main breaks have occurred on this section of pipe in 2012, 2015, 2019, and 2021, and 2025; system pressure in this segment is under 80 PSI in most situations.	This section of pipe has no backup supply for customers on 106th; the water main is not a key connector between SW Walker and SW Canyon Roads; COF and LOF are in the top 3%	Full section of pipe is listed as Very High for total business risk based on break data, pipe age and material	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	\$0.9	Water rates	High – Project to begin in 2029 to 2031

Project Data Sheet – 1 to 5 Year

Project Name: 3.0 MG Reservoir #4 / Sylvan Hill

Project Priority: 1-5 Year CIP – High Priority (Current Project)

Project Description: Construct a new 3.0 million gallon (MG) reservoir on the District's Sylvan Hill property to have a total of 6.0 MG of earthquake resilient finished water storage before the existing 2.25 MG Reservoir #2 is taken out of service.



Picture of the District's Reservoir #2 (2.25 MG of storage), built in 1961 and not earthquake resilient.

Project Justification: The District currently has 5.25 MG of finished water storage. Its peak day demand (PDD) is 2.9 million gallons per day (MGD). Standard engineering practice recommends maintaining finished water storage equal to approximately three times the PDD, or about 9.0 MG for the District. To meet this target, the District proposes constructing a new Reservoir #4 while keeping Reservoir #2 in service. At a later date, Reservoir #2 will be demolished and replaced with a new 3.0 MG reservoir. Increasing finished water storage will improve the District ability to manage peak water purchase demands and control wholesale water rates.

Project Timeline: Funding for design and construction of this project will need to be from a combination of water rates and outside sources to acquire the amount of working capital needed for the project. Priority consideration will be given to the Drinking Water State Revolving Loan Fund and/or Federal discretionary funding as compared to the open bond market. Final design engineering began in 2026 with construction starting in 2027- 2029.

Project Cost Estimate:	Construction Cost	\$ 8,000,000
	Engineering Cost	1,300,000
	Administrative Cost	800,000
	Contingency	2,880,000
	TOTAL	<u>\$ 12,980,000</u>

Project Data Sheet – 1 to 5 Year

- Project Name:** Sharon Lane (Master Plan Project P-1)
Water main replacement from SW Ridgewood to SW Brenne
- Project Priority:** 1-5 Year CIP – High Priority
- Project Description:** Install 1,600 feet of 8-inch ductile iron pipe and abandon the existing 8-inch cast iron water main. All water services along the project area will be transferred to the new main.

Map:



- Project Justification:** The project will replace a cast iron main installed in the 1950s and 1960s. The District has recently repaired this water main three times since 2023, and a portion of this pipe is not accessible due to a private encroachment in the County's public right-of-way (ROW). The project will also include a new tie-in between SW Ridgewood and SW Brentwood.

- Project Timeline:** Funding for design and construction of this project will be from water rates. Project engineering design and construction is scheduled for 2026 with an estimated completion by 2027.

Project Cost Estimate:	Construction Cost	\$	625,000
	Engineering Cost		94,000
	Administrative Cost		62,000
	Contingency		125,000
	TOTAL	\$	906,000



Construction worker installing water main in street.

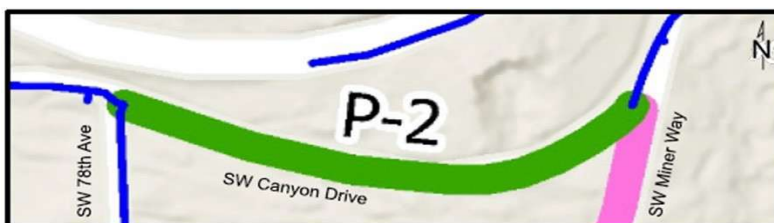
Project Data Sheet – 1 to 5 Year

Project Name: Canyon Drive (Master Plan Project P-2)
Water main replacement from SW 78th to SW Miner

Project Priority: 1-5 Year CIP – High Priority

Project Description: Install 950 feet of 8-inch ductile iron pipe and abandon the existing 8-inch cast iron water main. All water services along the project area will be transferred to the new water main.

