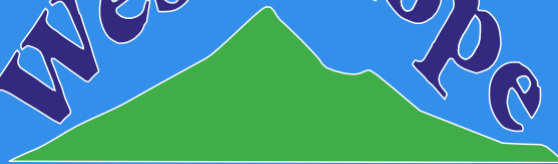


West Slope



Water District

PROPOSED
BUDGET

Fiscal Year 2023-24





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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 as authorized by the Oregon Revised Statutes Chapter 264.

*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 is charged with the management of the District. The District is organized into two units reporting to the General Manager. Three Water Works Operators report directly to the Operations Manager. The Customer Service & Operations Specialist reports directly to the Finance Manager. There are seven full-time equivalent 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. Highway 26 marks the northern border and the Beaverton-Hillsdale Highway is generally the southern border. The District services a population of approximately 10,300.

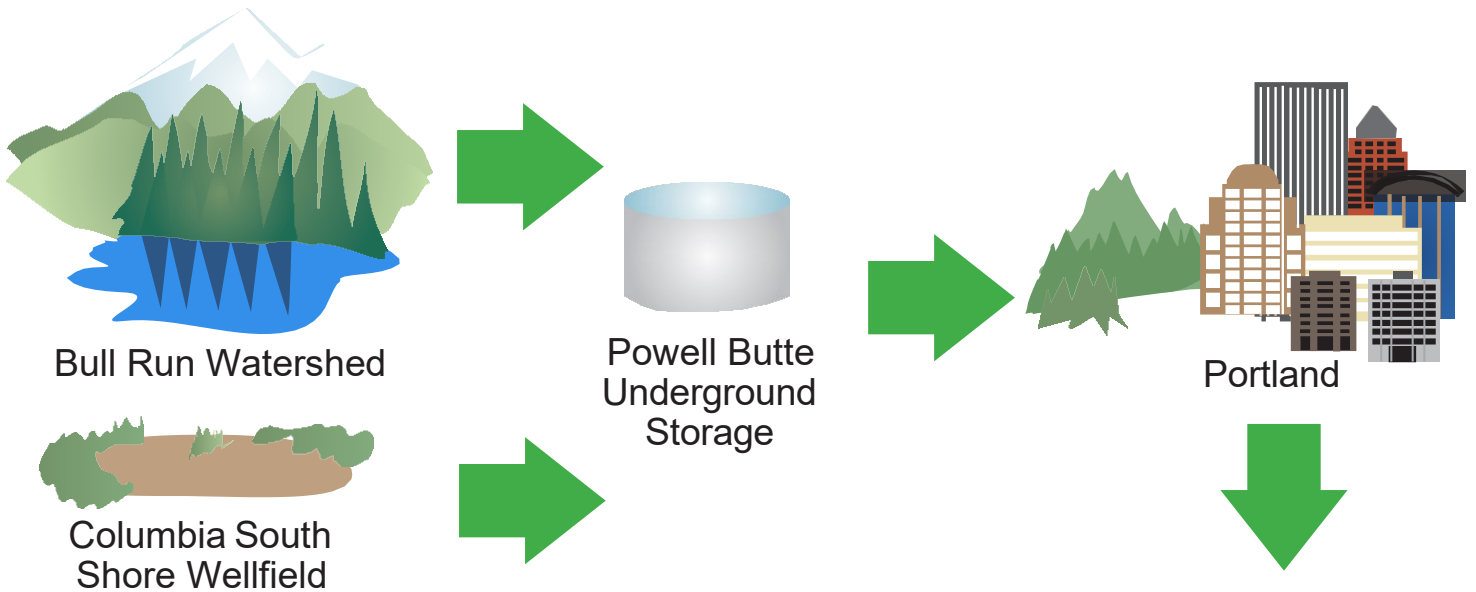
The District purchases its water from the City of Portland Water Bureau (PWB) under a 20-year Regional Water Sales Agreement contract that started July 1, 2006, which secured water resources from the Bull Run Watershed and Columbia South Shore well fields through June 30, 2026.

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.

The City of Beaverton (COB) withdrew approximately 5% of the District's service territory in May 2009. The District and the COB finalized an Intergovernmental Agreement (IGA) on May 18, 2011, for debt service and unclaimed water reimbursement.



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 – 450 MG
Daily Average – 1.05 MG

Distribution System

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

Water Storage

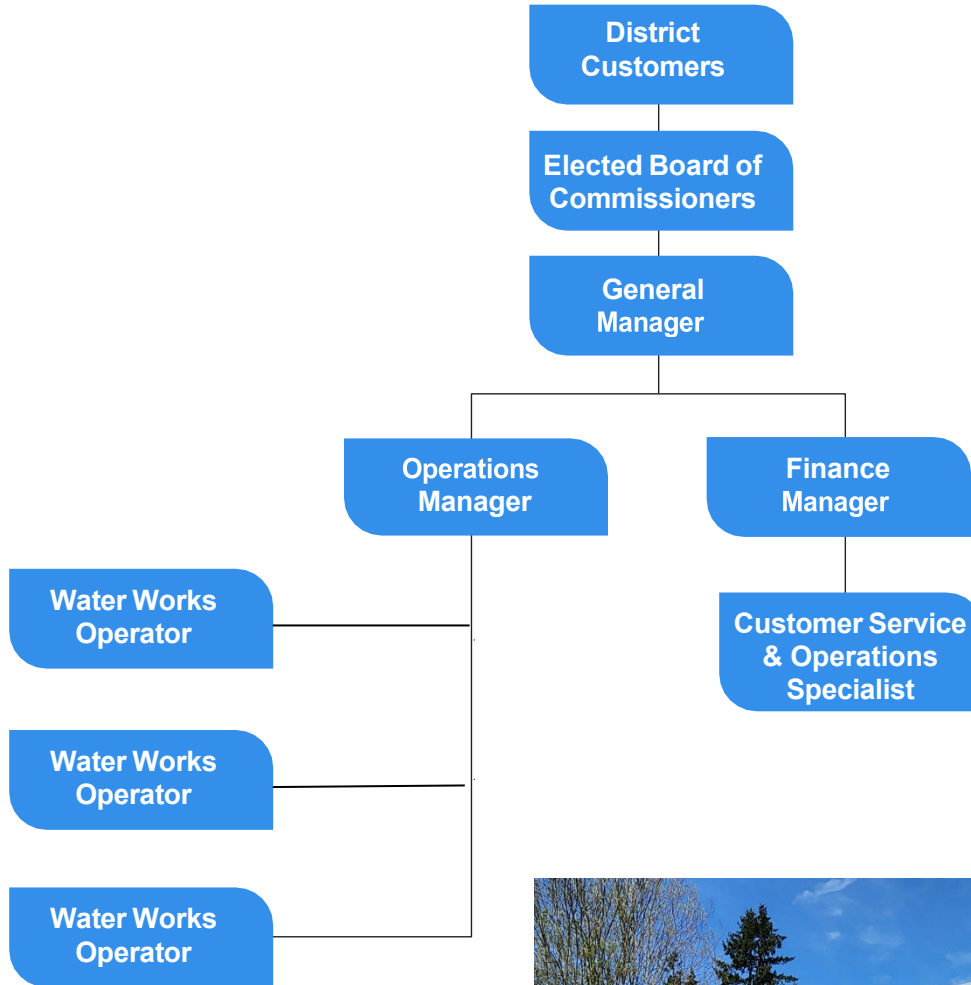
2.25 MG Sylvan Hill Concrete Reservoir - Constructed in 1960
3.00 MG Sylvan Hill Concrete Reservoir - Constructed in 2008-2009
0.80 MG SW Canyon Drive Welded Steel Standpipe Green Tank – Constructed in 1949 and seismically upgraded in 2017

West Slope

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:

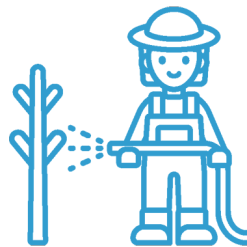
Our Vision is to

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)	<ul style="list-style-type: none"> • Evaluate business viability, level of service, and cost effectiveness of District 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)	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • 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 2023-2024

APPOINTED CITIZEN MEMBERS

Ron Witcosky
Michael Smith
Andrew Marsch
Marjorie Taylor
Chris Eppler

ELECTED COMMISSIONERS

Paul Schuler, Chair
Susan Meamber, Treasurer
Carol Wild
Ramesh Krishnamurthy
Andy Smith

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.

West Slope Water District (WSWD) prepares its annual budget for a fiscal year beginning July 1 and ending on the following June 30. The District is required to budget all funds and for each fund to have a balanced budget. Oregon's Local Budget Law defines a balanced budget as one in which total resources, including beginning fund balances, current resources, and debt proceeds, equal total requirements, including current year expenditures, capital outlay, transfers, debt service, and any other requirements for future reserves.

The annual budget is designed to clearly outline WSWD's fiscal policies and is used as a performance tool to measure accountability to its district's customers. 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.

The budget is amended when expenditures are anticipated to significantly exceed estimates. Budget amendments can also occur for expenditures that are seen as appropriate but were not anticipated during the budget process. Any amendments adding to the budget are brought to the Board of Commissioners by staff, discussed, and if appropriate approved by resolution by the Board. Amendments to the original budget must comply with Local Budget Law. Upon approval, staff revises the budget to reflect the approved change.

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.

The budget committee conducts public meetings to hear the budget message and reviews the budget proposed by the budget officer in May. 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 for final consideration and adoption in June.

Basis of Budgeting

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

- Revenues are budgeted 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

The District’s Annual Comprehensive Financial Report (ACFR) is prepared on the full accrual basis of accounting, in accordance with generally accepted accounting principles (GAAP). The ACFR shows all of the District’s funds as a single enterprise fund using GAAP basis as well as showing the individual funds on a budgetary basis as other supplementary information.

