West Slope Water District

APPROVED BUDGET

Fiscal Year 2024-25

West Slope Water District
Washington County, Oregon

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503-292-2777

www.WSWD.org

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Introduction

About Our District

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 10,300.

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.

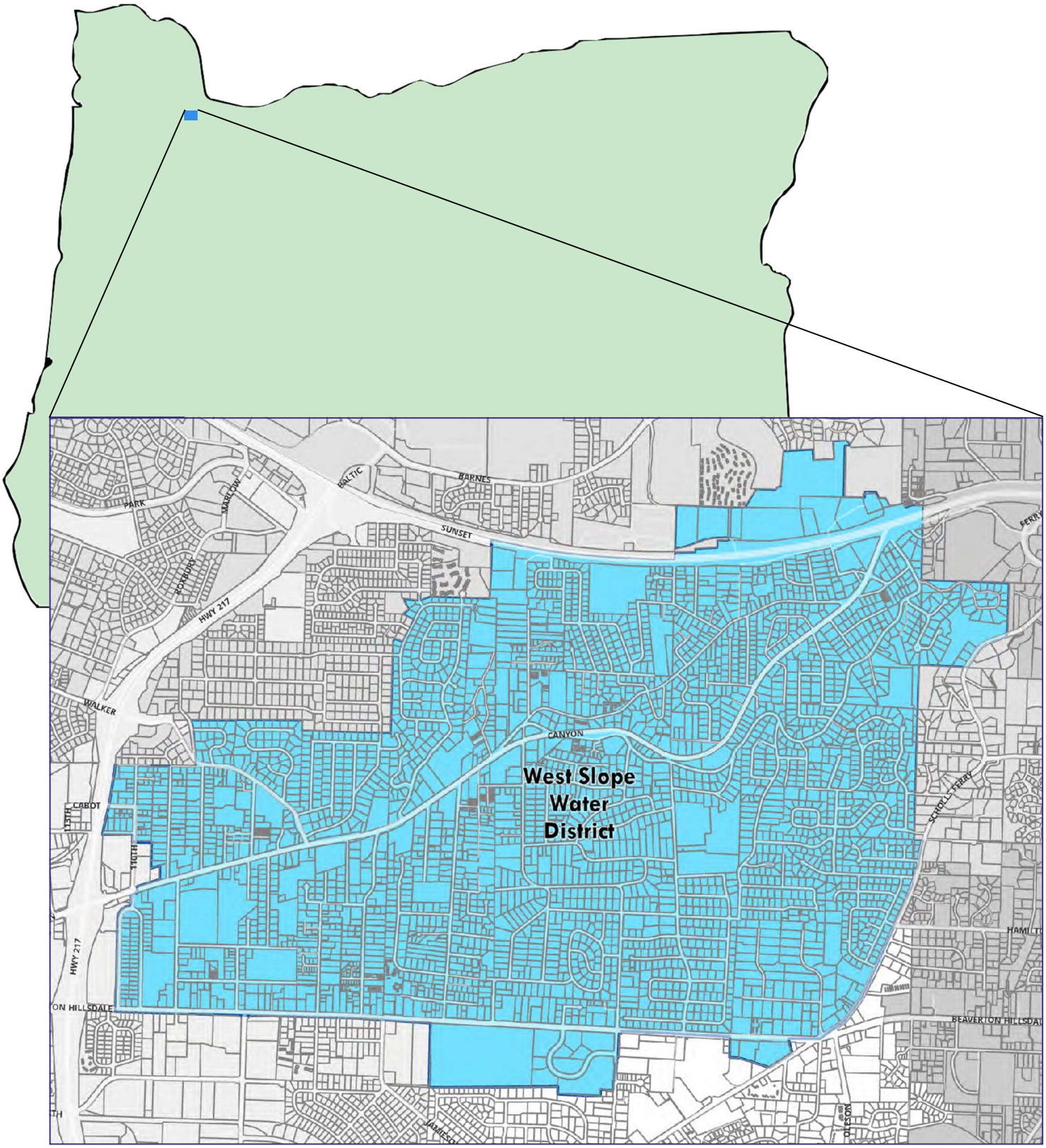
The District is fortunate to have a backup intertie with the Tualatin Valley Water District (TVWD). The intertie supplies the District with on-demand water supply for emergencies and scheduled maintenance.

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

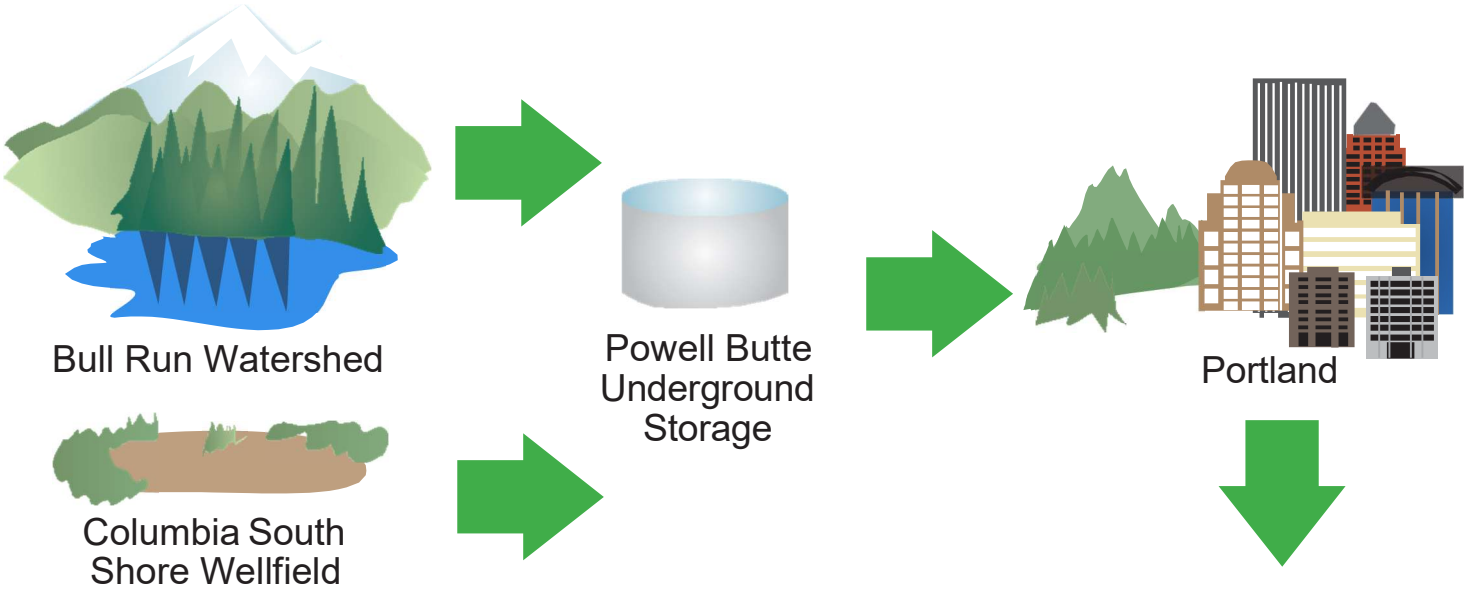
In May 2009, the City of Beaverton (COB) withdrew approximately 5% of the District's service territory. The District and the COB finalized an Intergovernmental Agreement (IGA) for debt service and unclaimed water reimbursement to cover loss revenue. The IGA expires in June 2027

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 10,300.



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 – 431 MG
Daily Average – 1.18MG

Distribution System

Pipeline – 48 miles of 2" to 18" diameter pipeline

Water Storage

2.25 MG Sylvan Hill Concrete Reservoir - Constructed in 1960

3.00 MG Sylvan Hill Concrete Reservoir - Constructed in 2008-2009

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

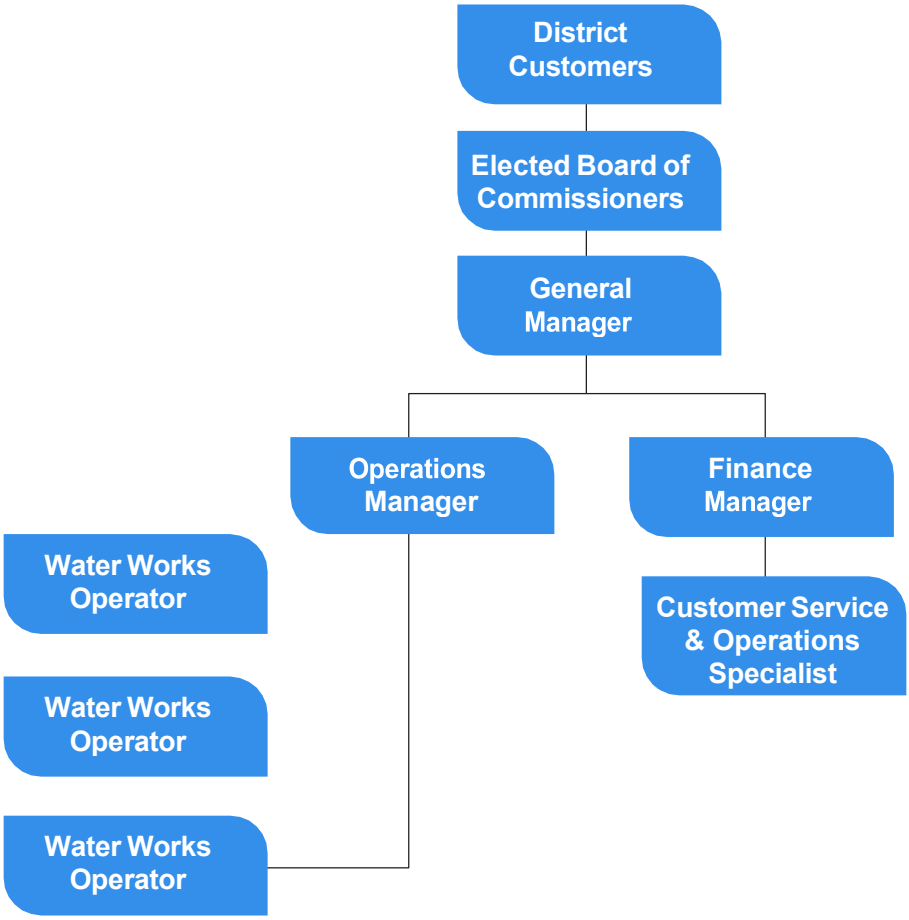
Customers Served

Service Area – 3.5 square miles

Total Service Connections – 3,200 Service Connections (Residential, commercial, & irrigation)

People Served – 10,300

Organizational Chart



Vision, Mission, Values, and Strategic Goals

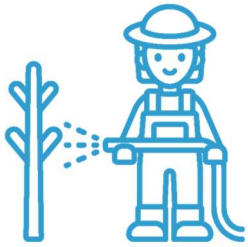
Every five years the Board of Commissioners develops a strategic direction for the District. The Board and staff then direct all energy and resources toward implementing the strategies, attaining the goals, accomplishing the mission, and striving for the vision, while adhering to the stated values. As part of their most recent strategic plan for the five years covering 2021-2026, the following was affirmed:

Our Vision is to

Provide equitable and sustainable stewardship of water resources to ensure continuous availability of high-quality drinking water

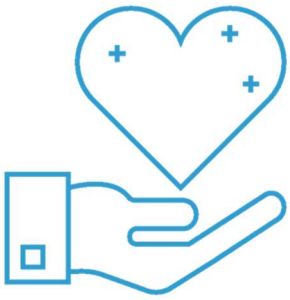
Our Mission is to

Provide equitable access to safe, clean, and reliable water for customer use and fire suppression



We practice stewardship by holding true to these Values

- Respect and courtesy to all people
- Integrity in our dealings
- Commitment to an equitable organization serving a diverse community
- Accountability to customers
- Transparency in our activities



Goals and Strategies

GOALS: What we want to accomplish toward achieving our vision.

STRATEGIES: Approaches, plans, or methods for moving from the current condition to attainment of our goals.

GOALS	STRATEGIES
Facilitate a viable and reliable water system (District business existence and hard infrastructure)	• Evaluate business viability, level of service, and cost effectiveness of District's services • Create infrastructure resilience and reliability plan • Maintain effective communication among staff, management, Board, and the public
Maintain the District's long-term water supply (Maintain our quality product)	• Evaluate resiliency, reliability, value, service, viability, and quality of water supply options • Develop and maintain political understanding of the regional water industry • Promote conservation efforts to better manage regional natural resources
Normalize operational optimization (Maintain a high level of service and customer service interface)	• Establish an equity plan • Strive for customer satisfaction excellence • Assure a well-trained, competent staff is available to manage and operate the water system • Establish a workforce succession plan

General Budget Information

Budget Committee Members

Fiscal Year 2024-2025

APPOINTED CITIZEN MEMBERS

Ron Witcosky
Michael Smith
Will Short
Andrew Marsch
Marjorie Taylor

ELECTED COMMISSIONERS

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

BUDGET OFFICER

Wendy Irwin, Finance Manager

Budget Basics

General Information

A budget is defined by Oregon State Law (ORS, Chapter 294), as a financial plan containing estimates of revenues and expenditures for a given period or purpose, such as the fiscal year. The annual budget gives authority to the local government to spend money or incur obligations. Oregon State Law sets out specific procedures that must be followed during the budgeting process, compliance with Local Budget Law is critical for local governments.

The annual budget is designed to clearly outline West Slope Water District's fiscal policies and is used as a performance tool to measure accountability to its customers.

Balanced Budget

All District's funds are required to be budgeted with a balanced budget. A balanced budget is defined as one in which total resources equals total requirements. Resources include beginning fund balances, revenues, other non-operating income, and debt proceeds. Requirements include current year expenditures, capital outlay, transfers, debt service, and any other requirements for future reserves.

Fiscal Year

The District prepares its annual budget on a fiscal year basis rather than a calendar year basis. The fiscal year begins July 1 and ends on the following June 30. For the purpose of this budget, the fiscal year begins July 1, 2024, and ends June 30, 2025.

Budget Committee

As defined by public law, the budget committee is an advisory group comprised of the Board of Commissioners and an equal number of appointed members from the District. The appointed members of the budget committee serve for staggered three-year terms.

In May, the budget committee conducts a public meeting to hear the budget message and review the budget proposed by the budget officer. One of its most important functions is to listen to comments and questions from interested citizens and consider their input while deliberating on the budget. The budget committee can revise the proposed budget to reflect changes as it considers input from the community providing that the revisions still produce a balanced budget. When the committee is satisfied it approves the budget by motion and then forwards it on to the Board of Commissioners.

Budget Adoption

After the Budget Committee approves the budget, the Board of Commissioners conducts a budget hearing in June for final consideration and adoption. The goal of the budget hearing is to give an opportunity for the Board to hear any additional public comments or questions on the approved budget and to make any final revisions as allowed by law. Following the public hearing, the Board makes its decision to adopt the approved budget and make appropriations by resolution.

The adopted budget becomes the financial plan and serves as the legal document that regulates both the expenditure and obligation of funds by the District. As a good business practice, once adopted, District staff monitors and reports budget versus actual information to the Board of Commissioners on a monthly basis.

Budget Amendments

Budget amendments are increases or decreases to the total dollar amount originally adopted by the Board of Commissioners. Budget amendments can occur for unanticipated revenues or expenses not known during the regular budgeting process. Any budget amendments are brought to the Board of Commissioners, discussed, and if appropriate approved by resolution by the Board. Amendments to the original adopted budget must comply with Local Budget Law and may require a supplemental budget process. Upon approval, staff revises the budget to reflect the approved change.

Basis of Budgeting

All funds are budgeted using the modified accrual basis of accounting in accordance with budgetary accounting practices, as follows:

- Revenues are budged in the period they are earned and measurable
- Expenses are budgeted in the period in which the liability was incurred
- Depreciation of assets is not budgeted
- Capital outlay is budgeted as an expense in the year the capital item is purchased
- Principal payments on bond payments are budgeted as an expense rather than a reduction to the liability

For the prior year's historical data, amounts are reported on the full accrual basis of accounting, in accordance with generally accepted accounting principles (GAAP), which is the basis used for the District's financial statements.

Fund Structure

The District's accounting records are maintained on a fund accounting basis for budgetary and legal purposes. For financial reporting purposes, all funds are considered a unitary enterprise operation and are therefore reported as a single enterprise fund in the financial statements.