Map:



Project Justification: This project will replace a cast iron main installed in the late 1940s. In February 2024, the main failed when the root system of a 90+ foot Douglas fir tree broke the pipe. The line runs within the County's right-of-way, adjacent to the pavement and directly beneath several large trees. What is typically a 2–3 hour repair required 15 hours to complete due to the need to remove the tree and cut away roots before accessing the pipe. To prevent similar failures, the District proposes relocating the new water main further into the street, beneath the pavement and away from the trees.

Project Timeline: Funding for design and construction of this project will be from water rates. Project engineering design and construction is scheduled for 2026, with an estimated completion by 2027.



District staff drilling in the street to remove tree root.

Project Cost Estimate:	Construction Cost	\$	378,000
	Engineering Cost		57,000
	Administrative Cost		38,000
	Contingency		75,000
	TOTAL	\$	548,000

Project Data Sheet – 1 to 5 Year

Project Name: 99th Avenue (Master Plan Project FF-3)
Water main replacement from SW McMillan St to Beaverton-Hillsdale Highway

Project Priority: 1-5 Year CIP – High Priority

Project Description: Install 2,040 feet of 8-inch ductile iron pipe and abandon the existing 6-inch cast iron water main. All water services along the project area will be transferred to the new water main.

Map:



Project Justification: The project will replace a cast iron main installed in 1947. The District has fixed several main breaks along this section of pipe since 2011. This main has no backup supply for customers in the neighborhood and the water main is a key connector in the distribution system. New housing development can add up to 30 new services; area also includes service to a senior care facility. System pressure in this main can be as high as 130 PSI.

Project Timeline: Funding for design and construction of this project will be from water rates. Project engineering design could begin in 2029. This project will take about 1.5 years to design and construct.

Project Cost Estimate:	Construction Cost	\$ 806,000
	Engineering Cost	121,000
	Administrative Cost	81,000
	Contingency	161,000
	TOTAL	\$ 1,169,000

Project Data Sheet – 1 to 5 Year

Project Name: 106th Avenue (Master Plan Project FF-1)
Water main replacement from SW McMillan St to Beaverton-Hillsdale Highway

Project Priority: 1-5 Year CIP – High Priority

Project Description: Install 1,620 feet of 8-inch ductile iron pipe and abandon the existing 4-inch cast iron water main. All water services along the project area will be transferred to the new water main.

Map:



Project Justification: This project will replace a cast iron main installed in 1946. The District has fixed main breaks on this water line several times since 2012. The existing main has some external degradation. System pressure in this main is usually under 80 PSI.

Project Timeline: Funding for design and construction of this project will be from water rates. Project engineering design could begin in 2029. This project will take about a year to design and construct.

Project Cost Estimate:	Construction Cost	\$	643,000
	Engineering Cost		97,000
	Administrative Cost		64,000
	Contingency		129,000
	TOTAL	\$	933,000

Priority List – 6 to 10 Year

Project	Condition/Assessment	Consequence of Failure (CCF) & Likelihood of Failure (LOF)	Total Business Risk Exposure (from Fracta)	Effective Utility Management (EUM) Attributes	Cost in million	Funding	Priority
Gayle / Katherine Lane Water Main Project FF-7	Water main breaks have occurred on this section of pipe 2016, 2022, and in 2023. Increasing the pipe size will improve fire flow capacity to the area.	This section of pipe is at the end point on the District's north boundary. There is no alternate pathway for water to serve this area.	Full section of pipe is listed in the top 3% for total business risk based on break data, pipe age and material.	Infrastructure Strategy and Performance. Financial Viability. Customer satisfaction. Stakeholder understanding and support.	\$1.0	Water rates	High
89th Ave Water Main Project FF-10	No water main breaks have occurred on this section of pipe since 2011. Most of the existing water main in 89th Ave is in a private road easement.	This section of pipe is the only link between PRV #10 and SW Canyon Rd. COF and LOF are in the top 3%	Full section of pipe is listed as Very High for total business risk based on break data, pipe age and material.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support	\$0.8	Water rates	High to medium
75th Ave Water Main	Water main breaks have occurred on this section of pipe in 2012, 2013, 2014 twice in 2016, 2017, and 2020. System pressure in these mains can be as high as 95 PSI.	This section of pipe is located in the heart of the distribution system but not a key connector. COF is mostly low; LOF is in the top 30%	All cast iron water mains in this project area have a total business risk exposure of High to Very High based on break data, pipe age, & pipe material.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support	\$2.3	Water rates	High to medium
98th / 100th Ave Water Main Project FF-2	Water main breaks have occurred on this section of pipe in 2012, twice in 2013 twice in 2015, 2016, and 2023. System pressure in these mains is under 80 PSI in most situations.	Water main breaks have occurred on this section of pipe in 2012, twice in 2013 twice in 2015, 2016, and 2023. System pressure in these mains is under 80 PSI in most situations.	All cast iron water mains in this area are listed as Very High for total business risk based on break data, pipe age and material.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	\$1.9	Water rates	High