Fund Structure

The District’s accounting records are maintained on a fund accounting basis for budgetary and legal purposes; but for financial reporting purposes, all funds are considered a unitary enterprise operation and are therefore reported as a single enterprise fund on 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 vehicle 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

Budget Kickoff

Board approves budget committee and calendar, and appoints budget officer

FEB - APR

Budget Preparation

Staff prepares proposed budget

MAY

Budget Committee Meeting

Committee deliberates, hears public comment and approves budget

JUNE

Budget Hearing

Board holds budget hearing, hears public comment and adopts budget

JULY - JUNE

Budget Implementation

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



Budget Calendar Fiscal Year 2023-2024

December 21, 2022 Board Meeting	Board approves Budget Committee roster
January 18, 2023 Board Meeting	<ul style="list-style-type: none"> •Board appoints Budget Officer •Board approves Budget Calendar for FYE 06/30/2024. •Staff introduces preliminary budget concepts for FYE 06/30/2024
February 2023	<ul style="list-style-type: none"> •City of Portland announces preliminary wholesale rates for FYE 06/30/2024 •Letter is sent from General Manager to Budget Committee members with budget calendar and Budget Committee roster
February 15, 2023 Board Meeting	<ul style="list-style-type: none"> •General Manager presents cost of living and staff salary scale recommendations •Board approves cost of living adjustment and salary scales.
March 15, 2023 Board Meeting	Regular Board Meeting
March/April 2023	Staff finalizes preliminary budget numbers.
April 19, 2023 Board Meeting	Regular Board Meeting
April 24, 2023	Budget Officer requests publication of notice of May 17, 2023, Budget Committee meeting, in community newspapers. ORS 294.425 requires two notices 5 to 30 days before the committee meeting (between April 19 and May 12, 2023).
April 28, 2023	Staff delivers proposed budget document to full Budget Committee and posts document to District's website.
April 28, 2023	Budget Officer emails Form LB-1 (proposed budget financial summary) to sswashtscc@co.washington.or.us prior to the first budget committee meeting for posting on Washington County's website.
May 1-12, 2023	Staff reviews budget process and document as desired with individual budget committee members.
May 4, 2023,	First notice of May 17th Budget Committee meeting is published in community newspaper.
May 11, 2023	Second notice of May 17th Budget Committee meeting is published in community newspaper; email agenda and meeting reminder to Budget Committee members.
May 17, 2023 Board Meeting & Budget Committee Meeting	<p>Combined Board Meeting and Budget Committee Meeting</p> <ol style="list-style-type: none"> 1. Elect budget committee chair 2. Hear budget message from Budget Officer 3. Discuss proposed budget document 4. Receive public comment on proposed budget 5. Budget committee approves budget as submitted, makes revisions, or schedules another meeting for further discussion <p>Budget Officer prepares Approved Budget for Publication and public inspection.</p>
May 29, 2023	Budget Officer requests publication of notice (form LB-1) of June 21, 2023, Budget Hearing in community newspaper. ORS 294.425 requires one notice, 5 to 30 days before the budget hearing (between May 8 and June 16, 2023).
June 15, 2023	Notice of budget (form LB-1) and June 21, 2023, Budget Hearing is published in community newspaper.
June 21, 2023 Board Meeting & Budget Hearing	<p>Combined Board Meeting and Budget Hearing</p> <ol style="list-style-type: none"> 1. Board receives public comment on approved budget document 2. 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 3. Board adopts budget by resolution and makes appropriations
June 26, 2023	<p>Budget Officer emails Budget Resolution to: Department of Revenue Property Tax Division finance.taxation@oregon.gov</p> <p>Budget Officer mails form WH-118 to: Prevailing Wage Rate Unit OR Bureau of Labor & Industries 800 NE Oregon St. #1045 Portland, OR 97232-2180</p>

Budget Message

Introduction

Fiscal Year 2023-2024

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 2023-2024 for your review and consideration. This budget message is presented in accordance with Oregon Budget Law, ORS, Chapter 294.403, 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 District receives most of its revenue from the sale of water, which includes consumption and fixed based fees charged to its residential and commercial customers. The District does not levy or receive tax revenues.

The District's operating expenditures are accounted for in several funds. The General Fund includes personnel services, materials and services, and debt service. The Equipment and Capital Improvement Reserve Funds include the District's capital outlay expenditures.

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, 2024, as well as describe changes from the previous year's budget.



Revenues

Sale of Water

Water sales are the primary source of revenue for the District. The District is not subject to large population-based fluctuations because WSWD is in an area of very stable, desirable, and mature residential and commercial properties. Since the District will not be increasing its boundaries and little open property is available in the for new development and growth, the customer rate base remains relatively stable.

There are two factors that have an impact on water sales, the rates charged to customers and the volume of water consumed.

Customer water consumption varies with weather conditions. Revenue for water sales decline in cool wet weather when less water is used and increase in dry hot weather when more water is used.

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 increase revenue to cover operating costs and to save for infrastructure repair and replacement is to increase the rates charged to customers.

With recent inflation and increased operating costs, staff is proposing to raise the rates charged to customers again this year to cover these costs.

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.

The Board and staff have also discussed the possibility of moving from a flat consumption rate to a tiered rate billing structure. Staff will be exploring this idea in the next year by hiring a consultant to conduct a rate feasibility study to better understand the demographics of our district and how to best apply a tiered rate structure. Therefore, for the current FY24 budget, staff recommends continuing with a flat consumption rate until the rate study is completed and more information is gathered about how the rate change will impact District’s customers.

As a result of these discussions, the proposed budget presented for FY24 assumes rate increases of the following:

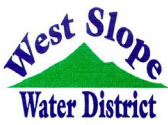
- 10% consumption flat fee increase from \$6.30 to \$6.95 per CCF; and a
- 3% monthly service fee increase for a typical residential 5/8” meter, from \$19.83 to \$20.42

For reference, a history of rate increases over the last thirteen years is shown in *the following table*:



Table 1 - History of Customer Rates

	Proposed Jun-23	Jun-22	Jun-21	Sep-19	Sep-18	Nov-14	Nov-12	Nov-11	Jul-10	Feb-10
Water Consumption Fee (per CCF)	\$6.95	\$6.30	\$5.73	\$5.41	\$4.83	\$4.31	\$4.31	\$4.25	\$4.10	\$3.64
Percentage change	10.3%	9.9%	5.9%	12.0%	12.1%	0.0%	1.4%	3.7%	12.6%	5.0%
Monthly Service Fee (for residential 5/8" Meter)	\$20.42	\$19.83	\$18.71	\$17.65	\$15.76	\$14.07	\$13.05	\$11.86	\$7.22	\$7.22
Percentage change	3.0%	6.0%	6.0%	12.0%	12.0%	7.8%	10.0%	64.3%	0.0%	5.0%



From the Regional Water Consortium’s rate survey of area water utilities, WSWD rates are reasonable, not the lowest, but not the highest, compared to other water providers in the surrounding area. See Page 49 for a chart on average monthly water cost of providers in the surrounding area.

To budget for FY24 water sales, consistent with prior years, uses a rolling five-year average for the annual water consumption volume. The five-year annual average for water consumption is estimated for budget year FY24 at 525,100 CCF, which is 2% less than the FY23 projected actual. Changes from year to year in the rolling five-year average are due to the fluctuations in weather temperatures and related customer usage.

The following table shows the history of total annual water consumption volume. As shown in the table, water usage can vary from year to year by as much as 2 to 11%.

Table 2 - History of Annual Water Consumption Volume								
	Proposed Budget FY2024	Projected Actual FY2023	Actual					
			FY2022	FY2021	FY2020	FY2019	FY2018	FY2017
Annual CCF Billed	525,100	535,200	517,409	535,229	489,913	547,929	534,842	498,768
Percentage change	-2%	3%	-3%	9%	-11%	2%	7%	-8%

Other Non-Operating Revenues

Other non-operating revenues include interest income on short-term investments and gain/loss on disposition of assets. The FY24 budget has been increased for interest income because of higher interest rates currently being earned on reserve monies in the Local Government Investment Pool (LGIP) accounts. The current rate in the LGIP accounts for April 2023 is 3.75% compared to the rate at the same time last year of 0.55%.

Summary of Revenues

In summary, as noted **in the table below**, total budgeted revenues across all funds for FY24 increased by \$566,000 or about 13%. The increase is primarily due to higher sales of water revenue due to rate increases and to the higher interest income included in other non-operating revenues.

These additional revenues budgeted for FY24 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 fo All Funds					
	Proposed Budget	Adopted Budget	Actual		
	FY2024	FY2023	FY2022	FY2021	FY2020
Sale of Water	\$ 4,767,000	\$ 4,366,000	\$ 3,923,266	\$ 3,901,044	\$ 3,515,801
Other Operating	90,000	87,000	92,098	85,661	74,246
Interest & Gain/Loss on Disposition of Assets	192,000	30,000	7,409	(6,788)	71,661
SDC Revenue	16,000	16,000	9,957	23,672	15,517
Total Revenues - All Funds	\$ 5,065,000	\$ 4,499,000	\$ 4,032,730	\$ 4,003,589	\$ 3,677,225
Dollar Increase from previous year	\$ 566,000				
Percentage Increase from previous year	12.58%				



Personnel Services

All personnel services are budgeted for in the General Fund. The District currently has seven full-time employees including four in the field, two in the office, and the general manager, who oversees the day-to-day operations.

Salaries and Wages

Over the last two and half years there have been several changes in staff. In September 2021, the operations manager retired who had been with the District for thirty plus years. A current field worker who had over ten years' experience with the District stepped into the operations manager's position leaving one field worker position vacant. This entry level water worker position was vacant for one and half years, recently being filled in April 2023.

Then in June 2022, the finance manager retired who had been with the District for seven years. That position was filled in April 2022 allowing for a three month overlap for training and assimilation. These staff changes have impacted the line item for salaries and wages and related group benefit expenses during the past several years.