The District's water operations include the following self-balancing budgetary funds:

General Fund

This fund is the primary operating fund for the District and accounts for financial resources and expenditures of the district, except those required to be accounted for in another fund. The fund's primary source of revenue is water sales.

Rate Stabilization Reserve Fund

This fund accounts for monies accumulated for the purpose of assisting with meeting bond debt covenants while smoothing rate spikes. The only source of revenue is operating transfers from the General Fund.

Equipment Reserve Fund

This fund accounts for monies accumulated and spent for future equipment and work truck acquisitions or replacements. The primary source of revenue is operating transfers from the General Fund.

Capital Improvement Reserve Fund

This fund accounts for monies accumulated and spent on future capital improvements. The primary source of revenue is operating transfers from the General Fund.

System Development Charge Reserve Fund

This fund accounts for system improvement fees charged for new development within the district boundaries. The primary source of revenue is system development charges (SDC) collected for all new meter connections or meter size upgrades.

Budget Process

DEC - JAN	FEB - APRIL	MAY	JUNE	JULY - JUNE
Budget kickoff Board approves budget committee and calendar, and appoints budget officer	**Budget preparation** Staff prepares proposed budget	**Budget committee meets** Deliberates, hears public comment and approves budget	**Budget Hearing** Board holds budget hearing, hears public comment and adopts budget	**Budget Implementation** Staff implements budget, monitors, and reports to Board; Board amends budget if needed

Budget Calendar – Fiscal Year 2024-2025

December 20, 2023 Board Meeting	Regular Board Meeting: • Board appoints budget committee members and approves roster
January 17, 2024 Board Meeting	Regular Board Meeting: • Board appoints budget officer. • Board approves budget calendar. • Staff introduces preliminary budget concepts.
February 21, 2024 Board Meeting	Regular Board Meeting
March 20, 2024 Board Meeting	Regular Board Meeting
March/April 2024	Staff finalizes preliminary budget numbers.
April 17, 2024 Board Meeting	Regular Board Meeting
April 26, 2024	Staff delivers proposed budget document to full Budget Committee and posts to District's website
May 2, 2024	First notice of May15th budget committee meeting is published in community newspaper
May 9, 2024	Second notice of May15th budget committee meeting is published in community newspaper
May 15, 2024 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 20, 2024	Notice of June 26th budget hearing (Form LB-1) is published in community newspaper.
June 26, 2024 Board Meeting & Budget Hearing	Regular Board Meeting Budget Hearing: • Board receives public comment on the approved budget document. • Board discusses and makes revisions, if necessary. ORS 294.456 stipulates that the approved budget's estimated expenditures in a fund may not be increased by more than $5,000 or 10%, whichever is greater. • Board adopts budget by resolution and makes appropriations.
June 30, 2024	Budget officer publishes adopted budget. • Budget resolution is submitted to Oregon Department of Revenue. • Adopted budget is posted to District's website

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 Fiscal Year 2024-2025 for your review and consideration. This budget message is presented in accordance with Oregon Budget Law and is intended to present an overview of the budget document, highlighting changes from the previous year and articulating priorities and issues for the upcoming year.

The vision of the District is to provide equitable and sustainable stewardship of water resources to ensure continuous availability of high-quality drinking water. This budget document is intended to provide an avenue of communication in how we accomplish this vision and maintain transparency and communication with each of the valued customers who live in the District.

The FY25 budget totals $14,062,000 as shown below. This represents an overall increase of 1.7% from the FY24 adopted budget. Overall, the financial condition of the District has remained relatively stable which has allowed more monies to be set aside for current and future capital improvement projects. The District has recently contracted with professional consultants to conduct a new water system master plan and related water rate study. As these studies get completed over the next year, they will provide valuable information for planning the District's future infrastructure and financial needs.

The primary focus of District's leadership has been to replace aging infrastructure to ensure assets will last well into the future and to invest in staff personnel to provide excellent customer service so that the District will be strong and viable for many years to come.

The following pages of the Budget Message give an overview of the District's revenues and expenditures for this next budget year ending June 30, 2025, as well as describe changes from the previous year's budget.

Table 1 - Total Budget

General Fund	Approved FY2025	Revised FY2024
Personnel Services	$ 1,253,000	$ 1,137,000
Materials & Services	1,954,000	1,949,000
Debt Service	336,000	358,000
Transfers	1,970,000	1,377,000
Contingency	481,000	474,000
Total	**5,994,000**	**5,295,000**
System Development Charges Fund		
Debt Service	20,000	27,000
Equipment & Vehicle Reserve Fund		
Capital Outlay	125,000	80,000
Capital Improvement Reserve Fund		
Capital Outlay	1,700,000	3,356,000
Total Appropriations	**7,839,000**	**8,758,000**
Reserved for Future Expenditures	5,523,000	4,435,000
Unappropriated Fund Balance	700,000	633,000
TOTAL BUDGET	**$14,062,000**	**$ 13,826,000**

Revenues

Sale of Water

Water sales are the primary source of revenue for the District. The District is in an area of established and desirable residential and commercial properties. Since the District will not be increasing its boundaries and little open property is available for new development and growth, the customer rate base remains relatively stable.

Therefore, rates and customer usage are the two factors that have the primary impact on revenue rather than growth. As noted below, the District has raised its rates over the last several years to meet increasing operating costs.

The other factor impacting revenue is customer usage, over which the District has very little control. Customer water usage varies with weather conditions resulting in declining revenue in cool wet weather and increasing in dry hot weather.

Since the District's customer base is stable and because the District has little control over the weather and related customer's water usage, the main way to cover operating costs and save for infrastructure repair and replacement is to continue to increase the rates charged to customers.

The Board, with input from staff and district customers, have been intentional about applying rate increases in the most equitable manner possible, wanting to provide for the District's needs while not putting an undue burden on current and future customers.

To help provide guidance for future rate increases and plan for future financial needs, the District has contracted with a professional consulting engineering firm to conduct a 20-year Water System Master Plan and Water Rate Study. The primary goal of the water rate study is to develop a new tiered rate structure that provides equity amongst rate payers, develops additional billing customer classes, and reflects the true cost of water and services the District provides, including funding of reserves for future capital infrastructure projects over the next ten years.

The master plan and rate study are underway but not yet completed so the District is not ready to move to a new rate structure for this budget cycle. Therefore, for the FY25 budget, staff recommends continuing with a flat consumption rate with a modest rate increase to keep pace with increasing costs until the study is finalized.

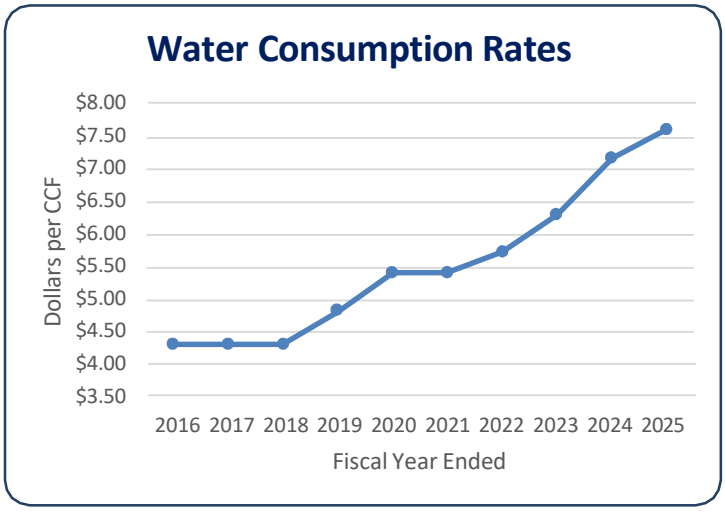
The FY25 budget assumes the following:

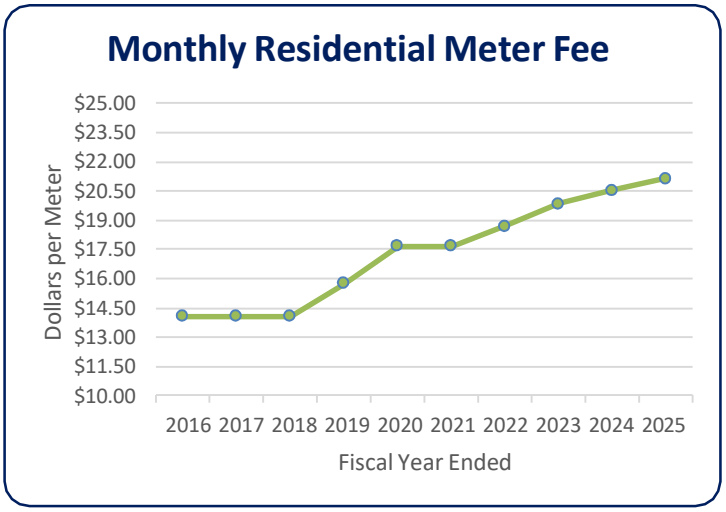
- 6% flat consumption rate increase; and
- 3% monthly service fee increase.

The District's current rates are reasonable compared to other water providers in the surrounding area, per the Regional Water Providers Consortium's rate survey. See Page 54 for a chart on average monthly water cost of providers in the surrounding area. Many of the local providers have also proposed rate increases for their FY25 budget to help with rising operating costs and save for future infrastructure costs.

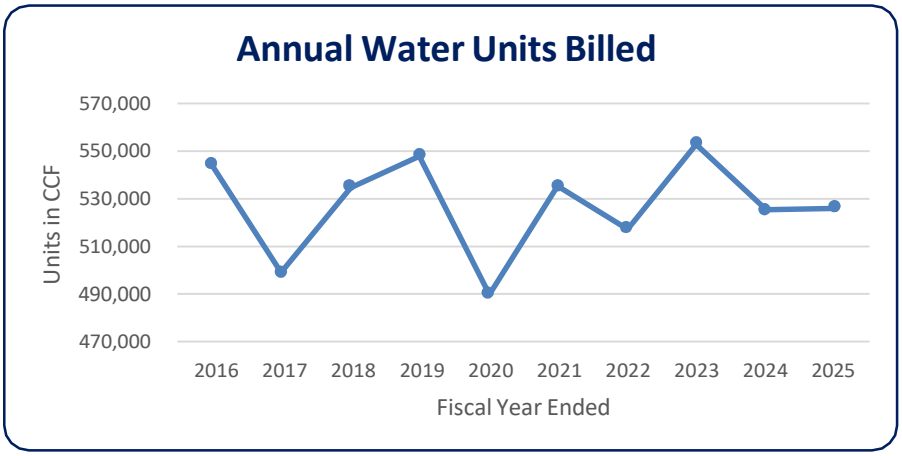
For reference, a history of rate increases over the last several years is shown in ***the following table and graphs***

Table 2 - Customer Rates										
	Approved Budget	Fiscal Year Ended								
	FY2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Water Consumption Fee (per CCF)	$7.61	$7.18	$6.30	$5.73	$5.41	$5.41	$4.83	$4.31	$4.31	$4.31
Percentage change	6%	14%	10%	6%	0%	12%	12%	0%	0%	0%
Monthly Service Fee (residential 5/8" Meter)	$21.14	$20.52	$19.83	$18.71	$17.65	$17.65	$15.76	$14.07	$14.07	$14.07
Percentage change	3%	3.5%	6%	6%	0%	12%	12%	0%	0%	0%





The following graph shows the history of total annual water volume billed to customers in CCFs (1 CCF = 748 gallons). As shown below, water usage can vary from year to year by as much as 1 to 11%, primarily due to fluctuations in weather temperatures. For the FY25 budget, the five-year average usage of 526,000 CCFs was used to estimate revenue, which is relatively consistent with the FY24 budget amount of 525,100 CCFs.



Interest Income

The FY25 budget reflects estimated interest income earned on reserve monies in the Local Government Investment Pool (LGIP) accounts. Established in 1973, the Oregon LGIP is an open-ended, no-load diversified portfolio offered to local governments to provide a safe environment for the short-term investment of public funds.

The current rate in the District's LGIP reserve accounts as of April 2024 is 5.2%, which is higher than the rates over the last several years. Therefore, the District has earned increasing revenue from interest income since 2023.

Summary of Revenues

In summary, as noted in the table below, total budgeted revenues across all funds for FY25 increased by $349K or about 7%. The increase is primarily due to higher water sales from proposed rate increases of $265K and higher interest income earned on savings of $81K.

These additional revenues budgeted for FY25 will help cover the increased operating costs of the District as well as allow for continued transfers to capital reserves to fund future infrastructure projects.

Table 3 - Revenues for All Funds

	Approved Budget FY2025	Revised Budget FY2024	Actual		
			FY2023	FY2022	FY2021
Sale of Water	$ 5,169,000	$ 4,904,000	$ 4,588,104	$ 3,923,266	$ 3,901,044
Other Operating Revenue	99,000	90,000	92,770	92,098	85,661
Interest Income	273,000	192,000	184,699	27,619	29,613
Gain (Loss) on Disposition of Assets	-	-	(6,864)	(20,210)	(36,401)
SDC Revenue	10,000	16,000	19,878	9,957	23,672
Total Revenues - All Funds	**$ 5,551,000**	**$ 5,202,000**	**$ 4,878,587**	**$ 4,032,730**	**$ 4,003,589**
Dollar Increase from previous year	**$ 349,000**				
Percentage Increase from previous year	**6.71%**				

Personnel Services

All personnel services are budgeted for in the General Fund. The District currently has seven full-time employees including four field operations staff and three administrative staff including the general manager, who oversees the day-to-day operations. District employees led by the general manager strive to build a positive, inclusive, and collaborative culture which provides excellent customer service to District customers.

Salaries and Wages

Over the last three years there have been several changes in the District's management staff. In September 2021, the operations manager retired who had been with the District for thirty plus years. Then in June 2022, the finance manager retired who had been with the District for seven years. These positions were replaced with staff earning a lower wage than those who occupied the position previously. In addition, an entry level water operator's position was vacant for one and half years, not filled until April 2023.

These staff changes have impacted the line item for salaries and wages and related group benefit expenses during the past several years as seen in the table below. For FY24 and FY25 the budget reflects a fully staffed District with seven full-time employees.

The FY25 budget for salaries and wages, the budget increase is due to an estimated 3.5% cost of living increase plus an estimated 3% to 5% merit/certification increase as individual staff acquire further certification and move up in salary levels. Staff are highly encouraged to pursue further training and certification, adding valuable skills which benefit our District customers.

Group Benefits

As an incentive to retain and recruit qualified employees, the District's benefit package includes fully paid health, vision, and dental insurance coverage for both the employee and their eligible dependents. Group benefit plans and related premiums are reviewed annually to ensure that the best coverage is maintained at the least possible cost. Insurance costs may decrease or increase due to premium changes and the makeup of employees and dependents receiving coverage. For the FY25 budget, costs for group benefits increased from the previous year due to higher premiums as well as additional dependents covered under the plan.

PERS Retirement Plan

Currently, all full-time District employees are members in the Oregon Public Employees Retirement System (PERS). Employer contributions are based on actuarially determined rates on covered payroll. Contribution rates are determined by the fund administrator and updated every two years. For fiscal years 2024 and 2025 rates remained the same at 29.60% for Tier One and 23.54% for OPSRP employees. The FY25 budget line item for retirement contributions increased consistent with the increase in salaries and wages.

Summary of Personnel Services

As noted in the table below, the overall budget for FY25 has increased by $116K or 10% from the previous year due to the items mentioned above.

Table 4 - Personnel Services

	Approved Budget FY2025	Revised Budget FY2024	Actual FY2023	Actual FY2022	Actual FY2021
Salaries and Wages	$ 763,000	$ 711,000	$ 585,906	$ 560,858	$ 591,499
Group Benefits	219,000	170,000	128,480	103,771	139,717
Retirement contributions	191,000	176,000	126,741	120,210	147,481
Taxes, Workers Comp, and Other	80,000	80,000	58,232	60,855	59,438
Total Personnel Services	**$ 1,253,000**	**$ 1,137,000**	**$ 899,359**	**$ 845,694**	**$ 938,135**
Dollar Increase from previous year	**$ 116,000**				
Percentage Increase from previous year	**10.20%**				

Materials and Services

Purchased Water

Purchased water is the primary expense included in materials and services. All of the District's water supply is purchased wholesale from the City of Portland under a current 20-year wholesale water agreement which ends on June 30, 2026.