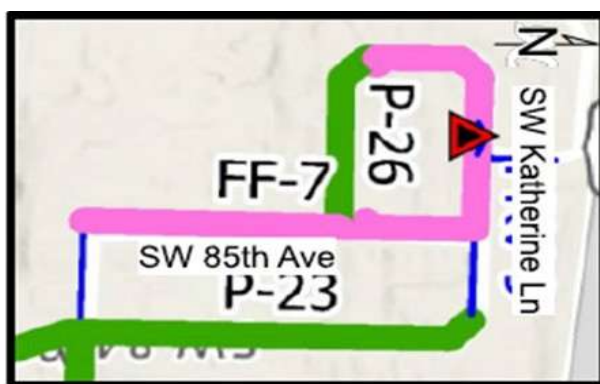
Project Data Sheet – 6 to 10 Year

Project Name: Gayle / Katherine Lane / 85th Avenue (Master Plan Project FF-7)
Water main replacement

Project Priority: 6-10 Year CIP – High Priority

Project Description: Install 1,250 feet of 6-inch ductile iron pipe and 550 feet of 8-inch ductile iron pipe and abandon the existing 4-inch and 6-inch cast iron water main. All water services located in the project will be transferred to the new water main.

Map:



Project Justification: This project will replace a cast iron main installed in the early 1950s. The District has fixed main breaks on this water line several times since 2016. The existing main has some external degradation and there is private encroachment in the County's public right-of-way (ROW) where water mains are currently located. Increasing the diameter of the water from 4-inch to 8-inch will also improve fire flow capacity to area residents.

Project Timeline: Funding for design and construction of this project will be from water rates. Project duration will likely be one year from design through construction.

Project Cost Estimate:	Construction Cost	\$	681,000
	Engineering Cost		102,000
	Administrative Cost		68,000
	Contingency		136,000
	TOTAL	\$	987,000

Project Data Sheet – 6 to 10 Year

Project Name: 89th Avenue (Master Plan Project FF-10)
Water main replacement from SW Canyon Lane to end of SW 89th Avenue.

Project Priority: 6-10 Year CIP – High to Medium Priority

Project Description: Install 1,550 feet of 6-inch ductile iron pipe and abandon the existing cast iron water main. All water services in the project area will be transferred to the new water main.

Map:



Project Justification: This project will replace a cast iron main installed in the late 1940s. The water main connects the downstream side of the pressure reducing valve (PRV) on SW 89th Ave and SW Canyon Rd. No water main breaks have occurred on this section of pipe since 2011. Most of the existing water main is in a private road easement. This section of pipe is the only link between the PRV and SW Canyon Rd.

Project Timeline: Funding for design and construction of this project will be from water rates. Project will likely be two years from design through construction.