Included in the FY24 budget is an estimated 7% cost of living increase for all employees as well as merit increases estimated at 3-5% as individual staff acquire further certification and move up in salary levels. Staff are encouraged to pursue further training, certification, and networking within the water industry to provide knowledgeable and professional services to our District customers.

Group Benefits

The budget line item for group benefits is higher than the previous year due to changes in the employee census which takes into account the employee's age and number of covered dependents. In January 2023, changes in the census resulted in a thirty percent increase in the monthly premium. In addition, for budget FY24, there will be seven covered employees versus six that were covered in FY23.

PERS Retirement Plan

The budget line item for retirement contributions increased due to a higher PERS rate charged on increased subject salaries from previous year. The PERS contribution rate changes every two years. For FY22-FY23 rates were 28.53% for Tier One and 22.23% for OPSRP employees increasing to 29.60% and 23.54%, respectively for FY24-FY25.

Summary of Personnel Services

As noted in the table below, the overall budget for FY24 has increased by \$182,000 or 19% from the previous year due to the changes mentioned above. The District is now fully staffed with the two managers working together with the general manager to build a positive and collaborative culture amongst the staff to provide continued excellent customer service to District customers.

Table 4 - Personnel Services					
	Proposed Budget	Adopted Budget	Actual		
	FY2024	FY2023	FY2022	FY2021	FY2020
Salaries and Wages	\$ 711,000	\$ 621,000	\$ 560,858	\$ 591,499	\$ 590,706
Group Benefits	170,000	127,000	103,771	139,717	136,589
Retirement contributions	176,000	142,000	120,210	147,481	132,614
Taxes, Workers Comp, and Other	80,000	65,000	60,855	59,438	57,917
Total Personnel Services	\$ 1,137,000	\$ 955,000	\$ 845,694	\$ 938,135	\$ 917,826
Dollar Increase from previous year	\$ 182,000				
Percentage Increase from previous year	19.06%				



Materials and Services

Purchased Water

Personnel services along with the cost of purchased water are the primary operating expenses of the District. The District purchases all of its water from the City of Portland per a 20-year water supply agreement which started on July 1, 2006, and ends June 30, 2026. In April 2021, the District received notice from the City that it would not renew the existing agreement. The City is currently working with all current wholesale customers and a financial consultant to create a new wholesale water sales agreement for water sales past June 30, 2026. While the contract is not finalized, the terms currently being proposed for the new contract look favorable. Although the District will be subject to increased rates, the new agreement will provide stability for long-term water supply to the District for the next 20-30 years.

The FY24 budget for purchased water increased by \$289,000 or 29% due to a higher wholesale water rate forecasted by PWB. The annual rate charged by PWB fluctuates based on the demand and capital improvements made by the City that get charged back to the wholesale customers per the agreement. **The table below** shows the history of the rates and cost of total purchased water for the past several years.

Table 5 - Wholesale Water Rates						
	Proposed Budget	Adopted Budget	Actual			
	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019
Wholesale Water Rate (dollar per CCF)	\$1.895	\$1.473	\$1.542	\$1.977	\$1.977	\$1.776
Percentage change	28.65%	-4.47%	-22.00%	0.00%	11.32%	1.00%
Total Purchased Water	\$ 1,295,000	\$ 1,006,000	\$ 1,053,177	\$ 1,220,019	\$ 1,359,983	\$ 1,222,219
Dollar increase from previous year	\$ 289,000					
Percentage increase from previous year	28.73%					

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, personal property and customer inconvenience is greatly reduced by performing regular preventive maintenance. This line item also includes a budgeted amount for estimated repair costs for main breaks as they occur in the District.

The FY24 budget line item for system maintenance is higher by \$65,000 or 86% than the previous year. Increase includes \$60,000 for rebuilding regulators, which is scheduled for every five years, \$18,000 to purchase vault sump pumps, as well as estimated decrease in expense of \$13,000 for one-time costs of tree removal and sampling stations that were included in the previous FY23 budget and no longer needed for FY24.

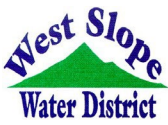
Billing and Payment

The line item for billing and payment includes expenditures for outsourcing the printing and mailing of the monthly utility billing statements, merchant and transaction fees for our online payment portal, and miscellaneous bank fees.

The FY24 budget line item for billing and payment is higher by \$29,000 or 34% from the previous year. Budget increase includes \$18,000 for a new \$1 transaction fee charged by Springbrook, the software company the District uses for online payment transactions, \$10,000 for merchant fees due to more customers using credit cards to pay their bills, and \$1,000 for higher cost for outsourcing/mailling the billing statements.

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. 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 \$5,000 capitalization threshold.



The FY24 budget line item for IT services and office equipment is higher by \$15,000 or 17% from the previous year. Budget increase includes a higher annual maintenance fee of \$9,000 for our accounting and utility billing software due to migration to cloud based program, annual fee of \$4,000 for new GIS software, and \$2,000 for new computer equipment.

Education, Training, and Memberships

The line item for education, training, and memberships includes expenditures for local, regional, and national water association conferences and meetings, classes and fees for water certifications, continuing professional education, commercial driver license (CDL) training, and District association memberships.

The FY24 budget for this line item increased by \$13,000 or 45% from the previous year. Management has been more intentional about providing continuing education and training to staff, as well as opportunities to attend professional conferences. These opportunities now include in-person attendance, increasing travel and expenses related to this line item.

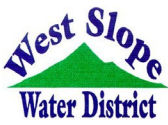
Summary of Materials and Services

The table below shows the line-item changes for the FY24 budget as compared to the prior FY23 budget. Total FY24 budget for materials and services excluding purchased water increased by \$143,000 or 28% due to the items noted above.

The line item for Right of Way fees paid is the 5% fee charged to all customers living within the City of Beaverton. The amount is recorded both as revenue and as an expenditure line 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.

Table 6 - Materials & Services Excluding Water Purchased

	Proposed Budget	Adopted Budget	Dollar Change	Percentage Change	Actual		
	FY2024	FY2023			FY2022	FY2021	FY2020
System maintenance	\$ 141,000	\$ 76,000	\$ 65,000	85.53%	\$ 33,988	\$ 43,703	\$ 20,536
Water tests	10,000	6,000	4,000	66.67%	3,824	3,732	14,972
Truck and equipment	25,000	27,000	(2,000)	-7.41%	19,017	19,904	16,786
Utilities	16,000	13,000	3,000	23.08%	11,446	11,843	12,826
Billing and payment	114,000	85,000	29,000	34.12%	79,453	67,181	63,717
Office supplies and postage	4,000	4,000	-		2,509	1,978	1,894
Uniforms	3,000	3,000	-		1,455	261	2,603
General insurance	50,000	43,000	7,000	16.28%	41,070	40,281	37,048
Professional services	37,000	33,000	4,000	12.12%	26,342	22,912	74,409
Property Maintenance	10,000	6,000	4,000	66.67%	4,098	3,520	5,583
IT services and office equip	101,000	86,000	15,000	17.44%	68,493	57,594	45,620
General support	3,000	3,000	-		2,849	2,899	2,836
Janitorial	5,000	5,000	-	0.00%	3,118	2,610	3,114
Right of Way fees paid	61,000	57,000	4,000	7.02%	50,389	47,288	43,970
Board	10,000	10,000	-		2,498	8,346	6,495
Bad debts	3,000	7,000	(4,000)	-57.14%	1,525	-	-
Ed, training, and memberships	42,000	29,000	13,000	44.83%	13,807	7,916	11,554
Community relations	12,000	11,000	1,000	9.09%	3,493	6,271	6,060
Conservation	7,000	7,000	-		6,785	6,586	6,836
Total Materials & Services Excl Water	\$654,000	\$511,000	\$143,000	27.98%	\$376,159	\$354,825	\$376,859



Capital Outlay

Vehicles and Equipment

The District maintains an Equipment Reserve Fund to provide funds for replacement of aged equipment and purchases of additional equipment and technology. Capital outlay is budgeted for purchases that exceed the capital threshold of \$5,000 and have an expected useful life of greater than one year.

During the past several years, the annual budget included \$100K 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 FY24 has been reduced in half to \$50K.

The line item for technology includes upgrades to computer equipment and specialized software. The budget for FY24 of \$20K is for the replacement of the District's computer server due to end of life for the Windows operating system. The FY24 budget line item for equipment includes \$10K to purchase a new chlorine analyzer for water quality testing within the District's distribution system.

Besides capital outlay, transfers are made each year from the general fund to set aside reserves to cover future replacement costs of vehicles, dump truck, vac truck, and excavator. To meet reserve estimates, the FY24 budget includes a transfer of \$40,000 from the General Fund to the Equipment Reserve Fund.

The amount budgeted in the Equipment Reserve Fund varies from year to year depending on the needs of the District. For the FY24 budget, a total of \$80,000 has been budgeted for equipment capital outlay purchases in the fund **as listed below:**

Table 7 - Capital Outlay for Vehicles & Equipment		
	Proposed Budget	Revised Budget
	FY2024	FY2023
Equipment	10,000	5,000
Technology	20,000	77,000
Radio read meters	50,000	100,000
Total Capital Outlay - Equipment	\$ 80,000	\$ 182,000
Dollar decrease from previous year	(102,000)	
Percentage decrease from previous year	-56.04%	

Capital Improvement Projects

The District maintains a Capital Improvement Reserve Fund to provide funds for capital projects related to District infrastructure. Capital outlay is budgeted for current year's capital improvement projects according to the master plan.

Engineering and design for the Beaverton-Hillsdale Highway main-line replacement began in FY21. The project went out to bid in the Fall of 2022 and the contract was awarded to Emery & Sons for the bid price of \$3.6M. Construction is planned to begin in June 2023 with anticipated completion by November 2023. In the current year FY23, projected costs are estimated at \$1.1M. The FY24 budget includes another \$2.8M for project completion. Project costs include contractor's bid, engineering, and contingency.