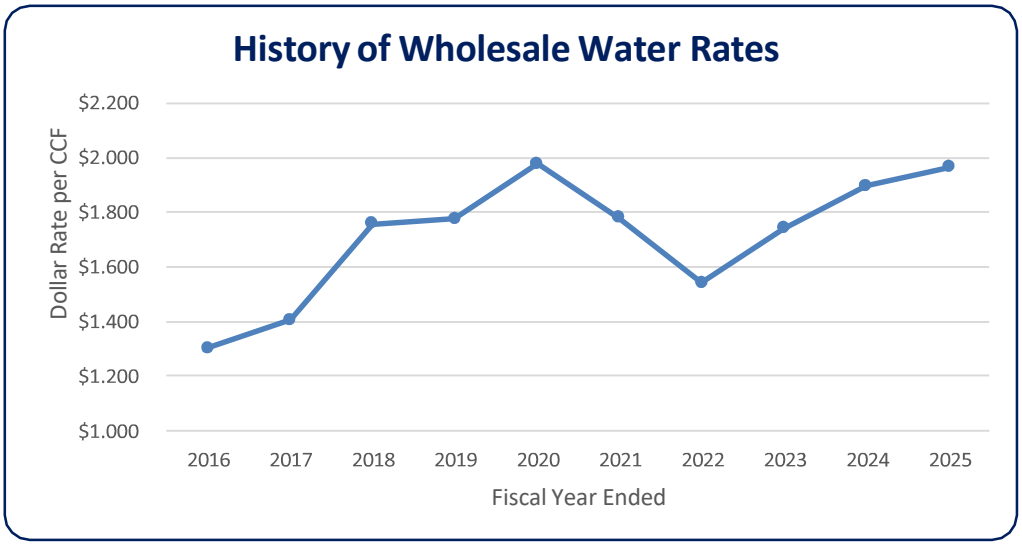
In March 2024, the District signed a new 30-year wholesale water agreement with the City which will begin on July 1, 2026 after the current agreement expires. The terms under the new contract are favorable, with the biggest change being no longer subject to a minimum guaranteed purchase amount. Consistent with the previous contract, the new contract charges a percentage to its wholesale customers for capital improvements made by the City that benefit the wholesaler. Therefore, wholesale rates are expected to spike at the beginning of the new agreement as the Bull Run Filtration Facility is completed and put into service. After that, wholesale rates are expected to stabilize. The new agreement with the City will provide stability for the District's water supply well into the future.

For the FY25 budget, purchased water increased by $47K or 3.6% due to a higher wholesale water rate forecasted by Portland Water Bureau (PWB). The annual rate charged by PWB is impacted by the District's peak demand during the entire summer season and during the highest three consecutive day's demand in addition to PWB's capital improvements that get charged back to the wholesale customers per the agreement.

The table and graph below show the history of the rates and cost of total purchased water for the past several years.

Table 5 - Wholesale Water Rates

	Approved Budget	Revised Budget	Actual		
	FY2025	FY2024	FY2023	FY2022	FY2021
Wholesale Water Rate (dollar per CCF)	$1.964	$1.895	$1.471	$1.542	$1.777
Percentage change	3.64%	28.82%	-4.60%	-13.22%	-10.12%
Total Purchased Water	**$ 1,342,000**	**$ 1,295,000**	**$ 1,005,579**	**$ 1,053,177**	**$ 1,220,019**
Dollar increase PY	**$ 47,000**				
Percentage increase PY	**3.63%**				



System Maintenance

System maintenance includes expenditures for routine maintenance of the District's distribution pipe system and reservoirs, including repairing and replacing valves, meter boxes, vaults, and hydrants. The risk of damage to roadbeds and personal property resulting in customer inconvenience is greatly reduced by performing regular preventive maintenance. This line item also includes a budgeted amount for repair costs associated with potential major main breaks.

The FY25 budget line item for system maintenance is lower by $61K or 43% than the previous year. Decrease in the budget resulted from $60K which was included in FY24 but not in FY25 for rebuilding of the District regulators, which is scheduled for every five years.

Billing and Payment

The line item for billing and payment includes expenditures for outsourcing the printing and mailing of the monthly billing statements, merchant and transaction fees for our online payment portal, and miscellaneous bank fees. The District does not charge fees for customers paying online using credit/debit cards or bank accounts.

The FY25 budget line item for billing and payment decreased from the previous year by $10K or 9%. During FY24, the District transitioned to Xpress Bill Pay, a new payment portal integrated with our utility billing software, along with a new merchant processor. The new merchant transaction company charges a reduced fee for public entities. Moving forward, the new payment portal will provide more online options for our customers as well as lower merchant processing fees for the District.

General Insurance

General insurance includes property, liability, and auto insurance provided by Special District Insurance Services (SDIS) through the District's membership in Special District Association of Oregon (SDAO). SDIS is funded by a self-insured pool of its participating members. In recent years, the insurance sector has faced a tough market with increased claims, inflation, cyber threats, and natural disasters resulting in rising premiums. For FY25, the budget amount was increased by $22K or 44% due to rising insurance premiums. In addition, SDIS has put the Longevity Credit and Rate Lock Guarantee Program on hold until investment earnings return to past levels, further increasing the amount the District pays for insurance.

The current policy with SDIS includes cyber security protection of up to $150K. With the recent concerns of cyber-attacks on public entities the District is working with its IT provider and insurance broker to look into additional coverage for cyber security protection.

IT Services and Office Equipment

Line item for IT services and office equipment includes expenditures for outsourcing our IT services, as well as the annual maintenance fees for the accounting and utility billing software, meter reading software, lead service line database, GIS software, website hosting, asset management software, telemetry software for SCADA, and Microsoft Office subscriptions. This line item also includes copier and printer leases, cell phones and service fees, as well as any other office equipment purchased that is under our $5K capitalization threshold.

The FY25 budget line item for IT services and office equipment is relatively consistent with the previous year with a decrease of $3K.

Right-of-Way (ROW) Fees

The line item for Right of Way (ROW) fees is the 5% fee charged to all customers living within the City of Beaverton. The amount is recorded both as a revenue item and as an expenditure item in the General Fund when billed to the customer. ROW fees collected from customers are paid to the City of Beaverton on a quarterly basis.

Summary of Materials and Services

The table below shows the line-item changes for the FY25 budget as compared to the prior year's budget. The total FY25 budget for materials and services excluding purchased water decreased by $42K or 6% due to the items noted above.

Table 6 - Materials & Services Excluding Water Purchased							
	Approved Budget FY2025	Revised Budget FY2024	Dollar Change	Percentage Change	Actual FY2023	Actual FY2022	Actual FY2021
System maintenance	$ 80,000	$141,000	$ (61,000)	-43.26%	$ 53,489	$ 33,988	$ 43,703
Water tests	10,000	10,000	-	0.00%	8,100	3,824	3,732
Truck and equipment	28,000	25,000	3,000	12.00%	22,567	19,017	19,904
Utilities	17,000	16,000	1,000	6.25%	13,808	11,446	11,843
Billing and payment	104,000	114,000	(10,000)	-8.77%	95,665	79,453	67,181
Office supplies and postage	4,000	4,000	-		3,023	2,509	1,978
Uniforms	3,000	3,000	-		2,072	1,455	261
General insurance	72,000	50,000	22,000	44.00%	44,694	41,070	40,281
Professional services	38,000	37,000	1,000		28,889	26,342	22,912
Property Maintenance	7,000	10,000	(3,000)	-30.00%	3,073	4,098	3,520
IT services and office equip	98,000	101,000	(3,000)	-2.97%	89,342	68,493	57,594
General support	7,000	3,000	4,000	133.33%	3,162	2,849	2,899
Janitorial	5,000	5,000	-		3,188	3,118	2,610
Right of Way fees paid	65,000	61,000	4,000	6.56%	56,381	50,389	47,288
Board	10,000	10,000	-	0.00%	7,874	2,498	8,346
Bad debts	2,000	3,000	(1,000)	-33.33%	1,746	1,525	-
Ed, training, and memberships	41,000	42,000	(1,000)	-2.38%	28,506	13,807	7,916
Community relations	13,000	12,000	1,000	8.33%	9,847	3,493	6,271
Conservation	8,000	7,000	1,000	14.29%	6,549	6,785	6,586
Total Materials & Services Excl Water	**$612,000**	**$654,000**	**$ (42,000)**	**-6.42%**	**$481,975**	**$376,159**	**$354,825**

Capital Outlay

Vehicles and Equipment

The District maintains an Equipment Reserve Fund to provide for the replacement of aging equipment and the purchase of new additional equipment and technology. Capital outlay is budgeted for purchases that exceed the capital threshold of $5K and have an expected useful life of greater than one year.

During the past several years, the annual capital outlay budget included an amount for replacement of radio read meters from Master to Mueller brand. Now that most of the meters within the District have been replaced, the budget for FY25 has been reduced from the prior year.

For FY25, the line item for technology includes amounts to upgrade our utility billing software as and to replace aging computer equipment. The line item for equipment and vehicles is for the replacement of our utility truck along with the attached toolbox.

In order to adequately plan for future needs, transfers are made each year from the General Fund to the Equipment Reserve Fund to set aside monies to cover future replacement costs of vehicles, work trucks, and major equipment. To meet reserve estimates, a transfer of $120K from the General Fund to the Equipment Reserve Fund is budgeted for FY25.

The amount budgeted in the Equipment Reserve Fund varies from year to year depending on the needs of the District. A summary ***is listed below:***

Table 7 - Capital Outlay for Vehicles & Equipment

	Approved Budget FY2025	Revised Budget FY2024
Equipment & Vehicles	$ 75,000	10,000
Technology	30,000	20,000
Radio read meters	20,000	50,000
Total Capital Outlay - Equipment	**$ 125,000**	**$ 80,000**
Dollar increase from previous year	**45,000**	
Percentage increase from previous year	**56.25%**	

Capital Improvement Projects

The District maintains a Capital Improvement Reserve Fund to provide for current capital improvement projects as well as save for future projects related to the District's infrastructure. Capital outlay is budgeted for projects according to the water master plan. The following capital projects are included in the FY25 budget.

Garden View pipe replacement

Now that the Beaverton-Hillsdale project is completed, the District has moved forward with the next scheduled main replacement on Garden View Avenue with an estimated total cost of $1.5M. The engineering and design contract has been awarded to AKS Engineering with design work starting in Spring 2024 and construction starting by late Fall 2024. The budget includes $1.5M to complete this capital project in FY25.

Water Master Plan and Rate Study

In Spring 2024, the District contracted with Grayling Engineering to conduct a new Water Master Plan and Rate Study with a total estimated cost of $300K. Included in the FY25 budget is $200K to complete this project.

A master plan is a document that reviews the existing water system, analyzes the distribution system, pressure zones and storage, identifies deficiencies, and then summarizes and recommends a capital improvement plan (CIP) for upgrading and replacing water distribution assets. The plan is required to comply with state drinking water program requirements. The current master plan was updated in 2014 and does not include any seismic study for earthquake resiliency and therefore is not in compliance with current regulations.

The water rate study will explore the option of replacing the current flat rate with a tiered rate structure to provide a more equitable distribution of costs amongst District's customers. In addition, the rate study will provide information to establish a 5-year plan for water rate increases to generate revenues that will be available to keep pace with increased operating expenses and help finance future capital projects.

Future Capital Improvement Projects

Transfers are made each year from the General Fund into the Capital Improvement Reserve Fund to set aside monies to cover future CIP costs as described in the water master plan. To continue to save for future projects, the FY25 budget includes a transfer of $1.85M.

A list of future projects for the next ten years is included in the Capital Improvement Plan section, Pages 32-46. Over the next five years, the District will focus on smaller pipe replacements in addition to planning and funding the construction of a new 3.0 MG reservoir.

The amount budgeted in the Capital Improvement Reserve Fund varies from year to year depending on the current projects undertaken by the District. For the FY25, a summary is listed below:

Table 8 - Capital Outlay for Capital Improvements

	Approved Budget FY2025	Revised Budget FY2024
Water Master Plan & Rate Study	$ 200,000	$ 200,000
Reservoirs and Main Lines	1,500,000	3,156,000
Total Capital Outlay - Capital Imp	**$ 1,700,000**	**$ 3,356,000**
Dollar decrease from previous year	**(1,656,000)**	
Percentage decrease from previous year	**-49.34%**	

Debt Service

The FY25 budget includes an annual debt service payment of $356K on the $5M revenue bonds issued in 2008. The District has approximately level debt payments through 2027, as shown on the bond amortization schedule on Page 51. The bonds funded design and construction costs of the District's 3.0 MG Reservoir #3 and demolition of the 2.25 MG Reservoir #1. The final payment on the bond will be made in October 2027.

In the next five years, the District expects to incur new debt to construct a new 3.0 MG Reservoir #4. Funding needed for this project will be close to $10M, which will come from the Capital Improvement Reserve Fund and the new debt issued.

Budgeted funds for debt service are split between the General Fund and SDC Fund as listed below:

Table 9 - Debt Service Payments

	Approved Budget FY2025		
	Total	**Principal**	**Interest**
General Fund	$ 336,000	$ 310,000	$ 26,000
SDC Fund	20,000	-	20,000
Total Debt Service	**$ 356,000**	**$ 310,000**	**$ 46,000**

Concluding Thoughts

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

The condition and reliability of the distribution system is of utmost importance. A water main break can create a significant financial requirement for the District, disruption of water service to the rate payers, potential adverse impact to public health, and damage to personal and public property.

The District is committed to responding to such an event by having a crew of trained water distribution operators available 24 hours/day, by maintaining equipment and materials to perform the work, and by taking measures to prevent such an event by reserving sufficient funds to cover the cost of system repair and replacement.

The District is also committed to the planning and funding of future capital projects designed to replace aging infrastructure with new, resilient assets that will be completed over the next forty years thereby minimizing as well as hopefully preventing major disruptions in the District's water distribution system.

Contingency and reserves are continuing to be established to supply funding for maintenance and operating expenses during potential revenue downturns, major failures in the distribution system, natural disaster, or health crisis.

For FY25 budget, consistent with previous years, $1.2M, which is four months of operating expenses, has been reserved in the General Fund consisting of $481K in contingency plus $700K in unappropriated fund balance. In addition to the General Fund, the Rate Stabilization Fund has another $800K reserved for smoothing rate spikes.

For FY25 budget, monies reserved for future capital outlay and capital improvement projects include $4.25M in the Capital Improvement Reserve Fund and $460K in the Equipment Reserve Fund.

West Slope Water District is committed to providing a high level of customer service as well as balancing the costs of short-term and long-term maintenance of the District's assets in a cost-effective manner. The staff is committed to providing equitable access to safe, clean, and reliable water for customer use and fire suppression to those customers who live in our community.

We respectively submit the West Slope Water District's Budget for Fiscal Year 2024-25.

Michael Grimm, PE
General Manager

Wendy Irwin, CPA
Finance Manager & Budget Officer

Budget Summary All Funds

Summary of Fiscal Year 2025 Budget (All Funds)

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

Table 10 - Summary of Resources for All Funds

		Approved Budget FY2025	Revised Budget FY2024	Dollar Change	Percentage Change	
1	Beginning Working Capital	$ 6,541,000	$ 7,247,000	$ (706,000)	-9.7%	1
2						2
3	Sale of Water	5,169,000	4,904,000	265,000	5.4%	3
4	Other operating	99,000	90,000	9,000	10.0%	4
5	Interest	273,000	192,000	81,000	42.2%	5
6	SDC's	10,000	16,000	(6,000)	-37.5%	6
7	**Revenue**	**5,551,000**	**5,202,000**	**349,000**	**6.7%**	7
8						8
9	Transfers In	1,970,000	1,377,000	593,000	43.1%	9
10	**Total Resources**	**$ 14,062,000**	**$ 13,826,000**	**$ 236,000**	**1.7%**	10

Table 11 - Summary of Requirements for All Funds

		Approved Budget FY2025	Revised Budget FY2024	Dollar Change	Percentage Change	
1	Purchased Water	$ 1,342,000	$ 1,295,000	$ 47,000	3.6%	1
2	Personnel Services	1,253,000	1,137,000	116,000	10.2%	2
3	Materials and Services	612,000	654,000	(42,000)	-6.4%	3
4	**Operating Expense**	**3,207,000**	**3,086,000**	**121,000**	**3.9%**	4
5						5
6	Contingency	481,000	474,000	7,000	1.5%	6
7	Capital Outlay	1,825,000	3,436,000	(1,611,000)	-46.9%	7
8	Debt service	356,000	385,000	(29,000)	-7.5%	8
9	Transfers Out	1,970,000	1,377,000	593,000	43.1%	9
10	**Non-Operating Expenditures**	**4,632,000**	**5,672,000**	**(1,040,000)**	-18.3%	10
11						11
12	Reserved for Future Expenditures	5,523,000	4,435,000	1,088,000	24.5%	12
13	Unappropriated Fund Balance	700,000	633,000	67,000	100.0%	13
14	**Reserved & Unappropriated**	**6,223,000**	**5,068,000**	**1,155,000**	**22.8%**	14
15	**Total Requirements**	**$ 14,062,000**	**$ 13,826,000**	**$ 236,000**	**1.7%**	15

Fiscal Year 2025 Budget Operating Statement by Fund

The table below is a summary by fund for the FY25 budget showing operating and non-operating resources and requirements as well as changes in fund balances for the year.