Project Cost Estimate:	Construction Cost	\$	576,000
	Engineering Cost		86,000
	Administrative Cost		58,000
	Contingency		115,000
	TOTAL	\$	<u>835,000</u>

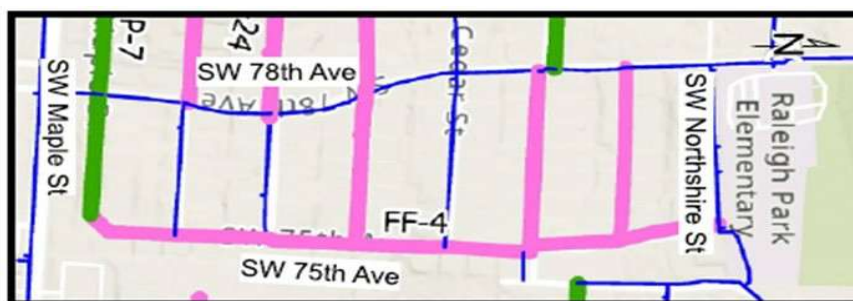
Project Data Sheet – 6 to 10 Year

Project Name: 75th Avenue (Master Plan Project FF-4)
Water main replacement from SW Northshire Street to SW Maple Drive

Project Priority: 6-10 Year CIP – High to Medium Priority

Project Description: Install 2,150 feet of 6-inch ductile iron pipe and 1,970 feet of 8-inch ductile iron pipe and abandon the existing 4-inch and 6-inch cast iron water main. All water services in the project area will be transferred to the new 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 numerous repairs on this section of pipeline since 2012. Currently, there is a private encroachment in the County's public right-of-way (ROW) where the water main is currently located. The new water main would be installed in the street portion of the ROW. System pressure in this main can be as high as 95 PSI. Increasing the diameter of the water main will also improve fire flow capacity to area residents.

Project Timeline: Funding for design and construction of this project will be from water rates. Project will

Project Cost Estimate:	Construction Cost	\$ 1,573,000
	Engineering Cost	236,000
	Administrative Cost	157,000
	Contingency	315,000
	TOTAL	\$ 2,281,000

Project Data Sheet – 6 to 10 Year

Project Name: 98th / 100th Avenue (Master Plan Project FF-2)
Water main replacement from SW Vista Street to SW Thurlow Street

Project Priority: 6-10 Year CIP – High Priority

Project Description: Install 3,280 feet of 8-inch ductile iron pipe and abandon the existing 4-inch cast iron water main. All water services in the project area will be transferred to the new water main.

Map:



Project Justification: This project will replace a cast iron main installed in the late 1940s. The District has made seven main break repairs on these pipeline segments since 2012. Water mains in this area have been degrading faster than average. System pressure in this main is under 80 PSI in most situations. Increasing the diameter of the water from 4-inch to 8-inch will also improve fire flow capacity to area residents.

Project Timeline: Funding for design and construction of this project will be from water rates. Project will likely be a full year of design through construction completion.

Project Cost Estimate:	Construction Cost	\$ 1,301,000
	Engineering Cost	196,000
	Administrative Cost	130,000
	Contingency	260,000
	TOTAL	\$ 1,887,000

Appendix

List of Tables and Figures

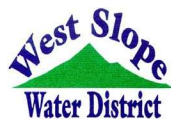
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Acronyms

ACFR	Annual Comprehensive Financial Report
CCF	Centum Cubic Feet; 1 CCF = 748 Gallons
CDL	Commercial Driver's License
CIP	Capital Improvement Program
COB	City of Beaverton
COLA	Cost of Living Adjustment
COF	Consequence of Failure
DWSRLF	Drinking Water State Revolving Loan Fund
FAQ	Frequently Asked Questions
FY	Fiscal Year
FYE	Fiscal Year Ended
GAAP	Generally Accepted Accounting Principles
GIS	Geographic Information System
IGA	Intergovernmental Agreement
IT	Information Technology
KPI	Key Performance Indicators
LGIP	Local Government Investment Pool
LOF	Likelihood of Failure
MG	Million Gallons
MGD	Million Gallons per Day
MP	Water Master Plan
N/A	Not Applicable or Not Available
OAR	Oregon Administrative Rules
OHA	Oregon Health Authority
OPSRP	Oregon Public Service Retirement Plan
ORP	Oregon Resilience Plan
ORS	Oregon Revised Statutes
PDD	Peak Day Demand
PERS	Public Employee Retirement System
PWB	(City of) Portland Water Bureau
ROW	Right of Way
SCADA	Supervisory Control and Data Acquisition
SDAO	Special District Association of Oregon
SDC	System Development Charge
SDIS	Special District Insurance Services
TVWD	Tualatin Valley Water District
WSWD	West Slope Water District