Once the Beaverton-Hillsdale project is underway, the District will move forward with the Gardenview capital project. As of now, Gardenview is the next scheduled capital project with \$350K budgeted in FY24 for the engineering and design work. The remaining \$450K estimated cost of the total \$800K for the Gardenview project will be budgeted in the following year.

A list of additional projects is included in the Capital Improvement Plan section (Pages 29-41) of this budget document.

Also included in capital outlay for the FY24 budget is \$200K to have a new 20-year master study conducted. 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 is not in compliance with current regulations.

Transfers are made each year from the General Fund into the Capital Improvement Reserve Fund to set aside reserves to cover future CIP costs. The FY24 budget includes a transfer of \$1.2M so that monies can continue to be set aside for future projects.

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 FY24, a total of \$3,356,000 has been budgeted in this fund **as listed below:**

Table 8 - Capital Outlay for Capital Improvements		
	Proposed Budget	Revised Budget
	FY2024	FY2023
Master Plan Study	\$ 200,000	\$ -
Reservoirs and Main Lines	3,156,000	3,100,000
Property Improvements	-	10,000
Total Capital Outlay - Capital Imp	\$ 3,356,000	\$ 3,110,000
Dollar increase from previous year	246,000	
Percentage increase from previous year	7.91%	



Debt Service

The proposed budget includes the annual debt service payment for the 2008 \$5M revenue bonds of \$359,000. The District has approximately level debt payments through 2027 for the bonds, as shown on the bond amortization schedule on Page 46. The bonds funded construction costs of the District's 3.0 MG Reservoir #3 and the demolition of the 2.25 MG Reservoir #1. The bond will be paid off in FY28. Budgeted funds for debt service are split between the General Fund and SDC Fund *as listed below*:

Table 9 - Debt Service Payments			
	Proposed Budget		
	FY2024		
	Total	Principal	Interest
General Fund	\$ 332,000	\$ 300,000	\$ 32,000
SDC Fund	27,000	-	27,000
Total Debt Service	\$ 359,000	\$ 300,000	\$ 59,000

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 \$8.6M, which will come from the Capital Improvement Reserve Fund and the new debt issued.



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. The proposed budget, ratemaking activities, and financial planning are critical in establishing a comprehensive operating budget and evaluating future capital improvements required 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 can and 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 FY24 budget, consistent with previous years, \$1.1M, which is four months of operating expenses, has been reserved in the General Fund consisting of \$500K in contingency plus \$633K in unappropriated fund balance. In addition to the General Fund, the Rate Stabilization Fund has another \$800K reserved for smoothing rate spikes.

For FY24 budget, monies reserved for future capital outlay and capital improvement projects include \$3.1M in the Capital Improvement Reserve Fund and \$369K 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 respectfully submit the West Slope Water District's Budget for Fiscal Year 2023-24.

A handwritten signature in blue ink, appearing to read "Michael Grimm".

Michael Grimm, PE
General Manager

A handwritten signature in black ink, appearing to read "Wendy Irwin".

Wendy Irwin, CPA
Finance Manager & Budget Officer





Budget Summary All Funds

Summary of Fiscal Year 2024 Budget for All Funds

A summary of FY24 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

		Proposed Budget FY2024	Revised Budget FY2023	Dollar Change	Percentage Change	
1	Beginning Working Capital	\$ 7,247,000	\$ 6,661,000	\$ 586,000	8.8%	1
2						2
3	Sale of Water	4,767,000	4,366,000	401,000	9.2%	3
	Other operating	90,000	87,000	3,000	3.4%	
4	Interest	192,000	30,000	162,000	540.0%	4
5	SDC's	16,000	16,000	-	0.0%	5
6	Revenue	5,065,000	4,499,000	566,000	12.6%	6
7						7
8	Transfers In	1,240,000	2,271,000	(1,031,000)	-45.4%	8
9	Total Resources	\$ 13,552,000	\$ 13,431,000	\$ 121,000	0.9%	9

Table 11 - Summary of Requirements for All Funds

		Proposed Budget FY2024	Revised Budget FY2023	Dollar Change	Percentage Change	
1	Purchased Water	\$ 1,295,000	\$ 1,006,000	\$ 289,000	28.7%	1
2	Personnel Services	1,137,000	955,000	182,000	19.1%	2
3	Materials and Services	654,000	511,000	143,000	28.0%	3
4	Operating Expense	3,086,000	2,472,000	614,000	24.8%	4
5						5
6	Contingency	500,000	918,000	(418,000)	-45.5%	6
7	Capital Outlay	3,436,000	3,292,000	144,000	4.4%	7
8	Debt service	359,000	360,000	(1,000)	-0.3%	8
9	Transfers Out	1,240,000	2,271,000	(1,031,000)	-45.4%	9
10	Non-Operating Expenditures	5,535,000	6,841,000	(1,306,000)	-19.1%	10
11						11
12	Reserved for Future Expenditures	4,298,000	4,118,000	180,000	4.4%	12
13	Unappropriated Fund Balance	633,000	-	633,000	100.0%	13
14	Reserved & Unappropriated	4,931,000	4,118,000	813,000	19.7%	14
15	Total Requirements	\$ 13,552,000	\$ 13,431,000	\$ 121,000	0.9%	15



Fiscal Year 2024 Budget Operating Statement by Fund

The table below is a summary by fund for the FY2024 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 2024						FY2023 Revised Budget	FY2023 Actual Projected
	General Fund	Rate Stabilization Fund	Equipment Reserve	Capital Improvement Reserve	System Development Charges Fund	Proposed Budget Total		
Operating Revenues:								
Water Rate Revenue	\$ 4,767,000	\$ -	\$ -	\$ -	\$ -	\$ 4,767,000	\$ 4,366,000	\$ 4,456,600
Other Operating	90,000	-	-	-	-	90,000	87,000	91,500
Total Operating Revenues	4,857,000	-	-	-	-	4,857,000	4,453,000	4,548,100
Operating Expenses								
Purchased Water	1,295,000	-	-	-	-	1,295,000	1,006,000	1,005,000
Personnel Services	1,137,000	-	-	-	-	1,137,000	955,000	912,200
Materials & Services	654,000	-	-	-	-	654,000	511,000	496,000
Total Operating Expenses	3,086,000	-	-	-	-	3,086,000	2,472,000	2,413,200
Operating Income	1,771,000	-	-	-	-	1,771,000	1,981,000	2,134,900
Non-Operating Resources (Requirements)								
Capital Outlay	-	-	(80,000)	(3,356,000)	-	(3,436,000)	(3,292,000)	(1,134,200)
Debt Service	(332,000)	-	-	-	(27,000)	(359,000)	(360,000)	(358,700)
Interest Income	38,000	-	13,000	141,000	-	192,000	30,000	162,700
SDC Fees	-	-	-	-	16,000	16,000	16,000	20,000
Contingency	(500,000)	-	-	-	-	(500,000)	(918,000)	-
Non-operating Requirements	(794,000)	-	(67,000)	(3,215,000)	(11,000)	(4,087,000)	(4,524,000)	(1,310,200)
Excess (deficit) before Transfers	977,000	-	(67,000)	(3,215,000)	(11,000)	(2,316,000)	(2,543,000)	824,700
Transfers	(1,240,000)	-	40,000	1,200,000	-	-	-	-
Change in Fund Balance	(263,000)	-	(27,000)	(2,015,000)	(11,000)	(2,316,000)	(2,543,000)	824,700
Fund Balance, Beginning of Year:								
General Fund	896,000	-	-	-	-	896,000	1,530,000	1,315,000
Reserve Funds	-	800,000	396,000	5,138,000	17,000	6,351,000	5,131,000	5,107,200
	896,000	800,000	396,000	5,138,000	17,000	7,247,000	6,661,000	6,422,200
Fund Balance, End of Year:								
Reserved for Future Expenditure	-	800,000	369,000	3,123,000	6,000	4,298,000	4,118,000	6,351,100
Unappropriated Ending Fund Balance	633,000	-	-	-	-	633,000	-	895,800
	\$ 633,000	\$ 800,000	\$ 369,000	\$ 3,123,000	\$ 6,000	\$ 4,931,000	\$ 4,118,000	\$ 7,246,900

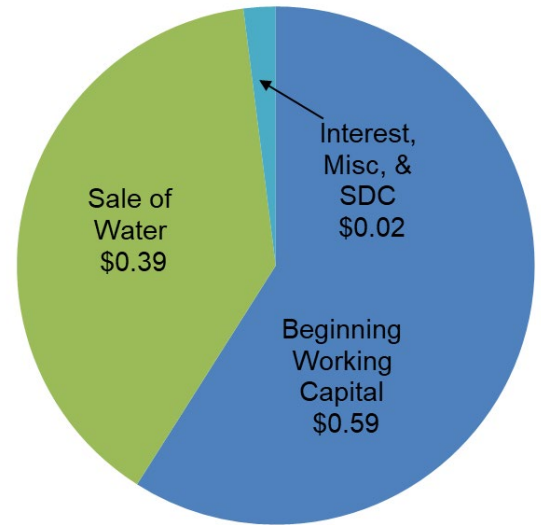
Where the District Budget Dollar Comes From

The proposed FY 2024 Budgeted Resources for all funds, excluding transfers, total \$12.3 million. The following pie chart (Figure 1) represents the proportional source of each resource dollar.