Table 12 - Operating Statement by Fund

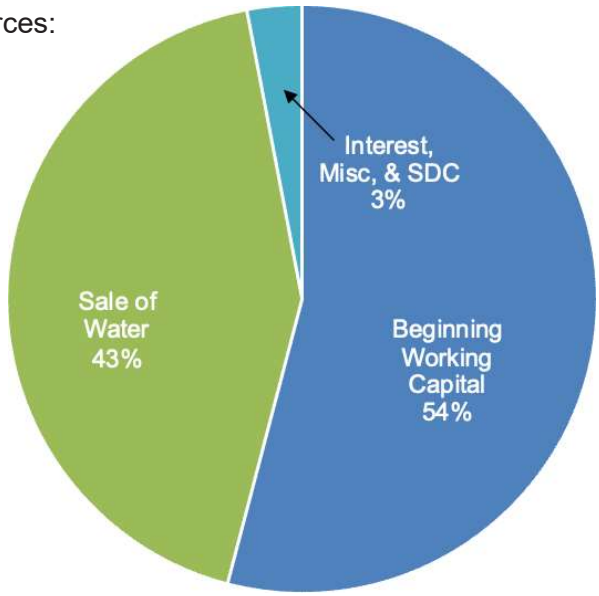
	FY 2025						FY 2024	FY2024
	General Fund	Rate Stabiliza-tion Fund	Equipment Reserve	Capital Improv Reserve	System Dev Charges Fund	Approved Budget Total	Revised Budget Total	Actual Projected
Operating Revenues:								
Sale of Water	$ 5,169,000	$ -	$ -	$ -	$ -	$ 5,169,000	$ 4,904,000	$ 4,903,000
Other Operating	99,000	-	-	-	-	99,000	90,000	103,800
Total Operating Revenues	**5,268,000**	**-**	**-**	**-**	**-**	**5,268,000**	**4,994,000**	**5,006,800**
Operating Expenses								
Purchased Water	1,342,000	-	-	-	-	1,342,000	1,295,000	1,292,500
Personnel Services	1,253,000	-	-	-	-	1,253,000	1,137,000	1,112,500
Materials & Services	612,000	-	-	-	-	612,000	654,000	616,500
Total Operating Expenses	**3,207,000**	**-**	**-**	**-**	**-**	**3,207,000**	**3,086,000**	**3,021,500**
Operating Income	2,061,000	-	-	-	-	2,061,000	1,908,000	1,985,300
Non-Operating Resources (Requirements)								
Capital Outlay	-	-	(125,000)	(1,700,000)	-	(1,825,000)	(3,436,000)	(3,204,800)
Debt Service	(336,000)	-	-	-	(20,000)	(356,000)	(385,000)	(358,000)
Interest Income	50,000	-	23,000	200,000	-	273,000	192,000	301,800
SDC Fees	-			-	10,000	10,000	16,000	4,000
Contingency	(481,000)			-	-	(481,000)	(474,000)	-
Non-operating Requirements	**(767,000)**	**-**	**(102,000)**	**(1,500,000)**	**(10,000)**	**(2,379,000)**	**(4,087,000)**	**(3,257,000)**
Excess (deficit) before Transfers	1,294,000	-	(102,000)	(1,500,000)	(10,000)	(318,000)	(2,179,000)	(1,271,700)
Transfers	(1,970,000)	-	120,000	1,850,000	-	-	-	-
Change in Fund Balance	**(676,000)**	**-**	**18,000**	**350,000**	**(10,000)**	**(318,000)**	**(2,179,000)**	**(1,271,700)**
Fund Balance, Beg. of Year:								
General Fund	1,376,000					1,376,000	896,000	1,062,000
Reserve Funds	-	800,000	442,000	3,901,000	22,000	5,165,000	6,351,000	6,750,400
	1,376,000	**800,000**	**442,000**	**3,901,000**	**22,000**	**6,541,000**	**7,247,000**	**7,812,400**
Fund Balance, End of Year:								
Reserved for Future Expenditure	-	800,000	460,000	4,251,000	12,000	5,523,000	4,435,000	5,164,400
Unappropriated Ending Fund Balance	700,000	-	-	-	-	700,000	633,000	1,376,300
	$ 700,000	**$ 800,000**	**$ 460,000**	**$ 4,251,000**	**$ 12,000**	**$ 6,223,000**	**$ 5,068,000**	**$ 6,540,700**

Where the District Budget Dollar Comes From

The FY25 budget resources for all funds, excluding transfers, total $12M. The following pie chart (Figure 1) represents the percentage share of total resources.

Consistent with state required budget process, this chart includes the allocation of beginning working capital and reserves which were generated and unspent from previous years.

Figure 1
FY25 Budget Resources: All Funds (Excluding Transfers)

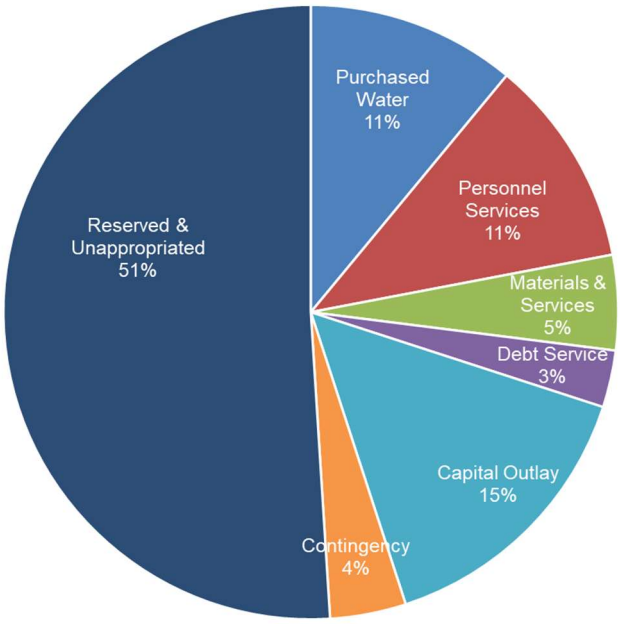


How the District Proposes to Spend Each Budget Dollar

The FY25 budget requirements for all funds, excluding transfers, total $12M. The following pie chart (Figure 2) shows how the District spends the budget.

Consistent with the state required budget process, this chart includes the allocation of beginning working capital and reserves which were generated and unspent from previous years.

Figure 2
FY25 Budget Requirements: All Funds (Excluding Transfers)



Budget Detail by Fund

General Fund

General Fund Resources:

The General Fund is the primary operating fund and accounts for the general financial resources and expenses of the District, except those required to be accounted for in another fund. The fund's primary source of revenue is the sale of water.

The following budget assumptions for FY25 are included in the General Fund resources in the table below:

- Consumption rate increase of 6%, with CCF units billed of 526,000
- Monthly service fee based on meter size increase of 3%
- Interest income is based on an estimated rate of 5%
- Beaverton wholesale water is calculated at 15% of under consumption, which is the difference between PWB guaranteed purchase amount and the amount sold to customers, per IGA with COB
- Beaverton debt reimbursement is six months of bond interest, per IGA with COB
- Beaverton Right of Way (ROW) fees billed and paid are taxes collected from customers who live in the COB; amounts are paid out to COB on a quarterly basis

Table 13 - General Fund Resources

	Historical Data			RESOURCE DESCRIPTION	Budget 2024-25			
	Actual		Revised Budget					
	2021-22 Prior Year	2022-23 Prior Year	2023-24 This Year		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
				BEGINNING FUND BALANCE				
1	**$1,311,581**	**$ 1,315,103**	**$ 896,000**	1 Beginning Working Capital	**$1,376,000**	**$1,376,000**	**$ -**	1
2				2				2
3				3 **OTHER RESOURCES**				3
4	3,881,334	4,557,907	4,852,000	4 Sale of Water	5,116,000	5,116,000	-	4
5	41,932	30,197	52,000	5 Beaverton Wholesale Water	53,000	53,000	-	5
6	8,187	3,508	4,000	6 New Service Installation	3,000	3,000	-	6
7	13,701	8,115	3,000	7 Miscellaneous	5,000	5,000	-	7
8	7,300	9,170	6,000	8 Penalties	10,000	10,000	-	8
9	8,284	50,710	38,000	9 Interest	50,000	50,000	-	9
10	15,676	15,652	16,000	10 Beaverton Debt Reimbursement	16,000	16,000	-	10
11	50,314	56,325	61,000	11 Beaverton ROW Fees Billed	65,000	65,000	-	11
12	**4,026,728**	**4,731,584**	**5,032,000**	12 **TOTAL OTHER RESOURCES**	**5,318,000**	**5,318,000**	**-**	12
13				13				13
14	**$5,338,309**	**$ 6,046,687**	**$ 5,928,000**	14 **TOTAL RESOURCES**	**$6,694,000**	**$6,694,000**	**$ -**	14

General Fund Requirements:

The following budget assumptions for FY25 are included in the General Fund requirements in the tables below:

- Increase in PWB wholesale water rate of 3.6% from $1.895 in FY24 to $1.964 in FY25
- Personnel services include a cost of living adjustment of 3.5% and merit increases of 3-5%
- System maintenance includes $60K for the 5-year maintenance of regulators for FY24, but not for FY25

Table 14 - General Fund Requirements (Summary)

	Historical Data			EXPENDITURE DESCRIPTION	Budget 2024-25			
	Actual		Revised Budget					
	2021-22 Prior Year	2022-23 Prior Year	2023-24 This Year		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
				REQUIREMENTS				
1	$ 845,694	$ 899,359	$ 1,137,000	1 Personnel Services	$1,253,000	$1,253,000	$ -	1
2	1,429,336	1,487,554	1,949,000	2 Materials and Services	1,954,000	1,954,000	-	2
3	-	-	474,000	3 Contingency	481,000	481,000	-	3
4	322,176	327,066	358,000	4 Debt Service	336,000	336,000	-	4
5				5 **SUBTOTAL**	**4,024,000**	**4,024,000**	**-**	5
6				6				6
7				7 **TRANSFERS OUT**				7
8	126,000	170,000	40,000	8 Equipment Reserve Fund	120,000	120,000	-	8
9	1,300,000	2,101,000	1,337,000	9 Capital Improvement Reserves Fund	1,850,000	1,850,000	-	9
10	**1,426,000**	**2,271,000**	**1,377,000**	10 **TOTAL TRANSFERS OUT**	**1,970,000**	**1,970,000**	**-**	10
11				11				11
12	**4,023,206**	**4,984,979**	**5,295,000**	12 **TOTAL EXPENDITURES**	**5,994,000**	**5,994,000**	**-**	12
13	**1,315,103**	**1,061,708**	**633,000**	13 **UNAPPROPRIATED ENDING FD BALANCE**	700,000	700,000	-	13
14	**$5,338,309**	**$6,046,687**	**$ 5,928,000**	14 **TOTAL REQUIREMENTS**	**$6,694,000**	**$6,694,000**	**$ -**	14

West Slope Water District

Table 15 - General Fund Requirements (Detail)

	Historical Data			EXPENDITURE DESCRIPTION	Number of FTE	Budget 2024-25			
	Actual		Revised Budget						
	2021-22 Prior Year	2022-23 Prior Year	2023-24 This Year			Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
1				1 PERSONNEL SERVICES					1
2	$ 136,974	$ 151,818	$ 166,000	2 General Manager	1	$ 177,000	$ 177,000	$ -	2
3	211,304	234,603	318,000	3 Labor Maintenance	4	342,000	342,000	-	3
4	187,998	179,049	197,000	4 Office Salaries	2	208,000	208,000	-	4
5	24,582	20,436	30,000	5 Overtime		36,000	36,000	-	5
6	103,771	128,480	170,000	6 Group Benefits		219,000	219,000	-	6
7	120,210	126,741	176,000	7 PERS Retirement		191,000	191,000	-	7
8	49,719	51,669	69,000	8 Payroll Taxes		73,000	73,000	-	8
9	5,435	3,998	6,000	9 Workers Compensation		6,000	6,000	-	9
10	5,701	2,565	5,000	10 Other Employee Related Costs		1,000	1,000	-	10
11	**845,694**	**899,359**	**1,137,000**	11 **TOTAL PERSONNEL SERVICES**	**7**	**1,253,000**	**1,253,000**	**-**	11
12				12					12
13				13 **MATERIALS & SERVICES**					13
14	1,053,177	1,005,579	1,295,000	14 Purchased Water		1,342,000	1,342,000	-	14
15	33,988	53,489	141,000	15 System Maintenance		80,000	80,000	-	15
16	3,824	8,100	10,000	16 Water Tests		10,000	10,000	-	16
17	19,017	22,567	25,000	17 Truck and Equipment Expense		28,000	28,000	-	17
18	11,446	13,808	16,000	18 Utilities		17,000	17,000	-	18
19	79,453	95,665	114,000	19 Billing and Payment		104,000	104,000	-	19
20	2,509	3,023	4,000	20 Office Supplies and Postage		4,000	4,000	-	20
21	1,455	2,072	3,000	21 Uniforms and PPE		3,000	3,000	-	21
22	41,070	44,694	50,000	22 General Insurance		72,000	72,000	-	22
23	26,342	28,889	37,000	23 Professional Services		38,000	38,000	-	23
24	4,098	3,073	10,000	24 Property Maintenance		7,000	7,000	-	24
25	68,493	89,342	101,000	25 IT Services and Office Equipment		98,000	98,000	-	25
26	2,849	3,162	3,000	26 General Support Services		7,000	7,000	-	26
27	3,118	3,188	5,000	27 Janitorial Expense		5,000	5,000	-	27
28	50,389	56,381	61,000	28 Right of Way Fees Paid		65,000	65,000	-	28
29	2,498	7,874	10,000	29 Board Expenses		10,000	10,000	-	29
30	1,525	1,746	3,000	30 Bad Debts		2,000	2,000	-	30
31	13,807	28,506	42,000	31 Ed, Training, and Memberships		41,000	41,000	-	31
32	3,493	9,847	12,000	32 Community Relations		13,000	13,000	-	32
33	6,785	6,549	7,000	33 Conservation		8,000	8,000	-	33
34	**1,429,336**	**1,487,554**	**1,949,000**	34 **TOTAL MATERIALS & SERVICES**		**1,954,000**	**1,954,000**	**-**	34
35				35					35
36	-	-	474,000	36 **CONTINGENCY**		481,000	481,000	-	36
37				37					37
38				38 **DEBT SERVICE**					38
39				39 2008 Revenue Bond (20 year):					39
40	280,000	290,000	300,000	40 Principal Payment		310,000	310,000	-	40
41	42,176	37,066	58,000	41 Interest Pymt (also SDC Fund)		26,000	26,000	-	41
42	**322,176**	**327,066**	**358,000**	42 **TOTAL DEBT SERVICE**		**336,000**	**336,000**	**-**	42
43				43					43
44	**2,597,206**	**2,713,979**	**3,918,000**	44 **SUB TOTAL**		**4,024,000**	**4,024,000**	**-**	44
45				45					45
46				46 **TRANSFERS OUT**					46
47	126,000	170,000	40,000	47 Equipment Reserve Fund		120,000	120,000	-	47
48	1,300,000	2,101,000	1,337,000	48 Capital Improvement Reserve Fund		1,850,000	1,850,000	-	48
49	**1,426,000**	**2,271,000**	**1,377,000**	49 **TOTAL TRANSFERS OUT**		**1,970,000**	**1,970,000**	**-**	49
50				50					50
51	**4,023,206**	**4,984,979**	**5,295,000**	51 **TOTAL EXPENDITURES**		**5,994,000**	**5,994,000**	**-**	51
52	**1,315,103**	**1,061,708**	**633,000**	52 **UNAPPROPRIATED ENDING FUND BAL**		**700,000**	**700,000**	**-**	52
53	**$5,338,309**	**$6,046,687**	**$ 5,928,000**	53 **TOTAL**		**$6,694,000**	**$6,694,000**	**$ -**	53

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 to assist in meeting debt service covenants and/or in smoothing variations in net operating revenues between years as determined to be necessary by the Board of Commissioners. This fund shall be reviewed and re-established or abolished if not used prior to June 20, 2028.