Comparison of Monthly Water Cost

Comparison of Monthly Water Cost (5/8" meter with 8 CCF)							
Data Collected at April 2026							
Rank	City / District	Monthly Residential 5/8" Meter Fixed Charge	Consumption Charge per CCF Unit		Total Estimated Monthly Bill at 8 CCF	Proposed rate increase for coming year	
			Rate	Notes			
1	TVWD	\$ 15.69	\$ 10.380	Tiered (1)	\$ 98.73	3%	
2	Portland	\$ 24.71	\$ 8.171	Flat	\$ 90.08	8%	
3	Beaverton	\$ 25.05	\$ 6.870	Flat	\$ 80.01	9%	
4	Tigard	\$ 33.95	\$ 5.320	Tiered (2)	\$ 76.51		
5	WSWD - Current	\$ 23.50	\$ 5.900	Tiered (3)	\$ 70.70	5%	
6	Hillsboro	\$ 21.94	\$ 4.290	Tiered (4)	\$ 56.26	4%	
7	Tualatin	\$ 13.79	\$ 4.890	Flat	\$ 52.91	12%	
8	Raleigh	\$ 25.94	\$ 3.270	Tiered (5)	\$ 52.10	15%	
(1) TVWD							
	Block 1 - 0 to 28 CCF	\$ 10.38					
	Block 2 - +28 CCF	\$ 14.79					
(2) Tigard							
	Tier 1 - 0 to 6 CCF	\$ 4.77					
	Tier 2 - 6 to 15 CCF	\$ 6.97					
	Tier 3 - +15 CCF	\$ 7.97					
(3) WSWD							
	Tier 1 - 0 to 8 CCF	\$ 5.90					
	Tier 2 - 9 to 20 CCF	\$ 8.85					
	Tier 3 - +21 CCF	\$ 11.80					
(4) Hillsboro							
	Tier 1 - 0 to 4 CCF	\$ 3.99					
	Tier 2 - 5 to 8 CCF	\$ 4.59					
	Tier 2 - 9 to 18 CCF	\$ 6.99					
	Tier 3 - +18 CCF	\$ 9.58					
(5) Raleigh							
	Tier 1 - 0 to 12 CCF	\$ 3.27					
	Tier 2 - +12 CCF	\$ 4.98					
Source Data: Utility's website and 2026 Regional Water Providers Consortium annual members survey							