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

Figure 1

FY 2024 Budget Dollar Resources: All Funds (Excluding Transfers)



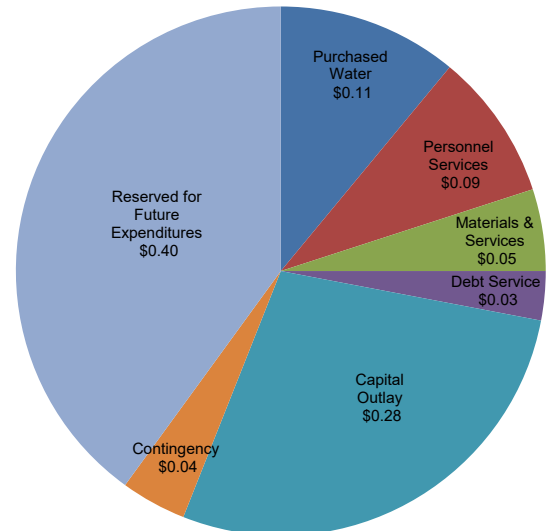
How the District Proposes to Spend Each Budget Dollar

The proposed FY 2024 budgeted requirements for all funds, excluding transfers, total \$12.3 million. The following pie chart (Figure 2) represents the proportionate share of each budget dollar.

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

Figure 2

FY 2024 Budget Dollar Requirements: All Funds (Excluding Transfers)



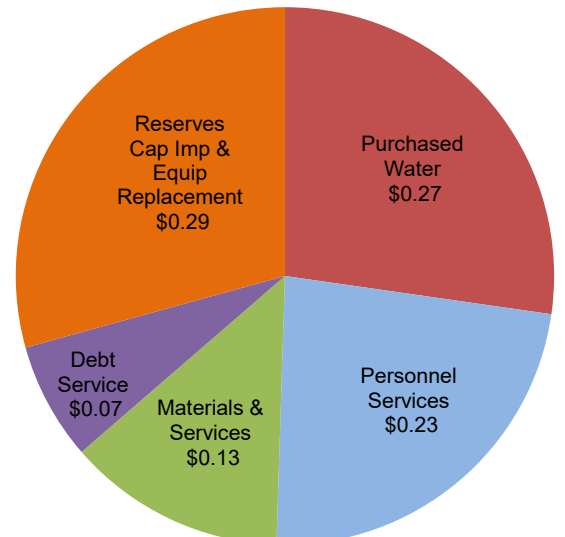
How the District Proposes to Spend Each Operating Revenue Dollar

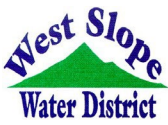
Figure 3 illustrates the allocation of funds from each operating revenue dollar of \$4.8 million generated under the current FY 2024 budget as shown in Table 12. It differs from the total resource budget because it does not include beginning working capital or non-operating revenue.

As a result, this chart represents the allocation of operating revenue included in the general fund of the current year only.

Figure 3

FY 2024 Budget Operating Revenue Dollar





Budget Detail by Fund

General Fund

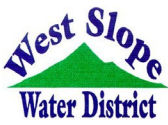
The General Fund is the primary operating fund and accounts for the general financial resources and expenses of the District, except those required to be accounted for in another fund. The fund's primary source of revenue is the sale of water.

The following budget assumptions for FY24 are included in the General Fund resources in the table below:

- Consumption rate increase of 10%
- Fixed rate increase of 3%
- Interest income is estimated based on the current rate on LGIP funds of 3.75%
- Sale of Water – Beaverton Wholesale 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

Table 13 - General Fund Resources							
	Historical Data				RESOURCE DESCRIPTION	Proposed by Budget Officer 2023-24	
	Actual		Revised Budget	Projected Actual			
	Second Preceding Year 2020-21	First Preceding Year 2021-22	This Year 2022-23	This Year 2022-23			
					BEGINNING FUND BALANCE		
1					1		1
2	\$ 1,033,107	\$ 1,311,581	\$ 1,530,000	\$ 1,315,000	2 Beginning Working Capital	\$ 896,000	2
3					3		3
4					4		4
5					OTHER RESOURCES		5
6	3,865,046	3,881,334	4,326,000	4,416,600	6 Sale of Water	4,715,000	6
7	35,998	41,932	40,000	40,000	7 Sale of Water - Beaverton Wholesale	52,000	7
8	8,510	8,187	5,000	3,500	8 New Service Installation	4,000	8
9	12,447	13,701	4,000	7,000	9 Miscellaneous	3,000	9
10	1,780	7,300	6,000	8,000	10 Penalties	6,000	10
11	9,027	8,284	6,000	44,000	11 Interest	38,000	11
12	15,678	15,676	16,000	16,000	12 Beaverton Debt Reimbursement	16,000	12
13	47,246	50,314	56,000	57,000	13 Beaverton ROW Fees Billed	61,000	13
14					14		14
15					15		15
16	5,028,839	5,338,309	5,989,000	5,907,100	16 Total Resources, Except Taxes to be Levied	5,791,000	16
17					17 Taxes Necessary to Balance		17
18					18 Taxes Collected in Year Levied		18
19	\$ 5,028,839	\$ 5,338,309	\$ 5,989,000	\$ 5,907,100	TOTAL RESOURCES	\$ 5,791,000	19



The following budget assumptions for FY24 are included in the General Fund requirements in the tables below:

- Increase in PWB wholesale water rate of 29% from 1.471 in FY23 to \$1.895 in FY24
- Personnel services include a proposed cost of living adjustment of 7% and merit increases of 3-5%
- System maintenance includes \$60K for the 5-year maintenance of regulators

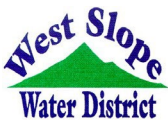
Table 14 - General Fund Requirements (Summary)

Table 14 - General Fund Requirements (Summary)							
	Historical Data				EXPENDITURE DESCRIPTION	Proposed by Budget Officer 2023-24	
	Actual		Revised Budget	Projected Actual			
	Second Preceding Year 2020-21	First Preceding Year 2021-22	This Year 2022-23	This Year 2022-23			
					REQUIREMENTS		
1	\$ 938,135	\$ 845,694	\$ 955,000	\$ 912,200	1 Personnel Services	\$ 1,137,000	1
2	1,574,844	1,429,336	1,517,000	1,501,000	2 Materials and Services	1,949,000	2
3					3		3
4	-	-	918,000	-	4 Contingency	500,000	4
5	359,279	322,176	328,000	327,100	5 Debt Service	332,000	5
6					6		6
7					7		7
8					TRANSFERS OUT		8
9	180,000	126,000	170,000	170,000	9 Equipment Reserve Fund	40,000	9
10	665,000	1,300,000	2,101,000	2,101,000	10 Capital Improvement Reserves Fund	1,200,000	10
11	845,000	1,426,000	2,271,000	2,271,000	Total Transfers Out	1,240,000	11
12					12		12
13	3,717,258	4,023,206	5,989,000	5,011,300	13 TOTAL EXPENDITURES	5,158,000	13
14	1,311,581	1,315,103	-	895,800	14 UNAPPROPRIATED ENDING FD BALANCE	633,000	14
15	\$ 5,028,839	\$ 5,338,309	\$ 5,989,000	\$ 5,907,100	15 TOTAL	\$ 5,791,000	15



Table 15 - General Fund Requirements (Detail)

Table 15 - General Fund Requirements (Detail)								
Historical Data					EXPENDITURE DESCRIPTION	Number of FTE	Proposed by Budget Officer 2023-24	
Actual		Revised Budget This Year 2021-22	Projected Actual This Year 2021-22					
Second Preceding Year 2020-21	First Preceding Year 2021-22							
1					1	PERSONNEL SERVICES		1
2	\$ 132,514	\$ 136,974	\$ 153,000	\$ 149,500	2	General Manager	\$ 166,000	2
3	294,723	211,304	278,000	235,000	3	Labor Maintenance	318,000	3
4	152,778	187,998	172,000	184,000	4	Office Salaries	197,000	4
5	11,484	24,582	18,000	20,000	5	Overtime	30,000	5
6	139,717	103,771	127,000	129,000	6	Group Benefits	170,000	6
7	147,481	120,210	142,000	134,600	7	PERS Retirement	176,000	7
8	52,023	49,719	56,000	52,400	8	Payroll Taxes	69,000	8
9	5,675	5,435	6,000	4,000	9	Workers Compensation	6,000	9
10	1,740	5,701	3,000	3,700	10	Other Employee Related Costs	5,000	10
11	938,135	845,694	955,000	912,200	11	Total Personnel Services	1,137,000	11
12					12	MATERIALS AND SERVICES		12
13	1,220,019	1,053,177	1,006,000	1,005,000	13	Purchased Water	1,295,000	13
14	43,703	33,988	76,000	62,300	14	System Maintenance	141,000	14
15	3,732	3,824	6,000	9,400	15	Water Tests	10,000	15
16	19,904	19,017	27,000	23,100	16	Truck and Equipment Expense	25,000	16
17	11,843	11,446	13,000	13,900	17	Utilities	16,000	17
18	67,181	79,453	85,000	95,800	18	Billing and Payment	114,000	18
19	1,978	2,509	4,000	2,800	19	Office Supplies and Postage	4,000	19
20	261	1,455	3,000	2,100	20	Uniforms and PPE	3,000	20
21	40,281	41,070	43,000	45,000	21	General Insurance	50,000	21
22	22,912	26,342	33,000	31,100	22	Professional Services	37,000	22
23	3,520	4,098	6,000	2,200	23	Property Maintenance	10,000	23
24	57,594	68,493	86,000	89,600	24	IT Services and Office Equipment	101,000	24
25	2,899	2,849	3,000	2,500	25	General Support Services	3,000	25
26	2,610	3,118	5,000	3,200	26	Janitorial Expense	5,000	26
27	47,288	50,389	57,000	57,000	27	Right of Way Fees Paid	61,000	27
28	8,346	2,498	10,000	8,700	28	Board Expenses	10,000	28
29	-	1,525	7,000	2,500	29	Bad Debts	3,000	29
30	7,916	13,807	29,000	29,800	30	Ed, Training, and Memberships	42,000	30
31	6,271	3,493	11,000	8,400	31	Community Relations	12,000	31
32	6,586	6,785	7,000	6,600	32	Conservation	7,000	32
33	1,574,844	1,429,336	1,517,000	1,501,000	33	Total Materials and Services	1,949,000	33
34					34			34
35	-	-	918,000	-	35	CONTINGENCY	500,000	35
36					36			36
37					37	DEBT SERVICE		37
38					38	2008 Revenue Bond (20 year):		38
39	270,000	280,000	290,000	290,000	39	Principal Payment	300,000	39
40	89,279	42,176	38,000	37,100	40	Interest Pymt (also SDC Fund)	32,000	40
41	359,279	322,176	328,000	327,100	41	Total Debt Service	332,000	41
42					42			42
43	2,872,258	2,597,206	3,718,000	2,740,300	43	SUB TOTAL	3,918,000	43
44					44			44
45					45	TRANSFERS OUT		45
46	180,000	126,000	170,000	170,000	46	Equipment Reserve Fund	40,000	46
47	665,000	1,300,000	2,101,000	2,101,000	47	Capital Improvement Reserve Fund	1,200,000	47
48	845,000	1,426,000	2,271,000	2,271,000	48	Total Transfers Out	1,240,000	48
49					49			49
50	3,717,258	4,023,206	5,989,000	5,011,300	50	TOTAL EXPENDITURES	5,158,000	50
51	1,311,581	1,315,103	-	895,800	51	UNAPPROPRIATED ENDING FUND BAL	633,000	51
52	\$ 5,028,839	\$ 5,338,309	\$ 5,989,000	\$ 5,907,100	52	TOTAL	\$ 5,791,000	52