The 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, once the new agreement with PWB begins on July 1, 2026, wholesale water rates are expected to spike for the first few years. Therefore, this fund may be used to smooth the impact of wholesale water rate price increases at that time.

The cash for this fund is held in the General Fund and interest earned is included in the General Fund's interest income.

Table 16 - Rate Stabilization Fund Resources & Requirements

	Historical Data			RESOURCES AND REQUIREMENTS DESCRIPTION	Budget 2024-25			
	Actual		Revised Budget					
	2021-22 Prior Year	2022-23 Prior Year	2023-24 This Year		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
				RESOURCES				
1				1 **BEGINNING FUND BALANCE**				1
2	$ 800,000	$ 800,000	$ 800,000	2 Beginning Working Capital	$ 800,000	$ 800,000	$ -	2
3				3				3
4	**$ 800,000**	**$ 800,000**	**$ 800,000**	4 **TOTAL RESOURCES**	**$ 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	$ -	8
9	**$ 800,000**	**$ 800,000**	**$ 800,000**	9 **TOTAL REQUIREMENTS**	**$ 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 re-established or abolished prior to February 17, 2031. The primary source of revenue is operating transfers from the General Fund.

The FY25 budget for capital outlay of $125,000, includes the following items:

- $10,000 for replacement of computer equipment
- $20,000 for professional services to upgrade utility billing software
- $20,000 to replace old Master meters with new Mueller meters
- $75,000 for replacement of utility work truck and attached toolbox

In addition to the above, $120K is budgeted to be transferred into the Equipment Reserve Fund from the General Fund to cover the District's future capital equipment needs

Table 17 - Equipment Reserve Fund Resources & Requirements

	Historical Data				Budget 2024-25			
	Actual		Revised Budget	RESOURCES AND REQUIREMENTS DESCRIPTION				
	2021-22 Prior Year	2022-23 Prior Year	2023-24 This Year		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
				RESOURCES				
1				1 **BEGINNING FUND BALANCE**				1
2	**$ 257,973**	**$ 288,051**	**$ 396,000**	2 Beginning Working Capital	**$ 442,000**	**$ 442,000**	**$ -**	2
3				3				3
4				4 **OTHER RESOURCES**				4
5	1,551	10,114	13,000	5 Interest	23,000	23,000	-	5
6	126,000	170,000	40,000	6 Transfers In - General Fund	120,000	120,000	-	6
7	**127,551**	**180,114**	**53,000**	7 **TOTAL OTHER RESOURCES**	**143,000**	**143,000**	**-**	7
8	**$ 385,524**	**$ 468,165**	**$ 449,000**	8 **TOTAL RESOURCES**	**$ 585,000**	**$ 585,000**	**$ -**	8
9				9				9
10				10 **REQUIREMENTS**				10
11				11 **CAPITAL OUTLAY**				11
12	$ 4,128	$ 34,992	$ 20,000	12 Technology	$ 30,000	30,000	-	12
13	93,345	31,018	50,000	13 Radio Read Meters	20,000	20,000	-	13
14	-	-	10,000	14 Equipment & Vehicles	75,000	75,000	-	14
15	**97,473**	**66,010**	**80,000**	15 **TOTAL CAPITAL OUTLAY**	**125,000**	**125,000**	**-**	15
16				16				16
17	**288,051**	**402,155**	**369,000**	17 **RESERVED FOR FUTURE EXPENDITURE**	**460,000**	**460,000**	**-**	17
18	**$ 385,524**	**$ 468,165**	**$ 449,000**	18 **TOTAL REQUIREMENTS**	**$ 585,000**	**$ 585,000**	**$ -**	18

Capital Improvement Reserve Fund

The Capital Improvement Reserve Fund was re-authorized by Resolution on February 17, 2021, for the specific purpose of accumulating funds for and recording payment of funds for capital improvements. This fund will be reviewed and either abolished or re-established prior to February 17, 2031. The primary source of revenue is operating transfers from the General Fund.

The FY25 budget for capital outlay, includes the following items:

- $1.5M for the completion of the Garden View pipe replacement project, including contractor, engineering, and contingency amounts
- $200K for the completion of the Water Master Plan/Rate Study

In addition to the above, $1.85M is budgeted to be transferred into the Capital Reserve Fund from the General Fund to cover the District's future capital improvement project needs as listed in the CIP.

Table 18 - Capital Reserve Fund Resources & Requirements

	Historical Data			RESOURCES AND REQUIREMENTS DESCRIPTION	Budget 2024-25			
	Actual		Adopted Budget					
	2021-22 Prior Year	2022-23 Prior Year	2023-24 This Year		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
				RESOURCES				
1				**BEGINNING FUND BALANCE**				1
2	**$2,816,320**	**$4,008,746**	**$ 5,138,000**	Beginning Working Capital	**$3,901,000**	**$3,901,000**	**$ -**	2
3								3
4				**OTHER RESOURCES**				4
5	17,525	123,120	141,000	Interest	200,000	200,000	-	5
6	1,300,000	2,101,000	1,337,000	Transfers In - General Fund	1,850,000	1,850,000	-	6
7								7
8	**$4,133,845**	**$6,232,866**	**$ 6,616,000**	**TOTAL RESOURCES**	**$5,951,000**	**$5,951,000**	**$ -**	8
9								9
10				**REQUIREMENTS**				10
11				**CAPITAL OUTLAY**				11
12	$ 125,099	$ 692,427	$ 3,156,000	Reservoirs and Main Lines	$1,500,000	$1,500,000	$ -	12
13	-	9,152	-	Property Improvements	-	-	-	13
14	-	-	200,000	Master Plan Update / Rate Study	200,000	200,000	-	14
15	**125,099**	**701,579**	**3,356,000**	**TOTAL CAPITAL OUTLAY**	**1,700,000**	**1,700,000**	**-**	15
16								16
17	**4,008,746**	**5,531,287**	**3,260,000**	**RESERVED FOR FUTURE EXPENDITURE**	**4,251,000**	**4,251,000**	**-**	17
18	**$4,133,845**	**$6,232,866**	**$ 6,616,000**	**TOTAL REQUIREMENTS**	**$5,951,000**	**$5,951,000**	**$ -**	18

System Development Charges (SDC) Fund

The System Development Charges Fund was established by Ordinance in 2001 for the specific purpose of distribution system improvements or for the debt service on past improvements. The primary source of revenue is system development charges (SDCs) collected for all new meter connections or meter size upgrades. SDCs are allowed by ORS to compensate current customers for the unused portion of the existing utility and to offset future capital costs necessary to provide capacity for growth. The fund accounts for system improvement fees charged for new development within the District boundaries.

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

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

Beginning in FY12, the District began using SDCs to make partial bond payments for the District's 2008 debt incurred constructing Reservoir #3 as funds were available. The FY25 budget again includes one interest payment.

Table 19 - SDC Fund Resources & Requirements

	Historical Data				Budget 2024-25			
	Actual		Revised Budget	RESOURCES AND REQUIREMENTS DESCRIPTION				
	2021-22 Prior Year	2022-23 Prior Year	2023-24 This Year		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
				RESOURCES				
1				**BEGINNING FUND BALANCE**				1
2	**$ 54,754**	**$ 27,904**	**$ 17,000**	Beginning Working Capital	**$ 22,000**	**$ 22,000**	**$ -**	2
3								3
4				**OTHER RESOURCES**				4
5	259	755	-	Interest	-	-	-	5
6	9,957	19,878	16,000	SDC Fees Collected	10,000	10,000	-	6
7								7
8	**$ 64,970**	**$ 48,537**	**$ 33,000**	**TOTAL RESOURCES**	**$ 32,000**	**$ 32,000**	**$ -**	8
9								9
10				**REQUIREMENTS**				10
11				**DEBT SERVICE**				11
12	$ 37,066	$ 31,628	$ 27,000	Bond Interest Payment	$ 20,000	$ 20,000	$ -	12
13								13
14	**27,904**	**16,909**	**6,000**	**RESERVED FOR FUTURE EXPENDITURE**	**12,000**	**12,000**	**-**	14
15	**$ 64,970**	**$ 48,537**	**$ 33,000**	**TOTAL REQUIREMENTS**	**$ 32,000**	**$ 32,000**	**$ -**	15

Capital Improvement Plan

Overview

West Slope Water District is dedicated to maintaining assets, managing finances, and connecting with customers. While very little of the original infrastructure installed in the 1920's when the District was first formed remains in service today, much of the District's distribution system installed in the early post-World War II era is still in service. Because the District is close to 100% built out, the District's priorities in the last few decades have switched from expanding the distribution system to replacing existing aging infrastructure and ensuring seismic resiliency. The typical useful life of metal pipe is between 70-100 years. Pipe installed in 1946-47 is almost 80 years old in 2024. That does not mean that 80-year-old pipe will immediately start to fail. Instead, it means the District must take a proactive approach to assessing the current condition and criticality of each section of pipe as well determine potential threats to that section of pipe (external corrosion, internal pressure, landslide areas, and seismic resiliency). Over the next 30-40 years, coordinating and prioritizing repair and ultimately replacement of critical infrastructure before that infrastructure fails is an important and yet complex task. To best manage the effective and efficient replacement of aging water infrastructure, the District is working with Fracta, an asset management consultant, to build a comprehensive condition assessment and asset management tool that links several infrastructure metrics together in an artificial intelligence / machine learning software that aids the District in determining which sections of pipe should be prioritized for replacement over others.

Those metrics include:

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

The projects listed in the current Capital Improvement Program (CIP) Project Priority List are the projects the District believes are critical projects for the District today. Distribution water main projects call for cast iron pipe installed in the late 1940s and early 1950s to be replaced with new ductile iron pipe.

Currently, the District is managing two capital projects in the current fiscal year that will extend into the FYE 2025. Design work on the SW Garden View Drive water main replacement project began March 2024 and will be ready for bid by Fall 2024. The construction of the new water main should be finished by June 2025. Engineering work on the District's new Water System Master Plan / Water Rate Study began April 2024. Part of the master plan project is to develop a preliminary engineer's estimate for the cost to build the 3.0 MG Reservoir #4. The documented estimate is needed by the District to pursue funding from grants, earmarks, and low interest loan financing for the project's construction costs.

The table below is a summary of the CIP Project Priority List for the next ten years.

Individual Project Data sheets for each of the identified projects are included in this section providing a description, justification, and cost summary for each individual CIP project. The projects in the 1 to 5 Year Priority List are the most critical to complete and the ranking of the projects in the 6 to10 Year Priority List may be amended following the completion of the new master plan.

Table 20 - CIP Project Priority List

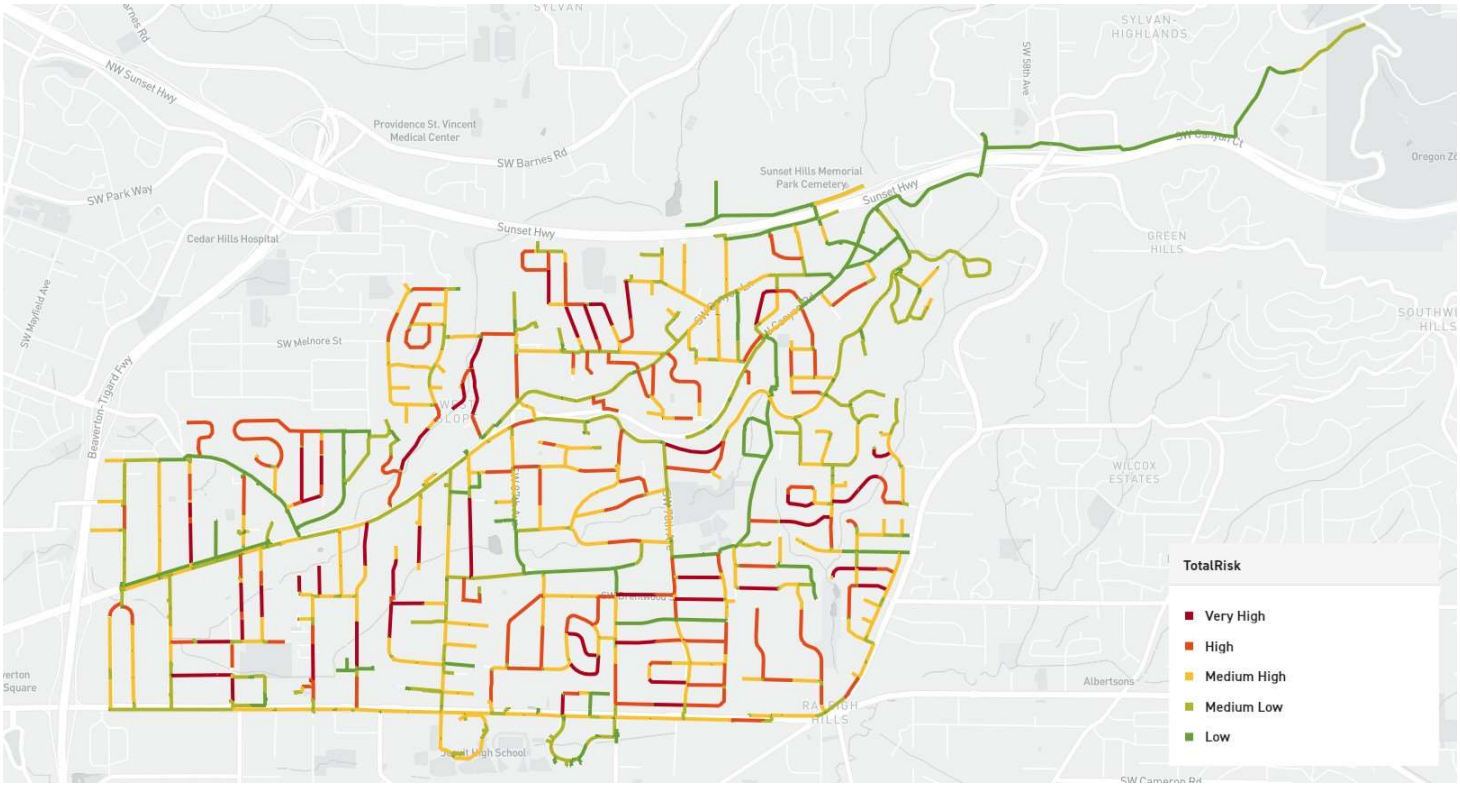
	Estimated Project Cost	Estimated Timing	Individual Project Data Sheet Page
1 to 5 Year			
Garden View	$ 1,500,000	2024-2025	36
Water Master Plan / Rate Study	300,000	2024-2025	37
Reservoir #4	10,100,000	2025-2027	38
Sharon Lane	700,000	2026-2027	39
Canyon Drive	400,000	2027-2028	40
TOTAL	**$ 13,000,000**		
6 to 10 Year			
106th Ave	$ 700,000	2028-2033	42
98th / 100th Ave	1,400,000	2028-2033	43
99th Ave	700,000	2028-2033	44
75th Ave	1,500,000	2028-2033	45
103rd Ave	1,600,000	2028-2033	46
TOTAL	**$ 5,900,000**		