Bond Amortization

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			FYE	Princ Bal at FYE
					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					
4/1/2009			90,578.13	90,578.13					155,000	202,008.60	357,008.60	6/30/2009	4,845,000
10/1/2009	3.500%	180,000	90,578.13	270,578.13	180,000.00	181,156.26	361,156.26	2009					
4/1/2010			87,428.13	87,428.13					180,000	178,006.26	358,006.26	6/30/2010	4,665,000
10/1/2010	3.500%	185,000	87,428.13	272,428.13	185,000.00	174,856.26	359,856.26	2010					
4/1/2011			84,190.63	84,190.63					185,000	171,618.76	356,618.76	6/30/2011	4,480,000
10/1/2011	3.500%	195,000	84,190.63	279,190.63	195,000.00	168,381.26	363,381.26	2011					
4/1/2012			80,778.13	80,778.13					195,000	164,968.76	359,968.76	6/30/2012	4,285,000
10/1/2012	3.500%	200,000	80,778.13	280,778.13	200,000.00	161,556.26	361,556.26	2012					
4/1/2013			77,278.13	77,278.13					200,000	158,056.26	358,056.26	6/30/2013	4,085,000
10/1/2013	3.500%	205,000	77,278.13	282,278.13	205,000.00	154,556.26	359,556.26	2013					
4/1/2014			73,690.63	73,690.63					205,000	150,968.76	355,968.76	6/30/2014	3,880,000
10/1/2014	3.500%	215,000	73,690.63	288,690.63	215,000.00	147,381.26	362,381.26	2014					
4/1/2015			69,928.13	69,928.13					215,000	143,618.76	358,618.76	6/30/2015	3,665,000
10/1/2015	4.000%	225,000	69,928.13	294,928.13	225,000.00	139,856.26	364,856.26	2015					
4/1/2016			65,428.13	65,428.13					225,000	135,356.26	360,356.26	6/30/2016	3,440,000
10/1/2016	4.000%	230,000	65,428.13	295,428.13	230,000.00	130,856.26	360,856.26	2016					
4/1/2017			60,828.13	60,828.13					230,000	126,256.26	356,256.26	6/30/2017	3,210,000
10/1/2017	4.000%	240,000	60,828.13	300,828.13	240,000.00	121,656.26	361,656.26	2017					
4/1/2018			56,028.13	56,028.13					240,000	116,856.26	356,856.26	6/30/2018	2,970,000
10/1/2018	3.500%	250,000	56,028.13	306,028.13	250,000.00	112,056.26	362,056.26	2018					
4/1/2019			51,653.13	51,653.13					250,000	107,681.26	357,681.26	6/30/2019	2,720,000
10/1/2019	3.500%	260,000	51,653.13	311,653.13	260,000.00	103,306.26	363,306.26	2019					
4/1/2020			47,103.13	47,103.13					260,000	98,756.26	358,756.26	6/30/2020	2,460,000
10/1/2020	3.650%	270,000	47,103.13	317,103.13	270,000.00	94,206.26	364,206.26	2020					
4/1/2021			42,175.63	42,175.63					270,000	89,278.76	359,278.76	6/30/2021	2,190,000
10/1/2021	3.650%	280,000	42,175.63	322,175.63	280,000.00	84,351.26	364,351.26	2021					
4/1/2022			37,065.63	37,065.63					280,000	79,241.26	359,241.26	6/30/2022	1,910,000
10/1/2022	3.750%	290,000	37,065.63	327,065.63	290,000.00	74,131.26	364,131.26	2022					
4/1/2023			31,628.13	31,628.13					290,000	68,693.76	358,693.76	6/30/2023	1,620,000
10/1/2023	3.750%	300,000	31,628.13	331,628.13	300,000.00	63,256.26	363,256.26	2023					
4/1/2024			26,003.13	26,003.13					300,000	57,631.26	357,631.26	6/30/2024	1,320,000
10/1/2024	3.875%	310,000	26,003.13	336,003.13	310,000.00	52,006.26	362,006.26	2024					
4/1/2025			19,996.88	19,996.88					310,000	46,000.01	356,000.01	6/30/2025	1,010,000
10/1/2025	3.875%	325,000	19,996.88	344,996.88	325,000.00	39,993.76	364,993.76	2025					
4/1/2026			13,700.00	13,700.00					325,000	33,696.88	358,696.88	6/30/2026	685,000
10/1/2026	4.000%	335,000	13,700.00	348,700.00	335,000.00	27,400.00	362,400.00	2026					
4/1/2027			7,000.00	7,000.00					335,000	20,700.00	355,700.00	6/30/2027	350,000
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	6/30/2028	-

Budget Committee Public Notice

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, 2026 to June 30, 2027 will be held at the District office located at **3105 SW 89th Avenue, Portland, OR, 97225** and via Zoom at the following link. The meeting will take place on **May 20, 2026, at 5:00 PM**.

This Zoom link is also available as a clickable link on the meeting agenda posted on the District's website at www.wswd.org

<https://zoom.us/j/96777181352?pwd=mQnvN8GME8R4PrfeBO7ZakPeahf7Fl.1>

Meeting ID: 967 7718 1352

Passcode: 445347

Phone link (audio only): (253) 205-0468

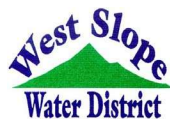
The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. A copy of the budget document may be inspected or obtained after May 6, 2026 at 3105 SW 89th Ave, Portland, OR 97225, M-F between the hours of 8:00 AM and 4:30 PM. A PDF of the budget document is also available on the District's website at www.wswd.org

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.