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 04-2018 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 is 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. The PWB wholesale water rates have stabilized so reserves are no longer needed to be set aside. The cash for this fund is held in the General Fund. Interest earned on that cash remains in the General Fund's interest income.

Table 16 - Rate Stabilization Fund Resources & Requirements

	Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS	Proposed by Budget Officer 2023-24	
	Actual		Revised Budget This Year 2022-23	Projected Actual This Year 2022-23			
	Second Preceding Year 2020-21	First Preceding Year 2021-22					
					RESOURCES		
					Beginning Fund Balance		
1	\$ 400,000	\$ 800,000	\$ 800,000	\$ 800,000	1 Beginning Working Capital	\$ 800,000	1
2					2		2
3					3 Other Resources		3
4	400,000	-	-	-	4 Transfers In - General Fund	-	4
5					5		5
6	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	6 TOTAL RESOURCES	\$ 800,000	6
7					7		7
8					8 REQUIREMENTS		8
9					9		9
10					10		10
11	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	11 RESERVED FOR FUTURE EXPENDITURE	\$ 800,000	11
12	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	12 TOTAL REQUIREMENTS	\$ 800,000	12



Equipment Reserve Fund

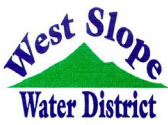
The Equipment Reserve Fund was reauthorized by Resolution 01-2021 on February 17, 2021, for the specific purpose of accumulating funds and recording the payment of funds for the purchases of vehicles and equipment. This fund shall be reviewed and re-established or abolished prior to February 17, 2031. The primary source of revenue is operating transfers from the General Fund.

The FY24 budget for capital outlay of \$80,000, includes the following items:

- \$20,000 to replace the computer server
- \$50,000 to replace old Master meters with new Mueller meters
- \$10,000 for a new chlorine analyzer

Table 17 - Equipment Reserve Fund Resources & Requirements

	Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS	Proposed by Budget Officer 2023-24	
	Actual		Revised Budget This Year 2022-23	Projected Actual This Year 2022-23			
	Second Preceding Year 2020-21	First Preceding Year 2021-22					
RESOURCES							
BEGINNING FUND BALANCE							
1	\$ 220,128	\$ 257,973	\$ 295,000	\$ 288,100	1 Beginning Working Capital	\$ 396,000	1
2					2		2
3					3 OTHER RESOURCES		3
4	1,744	1,551	2,000	8,000	4 Interest	13,000	4
5	180,000	126,000	170,000	170,000	5 Transfers In - General Fund	40,000	5
6					6		6
7	\$ 401,872	\$ 385,524	\$ 467,000	\$ 466,100	7 TOTAL RESOURCES	\$ 449,000	7
8					8		8
9					9 REQUIREMENTS		9
10					10 CAPITAL OUTLAY		10
11	\$ 24,160	\$ -	\$ -	\$ -	11 Trucks and Vehicles	\$ -	11
12	19,934	4,128	77,000	35,000	12 Technology	20,000	12
13	99,805	93,345	100,000	35,000	13 Radio Read Meters	50,000	13
14	-	-	5,000	-	14 Equipment and Furniture	10,000	14
15					15		15
16	143,899	97,473	182,000	70,000	16 TOTAL CAPITAL OUTLAY	80,000	16
17					17		17
18	257,973	288,051	285,000	396,100	18 RESERVED FOR FUTURE EXPENDITURE	369,000	18
19	\$ 401,872	\$ 385,524	\$ 467,000	\$ 466,100	19 TOTAL REQUIREMENTS	\$ 449,000	19



Capital Improvement Reserve Fund

The Capital Improvement Reserve Fund was re-authorized on February 17, 2021, by Resolution 02-2021 for the specific purpose of accumulating funds for and recording payment of funds for capital improvements. This fund will be reviewed and either abolished or re-established prior to February 17, 2031. The primary source of revenue is operating transfers from the General Fund.

The FY24 budget for capital outlay of \$3,356,000, includes the following items:

- \$2,806,000 for the Beaverton Hillsdale Highway pipe replacement, including contractor, engineering, and contingency amounts
- \$350,000 for the Gardenview pipe replacement, including engineering and design amounts
- \$200,000 for a Master Plan update study

Table 18 - Capital Reserve Fund Resources & Requirements

Table 18 - Capital Reserve Fund Resources & Requirements							
Historical Data				RESOURCES AND REQUIREMENTS DESCRIPTION	Proposed by Budget Officer 2023-24		
Actual		Adopted Budget	Projected Actual				
Second Preceding Year 2020-21	First Preceding Year 2021-22	This Year 2022-23	This Year 2022-23				
				RESOURCES			
				BEGINNING FUND BALANCE			
1	\$ 2,227,969	\$ 2,798,765	\$ 4,003,000	\$ 3,991,200	1 Beginning Working Capital	\$ 5,138,000	1
2					2		2
3					OTHER RESOURCES		3
4	18,549	17,525	22,000	110,000	4 Interest	141,000	4
5	665,000	1,300,000	2,101,000	2,101,000	5 Transfers In - General Fund	1,200,000	5
6					6		6
7	\$ 2,911,518	\$ 4,116,290	\$ 6,126,000	\$ 6,202,200	7 TOTAL RESOURCES	\$ 6,479,000	7
8					8		8
9					9 REQUIREMENTS		9
10					10 CAPITAL OUTLAY		10
11	\$ 112,753	\$ 125,099	\$ 3,100,000	\$ 1,055,000	11 Reservoirs and Main Lines	\$ 3,156,000	11
12	-	-	10,000	9,200	12 Property Improvements	-	12
13	-	-	-	-	13 Master Plan Update	200,000	13
14					14		14
15	112,753	125,099	3,110,000	1,064,200	15 TOTAL CAPITAL OUTLAY	3,356,000	15
16					16		16
17	2,798,765	3,991,191	3,016,000	5,138,000	17 RESERVED FOR FUTURE EXPENDITURE	3,123,000	17
18	\$ 2,911,518	\$ 4,116,290	\$ 6,126,000	\$ 6,202,200	18 TOTAL REQUIREMENTS	\$ 6,479,000	18



System Development Charges (SDC) Fund

The System Development Charges Fund is authorized by ORS 280 100 and established by ordinance number 1-01 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 (SDC's) collected for all new meter connections or meter size upgrades. SDC's are allowed by ORS 223.297-314 to compensate current customers for the unused portion of the existing utility and to offset future capital costs necessary to provide capacity for growth. 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. SDC's may include a reimbursement component and an improvement component. The new rates were reduced by removing the improvement component of the fee. The improvement component is not needed due to the stable population within the District 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 FY24 SDC revenues are budgeted conservatively at the same amount as last year's budget. The SDC fee revenue estimate is based upon existing projects in the permitting stage, it is difficult however to know when projects will begin. Due to this uncertainty, revenues are budgeted conservatively. They also are not a substantial portion of the District's overall budget.

Beginning in FY12, the District began using SDC's to make partial bond payments for the District's 2008 debt incurred constructing Reservoir #3. The FY24 budget again includes one interest payment.

Table 19 - SDC Fund Resources & Requirements

	Historical Data				RESOURCES AND REQUIREMENTS DESCRIPTION	Proposed by Budget Officer 2023-24	
	Actual		Revised Budget This Year 2022-23	Projected Actual This Year 2022-23			
	Second Preceding Year 2020-21	First Preceding Year 2021-22					
					RESOURCES		
					BEGINNING FUND BALANCE		
1	\$ 30,789	\$ 54,754	\$ 33,000	\$ 27,900	1 Beginning Working Capital	\$ 17,000	1
2					2		2
3					OTHER RESOURCES		3
4	293	259	-	700	4 Interest	-	4
5	23,672	9,957	16,000	20,000	5 SDC Fees Collected	16,000	5
6					6		6
7	\$ 54,754	\$ 64,970	\$ 49,000	\$ 48,600	7 TOTAL RESOURCES	\$ 33,000	7
8					8		8
9					9 REQUIREMENTS		9
10					10 DEBT SERVICE		10
11	\$ -	\$ 37,066	\$ 32,000	\$ 31,600	11 Bond Interest Payment	\$ 27,000	11
12					12		12
13	54,754	27,904	17,000	17,000	13 RESERVED FOR FUTURE EXPENDITURE	6,000	13
14	\$ 54,754	\$ 64,970	\$ 49,000	\$ 48,600	14 TOTAL REQUIREMENTS	\$ 33,000	14

Capital Improvement Plan

Overview

West Slope Water District is improving its processes to maintain assets, manage finances, and connect with customers. While very little of the original infrastructure installed in the 1920s 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 2023. 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).