CIP Priority List – 1 to 5 Year

Project	Need / Driver	Condition Assessment	Consequence of Failure & Likelihood of Failure	Business Risk Exposure (from Fracta)	Effective Utility Management (EUM) Attributes	Relation to Strategic Plan	Cost ($M)	Funding	Priority
Garden View	Several water main breaks in last few years including large break in 2022 resulting in major main repair work.	Soil / groundwater in area is highly corrosive to external pipe surface. Relatively new pipe has significant metal degradation.	This section of pipe is the only link for Scenic Drive neighborhood between SW 89th Avenue and SW Canyon Road.	Segment between SW Scenic	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	Facilitate a viable and reliable water system – District business existence and hard infrastructure	$1.5	Current Budget	High-Active capital project
Water Master Plan	Current 2014 Water Master Plan lacks Oregon Resilience Plan risk assessment for District assets. CIP project list based on fire flow and all costs are irrelevant now 10 years later.	A new master plan would be based on risk evaluation using ORP, Fracta business risk evaluation, main break data, District CoF and condition assessment evaluation for 2024-2044.	District's current Water Master Plan is out of compliance with OHA and serves little value to aid District in current strategic planning	Not having a viable plan is a high risk.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support	Facilitate a viable and reliable water system– District business existence and hard infrastructure	$0.3	Current Budget with DWSRF $20K grant	High-Active capital project
Reservoir #4	Only the 2009 Reservoir #3 is CSZ resilient. Rsvr #1 was demolished to build Rsvr #3. Propose building Rsvr #4 on vacant space on Sylvan Hill property before Rsvr #2 is demolished for new Rsvr #5 in the future	Generally, utilities have 3X peak day demand in finished water storage. District peak day is 2.8 MG, and District has 5.25 MG of storage, 2.25 MG of which is not earthquake resilient. Rsvr #2 may have a useful remaining 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 Portland system which significantly increases wholesale water rates	Not calculated by Fracta to date, but a high CoF and a high LoF results n a very high business risk exposure, so this is a high risk	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support	Facilitate a viable and reliable water system– District business existence and hard infrastructure	$10.1	Consider DWSRF loan or earmark revenue if still available in 2025	High – Propose project be undertaken with completion of Water Master Plan
Sharon Ln	Three water main break repairs since May 2023. Part of the District's water main located in the County ROW is under a private retaining wall that was illegally constructed in the ROW. To repair the pipe, the retaining wall would need to be torn down. The District proposes a new alignment away from the wall.	Unknown the exact cause of the three recent main breaks, but the cast iron pipe does date back to the early 1950s meaning its age is 70 years or more.	This section of pipe is listed by Fracta as in the top 9% of likely to fail with a medium low consequence of failure. The project will also connect the SW Sharon Lane / 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	Facilitate a viable and reliable water system – District business existence and hard infrastructure	$0.7	Water Rates	High – Propose project be undertaken following design of Res #4

Project	Need/Driver	Condition Assessment	Consequence of Failure & Likelihood of Failure	Business Risk Exposure (from Fracta)	Effective Utility Management (EUM) Attributes	Relation to Strategic Plan	Cost ($M)	Funding	Priority
Canyon Dr	Large water main break repair Feb 2024. The District's water main is located in the County ROW next to the pavement with four large trees directly over the water main. To repair the pipe, the tree needs to be removed and root system cut away from the pipe. The District proposes a new alignment away from the trees.	The cast iron water pipe built in the later 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 likely to fail with a medium high consequence of failure. The project will also add valving on SW Canyon Drive between SW 78th Avenue and SW Miner.	The total business risk for the pipe in this project scope is listed as very high.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	Facilitate a viable and reliable water system– District business existence and hard infrastructure	$0.4	Water Rates	High – Propose project be under-taken following design of Res #4

The picture below is a map of the District's pipe distribution system colored coded to indicate total business risk exposure of the District's distribution system assets. The map shown below was updated in March 2024. The map is updated annually by Fracta each year with the most current data.



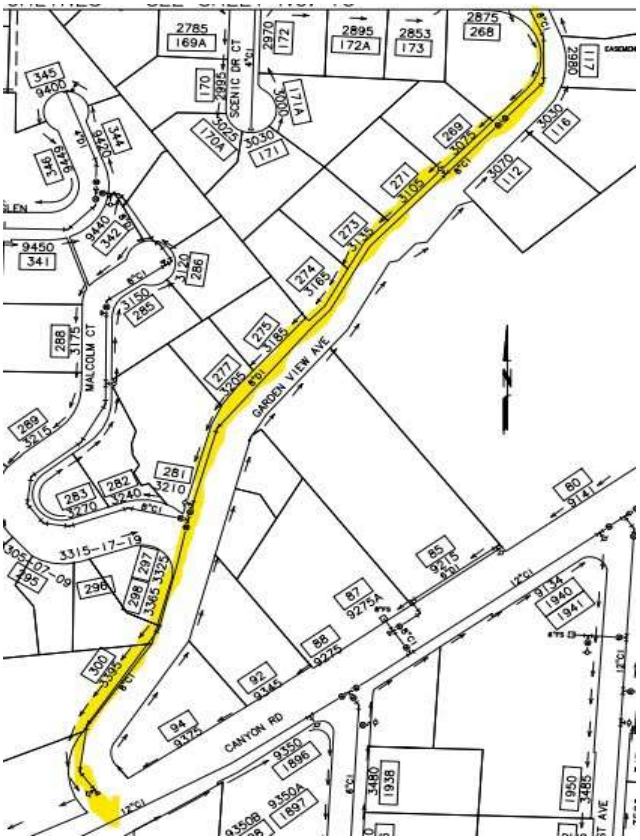
CIP Priority List – 1 to 5 Year

Project Name: Garden View
Water main replacement from Scenic Drive to Canyon Road

Project Priority: 1-5 Year CIP – High Priority

Project Description: Install 2,100 linear feet of 8-inch ductile iron pipe and abandon the existing 8-inch cast iron water main. The new water line would be connected to the existing water main on SW Canyon Road.

Map:



Garden View pipe that was replaced in 2022 shows extensive corrosion.

Project Justification: This project will replace an 8-inch cast iron main that has been repaired several times in the last 10 years. In 2022, a large main break alerted the District to a specific area where exterior pipe corrosion compromising the integrity of the existing pipe at an accelerated rate.

Project Timeline: Funding for design & construction of this project will be from water rates. Engineering design began in March 2024 and construction is scheduled to be completed by June 2025.

Project Cost Estimate:

Construction Cost	$1,121,000
Engineering Cost	190,000
Administrative Cost	62,000
Contingency	125,000
Total	**$1,500,000**
Rounded	**$1,500,000**

CIP Project Data Sheet – 1 to 5 Year

Project Name: Water System Master Plan

Project Priority: 1-5 Year CIP – High Priority

Project Description: The District contracted with Grayling Engineering to complete a new Water System Master Plan and Rate Study with the focus on asset replacement using input from asset management plan data and the 2018 Oregon Resilience Plan.

Project Justification: The District's current Water System Master Plan (MP) was an update of the 2001 Master Plan in 2014. The focus of the 2014 MP was on building capacity for in-fill growth and fire flow as the District's population density increased. However, per capita demand has remained constant or decreased slightly since 2001, and thus capacity is no longer the main driving factor for asset upgrades and replacements. This new MP will focus on asset replacement based on the 2018 Oregon Resilience Plan (ORP) and a CIP project schedule based on the consultant's analysis from the District's asset management / GIS technical data, asset condition assessments, and business risk exposure determinations for each District asset. In addition to the MP, the engineering consultant will conduct a Water Rate Study for the District with the anticipated goal of developing a new retail rate model based on a tiered rate structure. The final subtask of the MP is a preliminary engineer's estimate for constructing the new 3.0 MG Reservoir #4. The estimate will be used by the District to help secure public funding for the reservoir construction costs.

Project Timeline: Funding for the Water System Master Plan project will be from water rates with a potential $20k grant from the Drinking Water State Revolving Loan Fund (DWSRLF). The project began in April 2024 and is scheduled to be completed by June 2025.

Project Cost Estimate: $300,000

CIP Project Data Sheet – 1 to 5 Year

Project Name: Reservoir #4 / Sylvan Hill

Project Priority: 1-5 Year CIP – High Priority

Project Description: Construct a new 3.0 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 (pictured below) is taken out of service.

Map:

Project Justification: The District abandoned Reservoir #1 (similar in construction to Reservoir #2) and in its place built a 3.0 MG Reservoir #3 in 2009 to earthquake resilience standards. The new reservoir gave the District 5.25 MG of finished water storage. However, the District's peak day demand (PDD) is 2.9 MGD (2021), and a general engineering practice is to have a finished water storage volume of three times the utility's PDD, which would be about 9 MG. To achieve a storage volume of 9 MG, the District proposes to construct a new Reservoir #4 while leaving Reservoir #2 in place. Then at a time in the future, Reservoir #2 would be demolished and a new reservoir would be built in its place. Added finished water storage will allow the District to better manage peak water purchase demands and wholesale water rates from the City of Portland.

Project Timeline: Funding for design and construction of this project will need to be from an outside source to acquire the amount of working capital needed for the project. Consideration will be given to the Drinking Water State Revolving Loan Fund and/or federal discretionary funding as compared to the open bond market.

Project Cost Estimate:

Construction Cost	$6,942,000
Engineering Cost	1,041,000
Administrative Cost	694,000
Contingency	$1,388,000
Total Cost	**$10,065,000**
Rounded	**$10,100,000**

CIP Project Data Sheet – 1 to 5 Year

Project Name: Sharon Lane
Water main replacement from Ridgewood to Brenne

Project Priority: 1-5 Year CIP – High Priority

Project Description: Install 1,600 linear feet of 8-inch ductile iron pipe and abandon the existing 8-inch cast iron water main installed in the 1950s and 1960s. All water services along SW Sharon Lane will be transferred to the new water main.

Map:

Project Justification: The District has recently repaired this water main three times (May 2023, Sept. 2023, and Jan. 2024) and a portion of this pipe located in the County's public right-of-way (ROW) is not accessible due to private encroachment in the County's 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. Engineering design could begin in 2026 and construction is estimated to be completed by late 2027.

Project Cost Estimate:

Construction Cost	$493,000
Engineering Cost	74,000
Administrative Cost	49,000
Contingency	99,000
Total Cost	**$715,000**
Rounded	**$700,000**

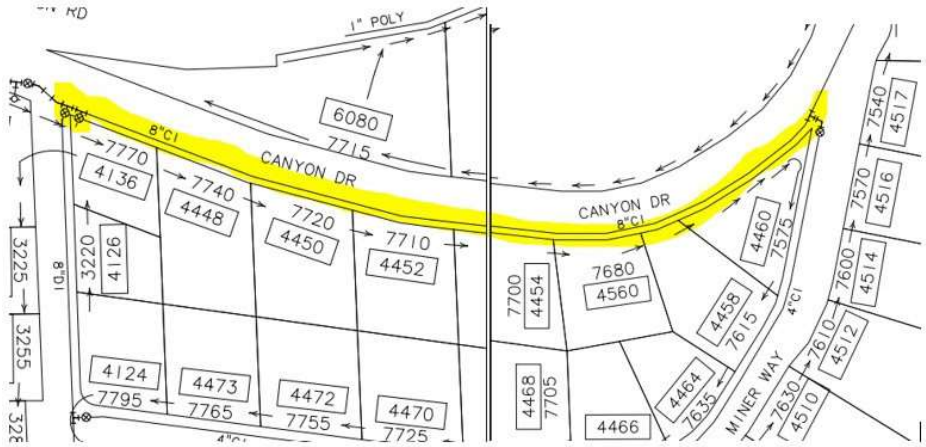
CIP Project Data Sheet – 1 to 5 Year

Project Name: Canyon Drive
Water main replacement from 78th to Miner

Project Priority: 1-5 Year CIP – High Priority

Project Description: Install 950 linear feet of 8-inch ductile iron pipe and abandon the existing 8-inch cast iron water main installed in the late 1940s. All water services along SW Canyon Drive will be transferred to the new water main.

Map:



Project Justification: The District repaired this water main in Feb. 2024 after it was discovered the root system from one of four 90+ ft. Douglas Fir trees had snapped the cast iron pipe in half. The trees are directly on top of the District's water main that is located adjacent to the pavement well inside the County's public right-of-way (ROW). Instead of the standard 2-3 hour repair, the task to repair the water main took 15 hours largely due to having to fell the tree and then saw the root system away from the pipe. The District would like to relocate a new water line further into the street (under the pavement) to avoid the trees further compromising the District's water main.

Project Timeline: Funding for design and construction of this project will be from water rates. Engineering design could begin in 2026 and construction is estimated to be completed by late 2027.

Project Cost Estimate:

Construction Cost	$263,000
Engineering Cost	40,000
Administrative Cost	26,000
Contingency	53,000
Total Cost	**$382,000**
Rounded	**$400,000**

CIP Priority List – 6 to 10 Year

Project	Need / Driver	Condition Assessment	Consequence of Failure & Likelihood of Failure	Business Risk Exposure (from Fracta)	Effective Utility Management (EUM) Attributes	Relation to Strategic Plan	Cost ($M)	Funding	Priority
106th Avenue	Existing 4-inch cast iron main was constructed in 1946. Potential development near SW Sunnyhill could replace a small part of the main for the District. The existing main has some external degradation. .	Water main breaks have occurred on this section of pipe in 2012, 2015, 2019, and 2021. System pressure in this pipe segment is under 80 PSI in most situations.	This section of pipe has no backup supply for customers on SW 106th Avenue. The water main is not a key connector between SW Walker & SW Canyon Roads. CoF is low, LoF is in the top 5%.	Full section of pipe is listed as Very High for total business risk based on break data, pipe age, and pipe material.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	Facilitate a viable and reliable water system – District business existence and hard infrastructure	$0.7	Water rates	High with 4 main breaks in 12 years
98th / 100th Avenue	Existing 4-inch cast iron mains were constructed between 1946-49. Water mains in the area have been degrading faster than average. The water main on SW 97th was replaced in 2000.	Water main breaks have occurred on this section of pipes in 2012, 2013 (twice), 2015 (twice), 2016, and 2023. System pressure in these mains is under 80 PSI in most situations.	This section of pipe has no backup supply for customers in the neighborhood. The water main is not a key connector in the distribution system. CoF is medium low, LoF is in the top 5-9%.	All cast iron water mains in this area are listed as Very High for total business risk based on break data, pipe age, and pipe material.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support	Facilitate a viable and reliable water system – District business existence and hard infrastructure	$1.4	Water rates	High with 7 main breaks in 12 years
99th Avenue	Existing 6-inch cast iron main was constructed in 1947. Amaya Creek Development tied into the existing main adding potentially 30 customer accounts served from the water main.	Water main breaks have occurred on this section of pipes in 2011 and twice in 2023. System pressure in these mains can be as high as 130 PSI.	This section of pipe has no backup supply for customers in the neighborhood. The water main is a key connector in the distribution system. CoF is high, LoF is in the top 30%.	Full section of pipe is listed as Very High for total business risk based on break data, pipe age, and pipe material.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	Facilitate a viable and reliable water system – District business existence and hard infrastructure	$0.7	Water rates	High with 3 main breaks in 13 years
75th Avenue	Existing 4-inch & 6-inch cast iron mains were constructed in 1949-54. SW Cedar Street water main was replaced in 2005. Some water mains are located in yards as ROW has been encroached.	Water main breaks have occurred on this section of pipes in 2012, 2013, 2014 2016 (twice), 2017, and 2020. System pressure in these mains is as much 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 medium to very high.	All cast iron water mains in this area have a total business risk exposure of Very High and High based on break data, pipe age, & pipe material.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	Facilitate a viable and reliable water system – District business existence and hard infrastructure	$1.5	Water rates	High to Medium High with 6 main-breaks in 13 years
103rd Avenue	Existing 4-inch & 6-inch cast iron mains were constructed in 1940-64. Existing pipe on SW Laurel dates back to 1940. This project would serve to complete an 8-inch water loop between SW Canyon Road and Beaverton / Hillsdale Hwy.	No known water main breaks on this stretch of pipe distribution since 2010. This project is listed in the 2014 Master Plan to improve flow between Canyon and B-H Hwy. Development on SW Laurel can help with this project.	CoF for these water mains is high due to lack of other service alternatives for local customers. LoF is in the top 15%.	All cast iron water mains in this project area have a total business risk exposure of High to Very High based on pipe age and pipe material.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	Facilitate a viable and reliable water system – District business existence and hard infrastructure	$1.6	Water rates	Low but could be elevated with the start of a develop-ment project

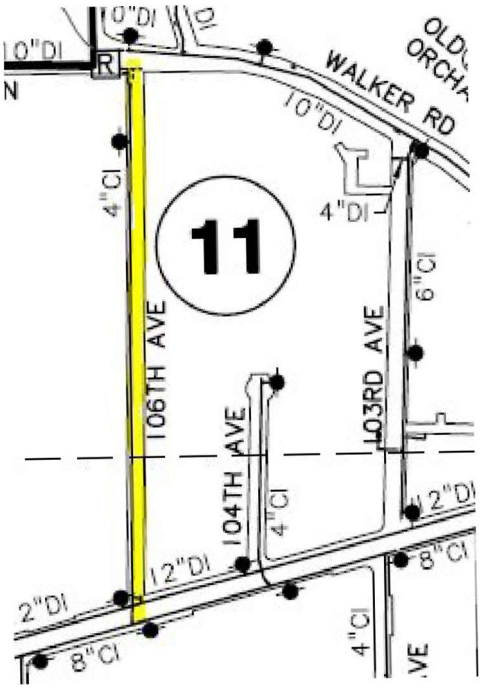
CIP Project Data Sheet – 6 to 10 Year

Project Name: 106th Avenue
Water main replacement from SW Walker Road to Canyon Road

Project Priority: 6-10 Year CIP – High Priority

Project Description: Install 1,620 linear feet of 8-inch ductile iron pipe and abandon the existing 4-inch cast iron water main. All water services along SW 106th Avenue in the project will be transferred to the new 8-inch water main.