Wendy Irwin, Budget Officer

*Published May 15, 2026 – The Times, Washington County
Posted to WSWD Website on May 5, 2026*



Budget Hearing Notice (LB1)

FORM OR-LB-1

NOTICE OF BUDGET HEARING

A public meeting of the **WEST SLOPE WATER DISTRICT** will be held on **June 17, 2026 at 5:00 p.m.** at the District's office, 3105 SW 89th Ave, Portland, Oregon, 97225, and via Zoom with the log-in credentials listed below. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2026, as approved by the West Slope Water District Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at the District's office, between the hours of 8:00 a.m. and 4:30 p.m. or online at www.WSWD.org. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the preceding year.

The Zoom Link to the meeting is as follows:

<https://zoom.us/j/96777181352?pwd=mQnvN8GME8R4PrfeBO7ZakPeahf7Fl.1>

Phone Link: (253) 205-0468; Meeting ID: 967 7718 1352; Passcode: 445347

Contact: Wendy Irwin, Budget Officer

Telephone: (503) 292-2777

Email: wirwin@wswd.org

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amount 2024-25	Revised Budget This Year 2025-26	Approved Budget Next Year 2026-27
Beginning Fund Balance/Net Working Capital	6,366,248	7,534,000	8,726,000
Fees, Licenses, Permits, Fines, Assessments & Other Service	5,141,337	5,621,000	5,766,000
Federal, State & all Other Grants, Gifts, Allocations & Donations	0	0	0
Revenue from Bonds and Other Debt	0	0	0
Interfund Transfers / Internal Service Reimbursements	1,970,000	1,750,000	1,630,000
All Other Resources Except Current Year Property Taxes	323,045	213,000	260,000
Current Year Property Taxes Estimated to be Received	0	0	0
Total Resources	13,800,630	15,118,000	16,382,000

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

Personnel Services	1,224,493	1,359,000	1,415,000
Materials and Services	1,897,716	2,126,000	2,141,000
Capital Outlay	698,191	2,170,000	2,160,000
Debt Service	355,997	359,000	356,000
Interfund Transfers	1,970,000	1,750,000	1,630,000
Contingencies	0	457,000	521,000
Special Payments	0	0	0
Unappropriated Ending Balance and Reserved for Future Expenditure	7,654,233	6,897,000	8,159,000
Total Requirements	13,800,630	15,118,000	16,382,000

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *

Name of Organizational Unit or Program			
FTE for that unit or program			
Name Water Services	3,820,400	5,640,500	5,716,000
FTE	7	7	7
Not Allocated to Organizational Unit or Program	9,980,230	9,477,500	10,666,000
FTE	0	0	0
Total Requirements	13,800,630	15,118,000	16,382,000
Total FTE	7	7	7

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

Revenues are primarily generated through water rates and fees. For the FY2026-27, revenues are expected to increase about 3% due to adopted rate increases effective July 1, 2026, offset against estimated lower average consumption.

Personnel services are expected to increase about 4% in FY2026-27 due to COLA adjustments and merit increases, which are offset against overlap of general manager position in prior year. There is no change in total FTE for FY2026-27.

Total Materials and Services costs are expected to remain relatively consistent to the prior year budget. Wholesale water purchased from City of Portland is the primary expense included in Materials and Services. For the FY2026-27, even though the wholesale water rate is increasing, purchased water costs are expected to remain similar to the prior year budget due to the elimination of the minimum purchase requirement under the new agreement.

Capital Outlay for FY2026-27 includes budgeted funds for water main replacement projects, engineering costs for a new reservoir, SCADA technology upgrades, and vehicle replacement. Total transfers of \$1.6M include transfers from the General Fund to the Equipment Reserve and Capital Improvement Reserve funds to save for planned future equipment replacements and capital projects as outlined in the Master Plan.