Coordinating and prioritizing repair and ultimately replacement of critical infrastructure before that infrastructure fails is a complex task. To best manage the effective and efficient replacement of aging water infrastructure, the District is working with Fracta, an asset management consultant, to build a comprehensive 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:

- 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
- 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.

The District’s current project, the Beaverton-Hillsdale Highway water line replacement project, is a proactive project that is needed before another significant water main break occurs in this area. District crews have repaired sections of this pipe as recently as November 2019. The existing pipeline is buried up to nine feet below the road surface in sections, and depths of this magnitude pose increased safety risks to District staff to maintain and repair the pipe. The existing 8-inch diameter cast iron pipe will be abandoned, and a new 12-inch diameter ductile iron pipe will be installed at a workable depth of around three feet below the road surface. The District’s engineering consultant, AKS Engineering & Forestry, has completed the design for the new water main. Emery & Sons have been hired under contract to build the new water main. Delays by the various state, county, and local permitting agencies as well as supply chain issues have moved the construction start date from the original target date of Summer 2022 to June 2023. The project is to be completed by November 2023.

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 the following pages and provide 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, but the ranking of the projects in the 6 to 10 Year Priority List may be amended following the completion of the new water system master plan to be conducted in FY24.

Table 20 - CIP Project Priority List			
	Estimated Project Cost	Estimated Timing	Individual Project Data Sheet Page
1 to 5 Year			
Beaverton-Hillsdale Hwy	\$ 4,000,000	2021-2023	32
Gardenview	800,000	2023-2024	33
Water System Master Plan	200,000	2024-2025	34
Reservoir #4	8,700,000	2024-2027	35
TOTAL	\$ 13,700,000		
6 to 10 Year			
106th Ave	\$ 700,000	2028-2033	37
98th / 100th Ave	1,300,000	2028-2033	38
99th Ave	700,000	2028-2033	39
75th Ave	1,400,000	2028-2033	40
103rd Ave	1,500,000	2028-2033	41
TOTAL	\$ 5,600,000		

CIP Project Priority List – 1 to 5 Year

Project	Need / Driver	Condition Assessment	Consequence of Failure & Likelihood of Failure	Business Risk Exposure (Fracta)	Effective Utility Management (EUM) Attributes	Relation to Strategic Plan	Cost (\$M)	Funding	Priority
Beaverton Hillsdale Hwy	Existing main is up to nine feet below the road surface ... not safe for District staff to maintenance. Three water main breaks in the last few years	No known significant external pipe corrosion causing threat to pipe. Pipe installed in 1946 to replace original steel line installed in 1920s. Pipe is cast iron under significant internal pressures	No back up to this water main ... many commercial customers as well as Jesuit High School	High, medium high, and medium low segments	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	Facilitate a viable and reliable water – District business existence and hard infrastructure	\$4.0	Current Budget	High-Active capital project
Gardenview	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 Drive and SW Canyon Road listed as Very High	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	Facilitate a viable and reliable water – District business existence and hard infrastructure	\$0.8	Current Budget and Rates	High – Proposed as next pipe CIP for 2023-24
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 9 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 – District business existence and hard infrastructure	\$0.2	Current Budget with \$20k grant from DWSRF	High – Propose releasing RFP for consulting services Nov 2023
Reservoir #4	Only the 2009 Reservoir #3 is EQ 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 EQ 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 in a very high BRE, so this is a high risk	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support	Facilitate a viable and reliable water – District business existence and hard infrastructure	\$8.7	Consider DWSRF loan or earmark revenue if still available in 2025	High – Propose project be undertaken with completion of Water Master Plan

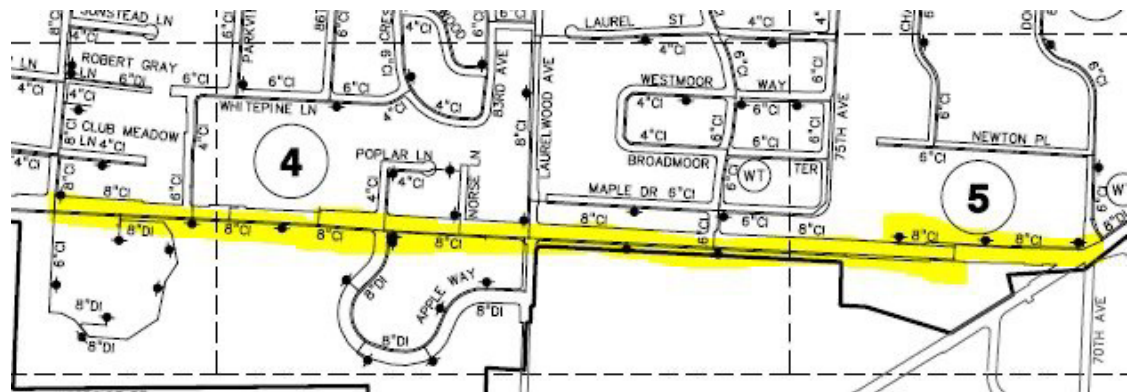
CIP Project Data Sheet – 1 to 5 Year

Project Name: Beaverton-Hillsdale Highway
Water Line Replacement from SW Dogwood Lane to SW 91st Avenue

Project Priority 1-5 Year CIP – Current Construction Project

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

Map



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

Project Timeline: Funding for design began in FYE 2021. Project construction will take place between June to November 2023.

Project Cost Estimate:	Construction Cost (per contract)	\$ 3,606,293
	Engineering Cost	312,250
	Contingency	500,000
	TOTAL	4,418,543
	Spent to Date	562,851
	Remaining Cost	\$ 3,855,692
	Rounded	\$ 4,000,000

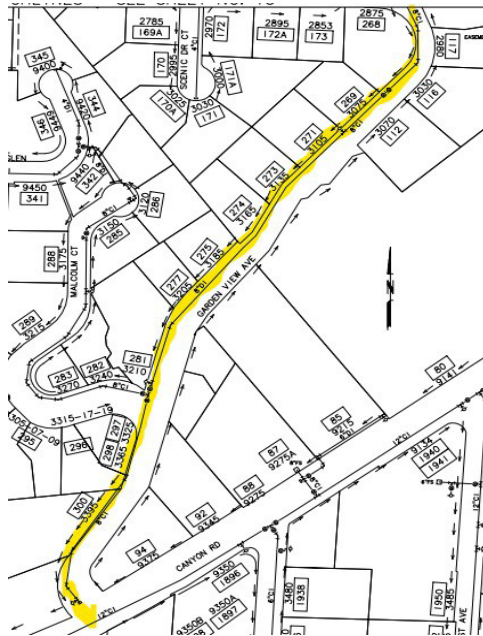
CIP Project Data Sheet – 1 to 5 Year

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

Project Priority: 1-5 Year CIP – High Priority

Project Description: Install 1900 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.

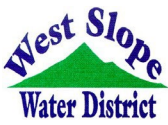
Map



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 is 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. Project design could begin in 2024 and construction completed before 2025.

Project Cost Estimate:	Construction Cost	\$ 534,000
	Engineering Cost	80,000
	Administrative Cost	53,000
	Contingency	107,000
	TOTAL	\$ 774,000
	Rounded	\$ 800,000



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 will select an engineering consultant using a quality based selection (QBS) process to complete a new Water System Master Plan with the focus on asset replacement with input from asset management plan data and the 2018 Oregon Resilience Plan
Project Justification:	The District's current Water System Master Plan (MP) was completed in 2014 and was created as an update to the District's 2001 Master Plan. The focus of the 2014 plan 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, thus capacity is no longer the main driving factor for asset upgrades and replacements. This new Master Plan will focus on asset replacement based on the 2018 Oregon Resilience Plan 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.
Project Timeline:	Bidding and consultant contracted in FY24, with a plan completion date of FY25
Project Description:	Funding for the Water System Master Plan project will be from water rates with a potential a \$20k grant from the Drinking Water State Revolving Loan Fund.
Project Cost Estimate:	\$ 200,000

CIP Project Data Sheet – 1 to 5 Year

Project Name: Reservoir #4
Project Priority: 1-5 Year CIP – High Priority (2024 – 2027 assuming available funding)
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 peak day demand, 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. At a later time, 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: 3-5 Year CIP – High Priority

Project Description: 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	\$ 5,993,000
	Engineering Cost	890,000
	Administrative Cost	593,000
	Contingency	1,186,000
	TOTAL	<u>\$ 8,662,000</u>
	Rounded	\$ 8,700,000

CIP Project Priority List – 6 to 10 Year

Project	Need / Driver	Condition Assessment	Consequence of Failure & Likelihood of Failure	Business Risk Exposure (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 medium, LoF is very high.	Full section of pipe is listed as a Very High BRE 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 – District business existence and hard infrastructure	\$0.7	Water Rates	High with 4 main breaks in 11 years
98 th / 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 very high.	All cast iron water mains in this area are listed as a Very High BRE 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 – District business existence and hard infrastructure	\$1.3	Water Rates	High with 7 main breaks in 11 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 medium high, LoF is high.	Full section of pipe is listed as a Very High & Medium High BRE 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 – District business existence and hard infrastructure	\$0.7	Water Rates	High with 3 main breaks in 12 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 R-O-W 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 are listed as a Very High and High BRE 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 – District business existence and hard infrastructure	\$1.4	Water Rates	High to Medium High with 6 main breaks in 12 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 distribution water mains 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 medium due to lack of other service alternatives for these local customers. LoF is medium to low due to no known water main breaks.	All cast iron water mains are listed as High to Medium BRE 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 – District business existence and hard infrastructure	\$1.5	Water Rates	Low but could be elevated with the start of a development project