Map:



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

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	$473,000
Engineering Cost	71,000
Administrative Cost	47,000
Contingency	95,000
Total Cost	**$686,000**
Rounded	**$700,000**

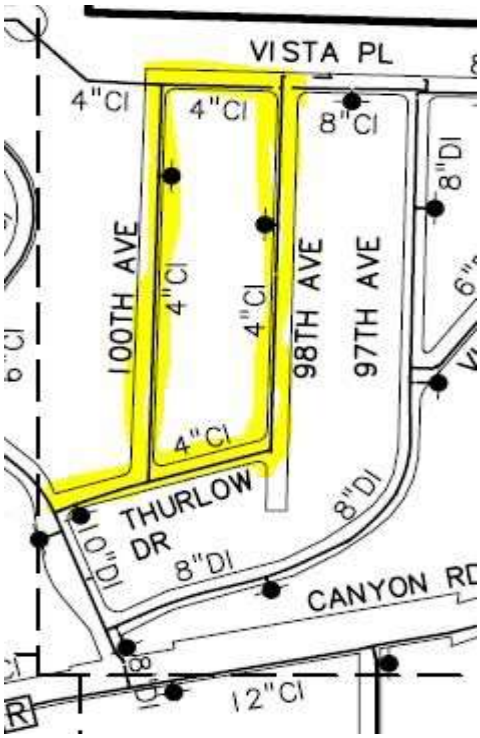
CIP Project Data Sheet – 6 to 10 Year

Project Name: 98th / 100th Avenue
Water main replacement from SW Vista Street to SW Thurlow Street

Project Priority: 6-10 Year CIP – High Priority

Project Description: Install 1,320 linear feet of 8-inch ductile iron pipe and abandon the existing 4-inch cast iron water main. All water services located in the project area will be transferred to the new 8-inch water 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 these pipeline segments since 2005. Increasing the diameter of the water from 4-inch to 8-inch will also improve fire flow capacity to the area residents.

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

Project Cost Estimate:

Construction Cost	$942,000
Engineering Cost	141,000
Administrative Cost	94,000
Contingency	188,000
Total Cost	**$1,365,000**
Rounded	**$1,400,000**

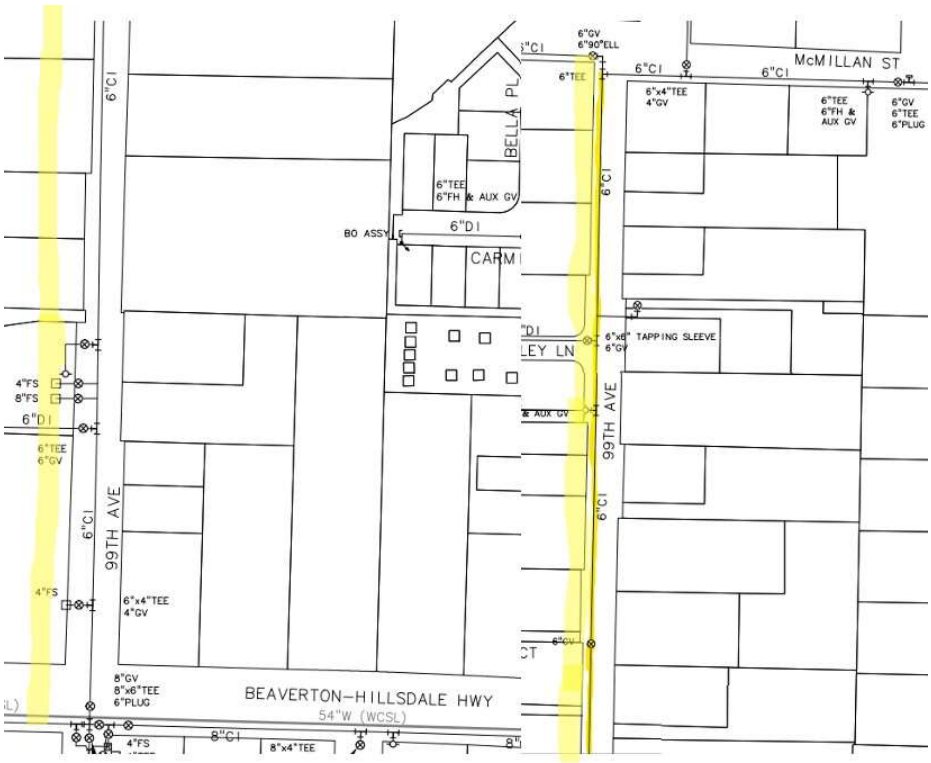
CIP Project Data Sheet – 6 to 10 Year

Project Name: 99th Avenue
Water main replacement from SW McMillan Street to Beaverton-Hillsdale Hwy

Project Priority: 6-10 Year CIP – High Priority

Project Description: Install 1,650 linear feet of 8-inch ductile iron pipe and abandon the existing 4-inch cast iron water main. iron water main.

Map:



Project Justification: The new main will be installed from SW McMillan Street to SW Beaverton-Hillsdale Highway. The existing cast iron main installed in 1947 has seen three water main breaks since 2011, two of which were in 2023.

Project Timeline: Funding for design and construction of this project will be from water rates. This project will take 1.5 years to design and construct.

Project Cost Estimate:

Construction Cost	$498,000
Engineering Cost	75,000
Administrative Cost	50,000
Contingency	99,000
Total Cost	**$722,000**
Rounded	**$700,000**

CIP Project Data Sheet – 6 to 10 Year

Project Name: 75th Avenue
Water main replacement from Northshire Street to Westmoor Street

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

Project Description: Install 1,580 linear feet of 8-inch and 2,120 linear feet of 6-inch ductile iron pipe and abandon the existing cast iron water main. All water services along the project area will be transferred to the new 8-inch water main.

Map:

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

Project Timeline: Funding for design and construction of this project will be from water rates. Project will likely be 1.5 years from design through construction.

Project Cost Estimate:

Construction Cost	$1,017,000
Engineering Cost	153,000
Administrative Cost	102,000
Contingency	203,000
Total Cost	**$1,475,000**
Rounded	**$1,500,000**

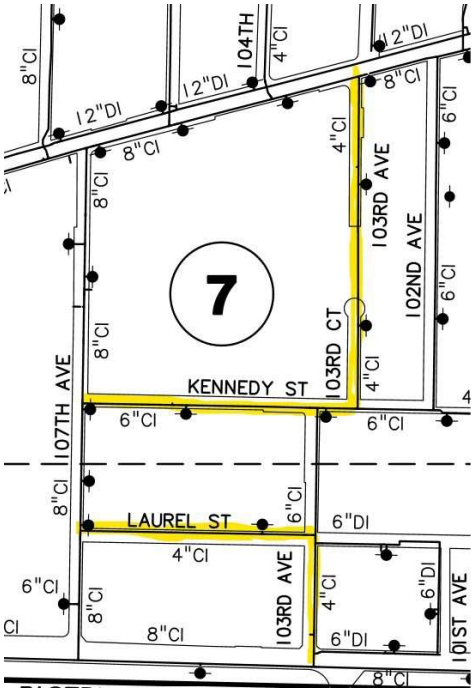
CIP Project Data Sheet – 6 to 10 Year

Project Name: 103rd Avenue
Water Line Replacement from SW Canyon Road to SW Beaverton-Hillsdale Highway

Project Priority: 6-10 Year CIP – Low Priority but could be driven by Laurel Street development

Project Description: Install a total of 3,640 linear feet of 8-inch ductile iron pipe (1,660 feet on SW 103rd Avenue, 1,070 feet on SW Kennedy Street, and 910 feet on SW Laurel Street), and abandon the existing 4-inch and 6-inch cast iron water main.

Map:



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

Project Timeline: Funding for design and construction of this project will come from water rates. A segment of the project on SW Laurel Street will be completed as part of a customer development project.

Project Cost Estimate:

Construction Cost	$1,086,000
Engineering Cost	163,000
Administrative Cost	109,000
Contingency	217,000
Total Cost	**$1,575,000**
Rounded	**$1,600,000**

Supplemental Financial Schedules

Strategic Plan Goals & Strategies

Goals – What we want to accomplish toward achieving our vision.
Strategies – Approaches, plans, or methods for moving from the current condition to attainment of our goals.

GOALS	STRATEGIES	NARRATIVE	FY 25 BUDGET ACCOUNT IMPACT
Facilitate a viable and reliable water system – District business existence and hard infrastructure	Evaluate business viability, level of service, and cost effectiveness of District service	Staff continues to evaluate priorities of needs for asset replacement, maintenance, and customer service. New CIP pipe projects include SW Garden View Dr, SW Canyon Dr, and SW Sharon Ln. The District is also proposing a new 3.0 MG Reservoir #4 for 2025-2028. Crew schedules and provides ongoing maintenance for valves, regulators, vaults, meters, and pipes. Projects include replacing failed water meters, adding sump pumps to vaults, reservoir telemetry maintenance, and cleaning/rebuilding pressure regulators.	• SW Garden View pipe project • System maintenance • Reserves for future CIP
	Create infrastructure resilience and reliability plan	The current master plan was updated in 2014 however does not currently include earthquake resiliency considerations according to new state law. Grayling Engineers has been hired to compose a new Water System Master Plan. Effective Utility Management priorities drive District activities. Along with the master plan, Grayling Engineers will conduct a Water Rate Study partnering with HDR as a sub-consultant. The rate study will follow the AWWA M1 Principles of Water Rates manual by performing an analysis of revenue requirements and cost of service and then proposing a rate design structure that will meet the needs of the District for the future.	• Master Plan update • Water Rate Study • Asset condition assessment • Fracta fees • 120 Water fees • Engineering services • GIS Data project
	Maintain effective communication among staff, management, Board, and the public	The District continues to improve on effective communications at all levels, including adding office video conferencing, updating website, and improving on the look and feel of annual financial, budgeting, and water quality reports, as well as quarterly newsletters. In addition, we will continue updating our website for better communication on capital projects, push alerts, water conservation items, transparency, and billing/payment information.	• Graphic design services • Water Quality Report • IT & office equipment • Utility /billing software • Website fees • Lead/Copper Rule compliance software
Maintain the District's long-term water supply – Maintain our quality product	Evaluate resiliency, reliability, value, service, viability, and quality of water supply options	The District has signed a new thirty-year agreement to purchase water from the Portland Water Bureau (PWB) beginning July 1, 2026. The cost to purchase wholesale water will increase as PWB adds infrastructure to its system and passes it on to its customers. Also, water supply quality is subject to increasing federal and state mandates for testing and treatment.	• Water purchased • Water tests
	Develop and maintain political understanding of the regional water industry	The District has held a high value in participating in federal, state and local associations related to the water industry including AWWA and OAWU which keeps staff current on issues, laws, and advancements related to water supply and infrastructure. In addition, the District has membership in SDAO, which advocates for legislation advantageous to small districts.	• Education, training, & memberships
	Promote conservation efforts to better manage regional natural resources	The District has membership in the Regional Water Providers Consortium, which provides marketing materials for water conservation and emergency preparedness used on our website. Both staff and board are actively involved.	• Conservation • Website fees
Normalize operational optimization – Maintain a high level of service and customer service interface	Establish an equity plan	The District staff and board are taking steps to develop a clearer understanding of the diversity, equity, and inclusion issues within our community. This includes understanding generational and cultural differences as it relates to our own bias through training and education.	• Professional translation services • Education & training
	Strive for customer satisfaction excellence	The District's staff has a high value for personal customer service and connection. Staff are available in the office and in the field to address customers' questions related to billing, leaks, and water quality. Since our staff is few in number and our service area is relatively small, customers have an easy connection with those servicing their water.	• Education, training, & memberships • Utility billing software • Website fees
	Assure a well-trained, competent staff is available to manage and operate the water system	As part of the District's employee development plan, we encourage all staff to pursue additional training, certification, and continuing education. This current year we all of our field crew obtain the next level of certification. In addition, office staff has had opportunity to attend training in HR, finance, management skills, and customer service.	• Education & training
	Establish a workforce succession plan	Since the District has a small staff, changes in key management roles and succession planning are important and the Board is committed to ensuring that a good process is in place. The District has started a succession plan for the general manager, who will be retiring in 2026. As needed, HR and management consulting services are obtained as well as services offered by our membership in SDAO.	• Professional services • Memberships

5-Year Forecast

On the next two pages is the 5-year financial forecast. The long-term financial strategy focuses on covering increased operating expenses related to purchased water and personnel services while building reserves for needed infrastructure improvements within the District.

Using the list of assumptions below, the following forecast indicates a $12.4M reserve fund balance in the Capital Improvement Reserve Fund at the end of June 30, 2029. These reserve funds will be used to help fund the Reservoir #4 project as well as other future projects prioritized under the new master plan.