PROPERTY TAX LEVIES

	Rate or Amount Imposed 2024-25	Rate or Amount Imposed This Year 2025-26	Rate or Amount Approved Next Year 2026-27
Permanent Rate Levy (rate limit per \$1,000)	0	0	0
Local Option Levy	0	0	0
Levy For General Obligation Bonds	0	0	0

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding on July 1.	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	\$0	\$0
Other Bonds	\$685,000	\$0
Other Borrowings	\$0	\$0
Total	\$685,000	\$0

Schedule of Adopted Rates FY26 and FY27

SCHEDULE OF RATES (Updated)

Resolution No. 12-2025

Adopted by Board of Commissioners on November 19, 2025

CONSUMPTION CHARGE				
Rates shown per CCF Unit (1 CCF = 748 gallons)				
UNIFORM FLAT RATE				
Effective Date - July 1, 2025				
In District	\$	7.99		
Out of District	\$	11.05		
RATE BY CUSTOMER CLASS				
Effective Date - November 1, 2025				
Residential		Commercial		Multi-Family
Tier 1: 0 - 8	\$ 5.90	Tier 1: 0 - 325	\$ 7.61	Uniform \$ 6.25
Tier 2: 9 - 20	\$ 8.85	Tier 2: 326+	\$ 11.42	
Tier 3: 21+	\$ 11.80			
		Out of District	\$ 11.05	
RATE BY CUSTOMER CLASS				
Effective Date - July 1, 2026				
Residential		Commercial		Multi-Family
Tier 1: 0 - 8	\$ 6.18	Tier 1: 0 - 325	\$ 7.97	Uniform \$ 6.55
Tier 2: 9 - 20	\$ 9.27	Tier 2: 326+	\$ 11.96	
Tier 3: 21+	\$ 12.36			
		Out of District	\$ 11.60	
MONTHLY FIXED CHARGE				
Water Meter Size	Fixed Charge		Effective Date	
			July 1, 2025	July 1, 2026
5/8" x 3/4" Meter	\$	23.50	\$	24.00
1" Meter	\$	43.71	\$	48.48
1 1/2" Meter	\$	75.98	\$	88.20
2" Meter	\$	117.98	\$	138.36
3" Meter	\$	245.31	\$	277.90
4" Meter	\$	381.79	\$	442.44
6" Meter	\$	720.38	\$	851.78
2" Fire Meter	\$	22.00	\$	22.00
4" Fire Meter	\$	74.97	\$	90.27
6" Fire Meter	\$	171.16	\$	227.27
8" Fire Meter	\$	313.82	\$	446.12
5/8" x 3/4" Meter (out of District)	\$	26.35	\$	26.91

Budget Resolution

WEST SLOPE WATER DISTRICT

RESOLUTION # 03-2026

RESOLUTION ADOPTING THE BUDGET

BE IT RESOLVED that the Board of Commissioners of the West Slope Water District adopts the Budget approved by the Budget Committee for Fiscal Year Ending June 30, 2027, in the total amount of \$16,382,000. This budget is now on file at 3105 SW 89th Ave., Portland, OR.

RESOLUTION MAKING APPROPRIATIONS

BE IT FURTHER RESOLVED that the amounts for the fiscal year beginning July 1, 2026, and for the purposes shown below are hereby appropriated:

General Fund	
Water Services	
Personnel Services	\$ 1,415,000
Materials & Services	2,141,000
	<u>3,556,000</u>
Debt Service	356,000
Transfers	1,630,000
Contingency	<u>521,000</u>
Total	6,063,000
Equipment & Vehicle Reserve Fund	
Water Services	
Capital Outlay	110,000
Capital Improvement Reserve Fund	
Water Services	
Capital Outlay	<u>2,050,000</u>
Total Appropriations	8,223,000
Unappropriated Fund Balance	980,000
Reserved for Future Expenditures	<u>7,179,000</u>
TOTAL BUDGET	\$ 16,382,000

Adopted by the Board of Commissioners, June 17, 2026.

WEST SLOPE WATER DISTRICT

By Andy Smith 6/17/26
Andy Smith, Board Chair

ATTEST:

By Chris Eppler 6/17/26
Chris Eppler, Treasurer