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

Revenue assumptions:

1) Customer rate increases using a consumption volume of 526,000 units
   a) FY25 assume 6% on the consumption rate and 3% on the monthly service charge
   b) FY26 to FY29, 6% on both charges per year
2) Other operating income is estimated based on a line-by-line forecast, with COB debt reimbursement of $16K ending in FY27
3) SDC income remains flat based on low development in the District
4) Interest income is flat as rates are assumed to have peaked and reserve funds remain consistent

Expenditure assumptions:

1) Water purchased is calculated based on wholesale water rates from forecasted by PWB:
   a) FY25 and FY26 wholesale rates are based on the current contract which expires 6/30/2026. Total purchased water is calculated on the forecasted rate times the required minimum purchase of 683,155 units.
   b) FY27, FY28, and FY29, wholesale rates are based on the new contract effective 7/1/2026. Total purchased water is calculated on the forecasted rate times on estimated water usage of 576,000 units. The new water sales agreement no longer requires a minimum purchase quantity.
2) General Fund reserves are estimated at four months of operating expense plus debt service
3) The annual debt service is per the bond amortization schedule
4) Headcount of 7 full time equivalent (FTE) employees over the whole period, with an increase of 6% per year
5) Payroll taxes will increase consistent with salaries at 6% per year
6) PERS retirement contribution rates will increase 10% each two-year period
7) Increase of 5% to all expenses other than salaries, payroll taxes, PERS, and purchased water
8) Capital outlay for equipment and technology costs are estimated at $50K per year
9) Capital outlay for capital improvement projects:
   a) FY25 includes the Garden View project and Master Plan/Rate Study
   b) All other CIP projects will be determined once master plan study is completed and therefore not included in this forecast but instead included in the Capital Improvement Reserve Fund balance
10) Transfers into the Capital Improvement Reserve Fund are made each year for all General Fund resources generated over and above the four months of operating expenses reserves

5-Year Forecast - Part 1

	6/30/2024		6/30/2025		6/30/2026	
Bond Balance	**$1,320,000**		**$1,010,000**		**$685,000**	
Wholesale Water Rates per unit	**$ 1.892**		**$ 1.964**		**$ 1.995**	
	Actual Projected	**% Chng**	**Approved Budget**	**% Chng**	**Forecast**	**Assump/% Chng**
Revenue:						
Billed to customers	$ 4,851,000		$ 5,116,000		$ 5,423,000	
Estimated Units billed		525,000		526,000		526,000
Water Reimbursed by Beavrtn	52,000		53,000		54,000	
Units reimbursed at PWB rate		27,193		27,193		27,193
Total Water Revenues	**4,903,000**	**7%**	**5,169,000**	**6%**	**5,477,000**	**6%**
Other Operating Income	103,800		99,000		102,900	
SDC Fees	4,000		10,000		10,000	
Interest Income	301,800		273,000		273,000	
Total Miscellaneous Income	**409,600**		**382,000**		**385,900**	
Total Revenue	**5,312,600**		**5,551,000**		**5,862,900**	
Operating Expense:						
Purchased Water	1,292,500	29%	1,342,000		1,362,900	2%
Personnel Services	1,112,500	24%	1,253,000	13%	1,346,600	7%
Other Materials & Services	616,500	32%	612,000	-1%	643,000	5%
Total Operating Expense	**3,021,500**	**28%**	**3,207,000**		**3,352,500**	
Income before Capital and Debt	**2,291,100**	**-9%**	**2,344,000**		**2,510,400**	
Capital and Debt Requirements:						
Equipment & Technology	21,200		125,000		50,000	
Water System & Prop Improvements	3,183,600		1,700,000		-	
Total Capital Outlay	3,204,800		1,825,000		50,000	
Debt Service Principal & Interest	358,000		356,000		359,000	
Total Capital and Debt	3,562,800		2,181,000		409,000	
Net increase (decrease) in fund bal	**$ (1,271,700)**		**$ 163,000**		**$ 2,101,400**	
Fund Balance, End of year:		**Transfers**		**Transfers**		**Transfers**
General Fund & Contingency	1,376,300	(1,377,000)	1,181,000	(1,970,000)	1,237,200	(2,085,200)
Rate Stabilization Fund	800,000		800,000	-	800,000	-
Capital Improvement Reserve Fund	3,900,500	1,337,000	4,251,000	1,850,000	6,286,200	2,085,200
Equipment Reserve Fund	442,000	40,000	460,000	120,000	460,000	
System Development Chg Res Fund	21,900		12,000		22,000	
Total Fund Balance, End of year	**$ 6,540,700**	-	**$ 6,704,000**	-	**$ 8,805,400**	-

5-Year Forecast - Part 2

	6/30/2027	Assump/% Chng	6/30/2028	Assump/% Chng	6/30/2029	Assump/% Chng
Bond Balance	$350,000		$0		$0	
Wholesale Water Rates per unit **	$ 2.668		** $ 3.230		** $ 3.696	
Revenue:						
Billed to customers	$ 5,748,400		$ 6,093,300		$ 6,458,900	
Estimated Units billed		526,000		526,000		526,000
Water Reimbursed by Beavrtn	73,000		Terms End 06/30/27		Terms End 06/30/27	
Units reimbursed at PWB rate		27,193		27,193		27,193
Total Water Revenues	**5,821,400**	**6%**	**6,093,300**	**5%**	**6,458,900**	**6%**
Other Operating Income	107,000		95,400		100,000	
SDC Fees	10,000		10,000		10,000	
Interest Income	273,000		273,000		273,000	
Total Miscellaneous Income	**390,000**		**378,400**		**383,000**	
Total Revenue	**6,211,400**		**6,471,700**		**6,841,900**	
Operating Expense:						
Purchased Water	1,536,800	13%	1,860,500	21%	2,128,900	14%
Personnel Services	1,425,100	6%	1,533,100	8%	1,622,400	6%
Other Materials & Services	675,300	5%	709,100	5%	744,700	5%
Total Operating Expense	**3,637,200**		**4,102,700**		**4,496,000**	
Income before Capital and Debt	**2,574,200**		**2,369,000**		**2,345,900**	
Capital and Debt Requirements:						
Equipment & Technology	50,000		50,000		50,000	
Water System & Prop Improvements	-		-		-	
Total Capital Outlay	50,000		50,000		50,000	
Debt Service Principal & Interest	356,000		357,000		-	
Total Capital and Debt	406,000		407,000		50,000	
Net increase (decrease) in fund bal	**$ 2,168,200**		**$ 1,962,000**		**$ 2,295,900**	
Fund Balance, End of year:		**Transfers**		**Transfers**		**Transfers**
General Fund & Contingency	1,331,100	(2,114,300)	1,486,600	(1,846,500)	1,498,700	(2,323,800)
Rate Stabilization Fund	800,000	-	800,000	-	800,000	-
Capital Improvement Reserve Fund	8,350,500	2,114,300	10,147,000	1,846,500	12,420,800	2,323,800
Equipment Reserve Fund	460,000		460,000		460,000	
System Development Chg Res Fund	32,000		42,000		52,000	
Total Fund Balance, End of year	**$ 10,973,600**	-	**$ 12,935,600**	-	**$ 15,231,500**	-

**Rates are forecasted by PWB based on the new water sales agreement, effective 7/1/2026.
The new agreement has no minimum purchase.

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Bond Amortization

West Slope Water District
Revenue Bonds Issued 02/26/2008
Reservoir replacement and improvements

					Calendar Year totals				Fiscal Year Totals				
					Principal	Interest	Total		Principal	Interest	Total		Princ Bal
Date	Coupon	Principal	Interest	Total	Payments	Payments	Payments		Payments	Payments	Payments	FYE	at FYE
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**	-

Appendix

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Acronyms

ACFR	Annual Comprehensive Financial Report
CCF	Centum Cubic Fee; 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
LGIP	Local Government Investment Pool
LoF	Likelihood of Failure
MG	Million Gallons
MGD	Million Gallons per Day
MP	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
SDC	System Development Charge
TVWD	Tualatin Valley Water District
WSWD	West Slope Water District

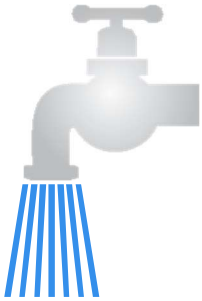
Comparison of Monthly Water Cost

Comparison of Monthly Water Cost (5/8" meter with 8 CCF)							
Data Collected at April 2024							
Rank	City / District	Monthly Residential 5/8" Meter Charge Rate	Consumption Charge per CCF Unit Rate	Notes	Estimated Monthly Bill at 8 CCF Total	Proposed rate increase for coming year	
1	TVWD	$ 25.93	$ 8.580	Tiered (1)	$ 94.57	17.50%	
2	**WSWD - Current**	**$ 20.52**	**$ 7.180**	**Flat**	**$ 77.96**	3% / 6%	
3	Portland	$ 21.19	$ 7.006	Flat	$ 77.24	7.90%	
4	Tigard	$ 32.95	$ 5.115	Tiered (2)	$ 73.87	2%	
5	Beaverton	$ 21.50	$ 5.900	Flat	$ 68.70	9%	
6	Hillsboro	$ 21.94	$ 3.550	Tiered (3)	$ 50.34	unknown	
7	Tualatin	$ 11.00	$ 3.900	Flat	$ 42.20	12%	
8	Raleigh	$ 18.23	$ 2.290	Tiered (4)	$ 36.55	10%	

(1)	**TVWD**	
	Block 1 - 0 to 28 CCF	$ 8.58
	Block 2 - +28 CCF	$ 12.22
(2)	**Tigard**	
	Tier 1 - 0 to 6 CCF	$ 4.59
	Tier 2 - 6 to 15 CCF	$ 6.69
	Tier 3 - +15 CCF	$ 7.67
(3)	**Hillsboro**	
	Tier 1 - 0 to 8 CCF	$ 3.55
	Tier 2 - 9 to 18 CCF	$ 5.55
	Tier 3 - +18 CCF	$ 7.55
(4)	**Raleigh**	
	Tier 1 - 0 to 12 CCF	$ 2.29
	Tier 2 - +12 CCF	$ 3.50

Source Data: Utility's website and 2024 Regional Water Providers Consortium annual members survey

Frequently Asked Questions



- **Where does my water come from?** West Slope purchases 100% of its water supply from the City of Portland which uses Bull Run surface water year-round with additional groundwater from wells as needed during the summer months. The District just signed a new agreement with Portland commencing July 1, 2026, to secure future water supply from Bull Run for another 30 years.
- **If my water rates increase 6% for water used and 3% for the flat monthly fee, how much more will I be paying for water?** The fixed meter fee for a 5/8" meter will increase $0.62 (from $20.52 to $21.14) and the per unit consumption rate will increase $0.43 (from $7.18 to $7.61). For example, a typical residential home using an average of 8 CCF units a month, your bill would increase by $4.06 per month or $48.72 per year.
- **Why is this water rate increase necessary?** The cost to operate a drinking water utility like West Slope increases annually along with the general cost of living. The District's water distribution system that brings the water to you needs improvement to provide seismic resilience and replacement when pipe materials fail. The largest part of this rate increase will go to fund capital projects which improve the integrity of the water distribution system.
- **Will there be more water rate increases in the years to come?** Yes, and for reasons related to the region as well as specific to the District. By 2026, the Portland Water Bureau will begin to operate the new Bull Run Water Filtration Treatment Facility. Portland and their wholesale water customers like West Slope Water District will share in the cost of the new water treatment facility through our water rates to Portland. Additionally, the District has its own share of capital projects to replace aging pipelines and one reservoir within the District. The cost to pay for those improvements comes from your water rates.
- **How can I get more information about Portland's projects?** The Portland Water Bureau provides the public with regular updates to their construction projects at: https://www.portland.gov/water/improvements
- **How can I get more information about the District's budget and projects in West Slope?** The District's budget for fiscal year ending June 30, 2025, can be found on the District's website at www.wswd.org. If you have questions about the budget, please call the District at 503-292-2777, 8 am-noon and 1-4:30 pm weekdays or email the District at customer.service@wswd.org**.**
- **How can I share my thoughts and concerns about the water rate increase with the District?** Besides contacting the District (see above), you can speak to the Board of Commissioners directly during the public hearing for the water rate increase on Wednesday, June 26th. This meeting will be held in person and via Zoom.

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, 2024 to June 30, 2025 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 15, 2024 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://tinyurl.com/bdezc5md
Meeting ID: 849 3064 6501
Passcode: 474179
Phone link (audio only): (253) 215-8782

The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. A copy of the budget document may be inspected or obtained after April 26, 2024 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

Beaverton Valley Times
Published May 2, 2024
Published May 9, 2024

Posted to Website on April 25, 2024

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 26, 2024 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, 2024, 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://tinyurl.com/bdezc5md
Phone Link (audio only): (253) 215-8782; Meeting ID: 849 3064 6501; Passcode: 474179

Contact: Wendy Irwin, Budget Officer	Telephone: (503) 292-2777	Email: wirwin@wswd.org

FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amount 2022-23	Revised Budget This Year 2023-24	Approved Budget Next Year 2024-25
Beginning Fund Balance/Net Working Capital	6,439,804	7,247,000	6,541,000
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	4,677,295	4,991,000	5,257,000
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	2,271,000	1,377,000	1,970,000
All Other Resources Except Current Year Property Taxes	208,156	211,000	294,000
Current Year Property Taxes Estimated to be Received	0	0	0
Total Resources	**13,596,255**	**13,826,000**	**14,062,000**

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	899,359	1,137,000	1,253,000
Materials and Services	1,487,554	1,949,000	1,954,000
Capital Outlay	767,589	3,436,000	1,825,000
Debt Service	358,694	385,000	356,000
Interfund Transfers	2,271,000	1,377,000	1,970,000
Contingencies	0	474,000	481,000
Special Payments	0	0	0
Unappropriated Ending Balance and Reserved for Future Expenditure	7,812,059	5,068,000	6,223,000
Total Requirements	**13,596,255**	**13,826,000**	**14,062,000**

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**	3,154,502	6,522,000	5,032,000
FTE	7	7	7
Not Allocated to Organizational Unit or Program	10,441,753	7,304,000	9,030,000
FTE	0	0	0
Total Requirements	**13,596,255**	**13,826,000**	**14,062,000**
Total FTE	**7**	**7**	**7**

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

Revenues are primarily generated through water rates. For the FY2024-25, revenues are expected to increase about 5% due to proposed rate increases effective July 2024.

Personnel services are expected to increase about 10% in FY2024-25 due to COLA adjustments and merit/certification increases as staff move up in salary/wage levels. There is no change in total FTE for FY2024-25.

Wholesale water purchased from City of Portland is the primary expense included in Materials and Services. For the FY2024-25, wholesale water rates are expected to increase by 4%. However, with a decrease in other system maintenance expenses, overall FY2024-25 budgeted amount for Materials and Services has remained relatively consistent with the prior year's budget.

Capital Outlay for FY2024-25 includes budgeted funds to complete the Water Master Plan/Rate Study and the Garden View main pipe replacement as well as funds to replace a utility truck/tool box and computer equipment. Total transfers of $1.97M include transfers from the General Fund to the Equipment Reserve and Capital Improvement Reserve Funds to save for future equipment replacements and capital projects. The main pipe replacement on Beaverton-Hillsdale Highway was completed in FY2023-24.

PROPERTY TAX LEVIES			
	Rate or Amount Imposed 2022-23	Rate or Amount Imposed This Year 2023-24	Rate or Amount Approved Next Year 2024-25
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	$1,320,000	$0
Other Borrowings	$0	$0
Total	$1,320,000	$0

Beaverton Valley Times - Published June 20, 2024
Posted to Website on May 16, 2024

Notice of Proposed Rate Increase

NOTICE OF PROPOSED RATE INCREASE

The Board of Commissioners will be holding a **Public Hearing on June 26, 2024 at 5pm to hear public comment** regarding a proposed 6% increase to the customer consumption rate and a 3% increase to the flat monthly meter rate**.** The hybrid meeting will be held at the District's office (3105 SW 89th Avenue) and via Zoom virtual conferencing at the following link:

https://tinyurl.com/bdezc5md
Meeting ID: 849 3064 6501
Passcode: 474179
Phone link (audio only): (253) 215-8782

The public is encouraged to attend and provide comment.

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

The Board of Commissioners is proposing an increase to the District's consumption charge and the monthly minimum (flat fee) charge. The increase will be effective for bills generated after June 26, 2024.

- The consumption charge will increase 6% or $0.43 from $7.18 to $7.61 for each 748 gallons (1 unit) of use.

- The monthly meter (flat fee) for the typical 5/8" meter will increase 3% or $0.62, from $20.52 to $21.14 per month. The flat monthly fee for all other meter sizes will increase proportionately.

For a residential customer who uses an average of 8 units of water per month, the monthly water bill will increase by a total of $4.06 per month or $48.72 per year.

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

Notice mailed with June 2024 billing statements
Posted to website on May 16, 2024

Budget Resolution

DRAFT COPY

WEST SLOPE WATER DISTRICT
RESOLUTION # 06-2024

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, 2025, in the total amount of $14,062,000. 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, 2024, and for the purposes shown below are hereby appropriated:

Appropriation	FY 2024-25
General Fund	
Water Services	
Personnel Services	$ 1,253,000
Materials & Services	1,954,000
	3,207,000
Debt Service	336,000
Transfers	1,970,000
Contingency	481,000
Total	**5,994,000**
System Development Charges Fund	
Debt Service	20,000
Equipment & Vehicle Reserve Fund	
Water Services	
Capital Outlay	125,000
Capital Improvement Reserve Fund	
Water Services	
Capital Outlay	1,700,000
Total Appropriations	**7,839,000**
Reserved for Future Expenditures	5,523,000
Unappropriated Fund Balance	700,000
TOTAL BUDGET	**$14,062,000**

Adopted by the Board of Commissioners, June 26, 2024.

WEST SLOPE WATER DISTRICT

By _____

Susan Meamber, Board Chair

ATTEST:

By _____

Andrew Smith, Secretary