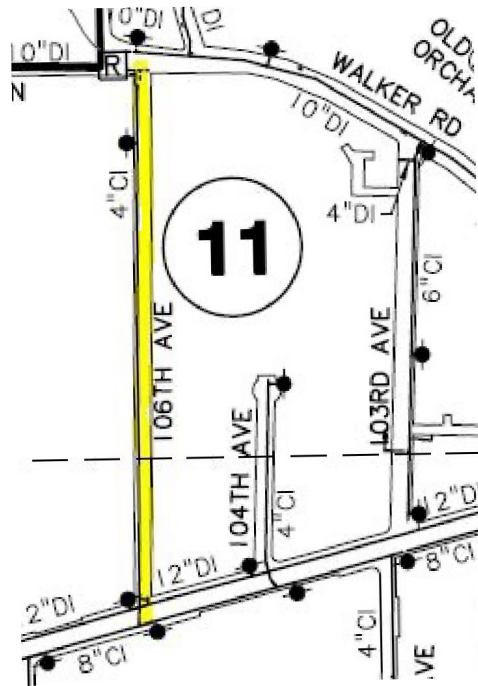
CIP Project Data Sheet – 6 to 10 Year

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

Map



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

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

Project Cost Estimate:	Construction Cost	\$ 442,000
	Engineering Cost	66,000
	Administrative Cost	44,000
	Contingency	89,000
	TOTAL	\$ 641,000
	Rounded	\$ 700,000

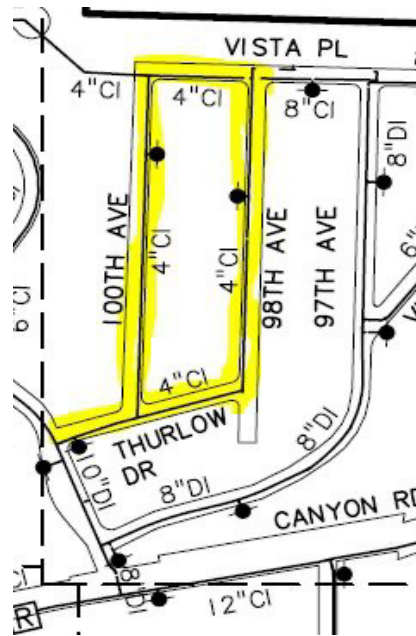
CIP Project Data Sheet – 6 to 10 Year

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 1320 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 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 would be from water rates. Project would be a full year of design through construction completion.

Project Cost Estimate:	Construction Cost	\$ 879,000
	Engineering Cost	132,000
	Administrative Cost	88,000
	Contingency	176,000
	TOTAL	\$ 1,275,000
	Rounded	\$ 1,300,000

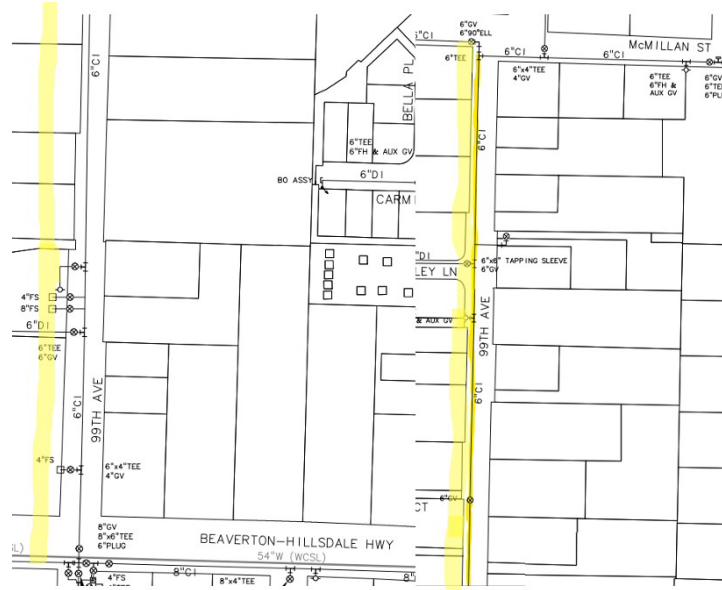
CIP Project Data Sheet – 6 to 10 Year

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

Project Priority: 6-10 Year CIP – High Priority

Project Description: Install 1650 linear feet of 8-inch ductile iron pipe and abandon the existing 4-inch cast iron water main.

Map



Project Justification: The new main will be installed from SW McMillian 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: This project will take 1.5 years to design and construct.

Project Cost Estimate:	Construction Cost	\$ 466,000
	Engineering Cost	70,000
	Administrative Cost	46,000
	Contingency	93,000
	TOTAL	\$ 675,000
	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 1580 linear feet of 8-inch and 2120 linear feet of 6-inch ductile iron pipe and abandon the existing cast iron water main. All water services along SW 75th Avenue in the project will be transferred to the new 8-inch water main.

Map:



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

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

Project Cost Estimate:	Construction Cost	\$ 949,000
	Engineering Cost	142,000
	Administrative Cost	95,000
	Contingency	190,000
	TOTAL	\$ 1,376,000
	Rounded	\$ 1,400,000

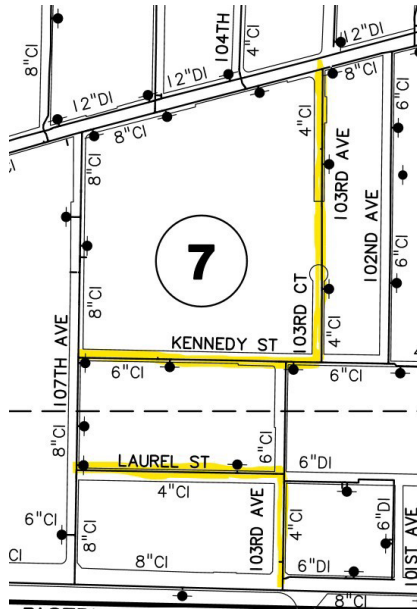
CIP Project Data Sheet – 6 to 10 Year

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 3640 linear feet of 8-inch ductile iron pipe (1660 feet on SW 103rd Avenue, 1070 feet on SW Kennedy Street, and 910 feet on SW Laurel Street), and abandon the existing 4-inch and 6-inch cast iron water main.

Map



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

Project Timeline: Funding for design and construction of this project will 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	\$ 1,015,000
	Engineering Cost	152,000
	Administrative Cost	102,000
	Contingency	203,000
	TOTAL	\$ 1,472,000
	Rounded	\$ 1,500,000



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 24 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. Crew schedules and provides on-going maintenance for valves, regulators, vaults, meters, and pipes. Projects include replacing Master with Mueller meters, adding sump pumps to vaults, and cleaning/rebuilding regulators.	<ul style="list-style-type: none"> BH Hwy pipe project Meter purchases 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. Staff is working on creating a capital project priority list using services to help evaluate needs. Effective Utility Management priorities drive District activities.	<ul style="list-style-type: none"> Master Plan update FRACTRA fees 120 Water fees Engineering services GIS Data project
	Maintain effective communication among staff, management, Board, and the public	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.	<ul style="list-style-type: none"> Graphic design services Water Quality Report IT & office equipment Accounting/billing software Website hosting 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	District along with other regional wholesale customers have been in negotiations with Portland Water Bureau for a new 20-30 year contract. Cost to purchase wholesale water will be increasing 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.	<ul style="list-style-type: none"> Water purchased Water tests
	Develop and maintain political understanding of the regional water industry	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	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Conservation
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.	<ul style="list-style-type: none"> Professional translation services Education & training
	Strive for customer satisfaction excellence	Staff has held a high value for personal customer service and connection. Customers are able to talk with staff both in the office and in the field with questions related to billing, leaks, and water quality. Since our staff is small and service area is smaller, most customers know who is servicing their water.	<ul style="list-style-type: none"> Education, training, & memberships
	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 have three of the four 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.	<ul style="list-style-type: none"> 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 seeing that a good process is in place. As needed, HR and management consulting services are obtained as well taking advantage of services offered by our membership in SDAO.	<ul style="list-style-type: none"> Professional services Memberships



5-Year Forecast

On the next two pages is the 5-year financial forecast. The long-term financial strategy focuses on compliance with the bond rate covenant requirements as well as building reserve funds for needed infrastructure improvements within the District.

Using the list of assumptions below, the following forecast indicates an \$8.6 million reserve fund balance in the Capital Improvement Reserve Fund at the end of June 30, 2028. These reserve funds will be used to pay for the 1 to 5 Year CIP Project Priority List as noted on Page 30. Additional monies to complete the 1 to 5 year CIP project list will be acquired through debt acquisition.

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

Revenue assumptions:

- 1) Customer rate increase in the current proposed budget for FY2024
 - a) 10% on the consumption rate
 - b) 3% on the fixed monthly charge
- 2) Customer Rate Increases for remaining four years.
 - a) 5% on both charges per year for the following FY2025 to FY2028, this is an estimated increase pending the rate study and master plan review
- 3) Annual consumption volume billed to customers (CCF)
 - a) 525,100 units, which is the current five-year average

Expenditure assumptions:

- 1) Wholesale water purchased cost:
 - a) 5 year forecasted rates provided by the PWB in February 2023
- 2) Annual purchased water volume billed by PWB
 - a) 683,155 CCFs per year. This is the guaranteed minimum purchase volume currently declared by the District under the PWB contract.
- 3) Four months of General Fund operating expense are reserved each year in unappropriated fund balance
- 4) The annual debt service is per the bond amortization schedule
- 5) Headcount of 7 full time equivalent (FTE) employees over the whole period, with an increase of 7% per year
- 6) PERS retirement contribution rates are assumed to increase 20% each two-year rate period.
- 7) Increase of 5% to all expenses other than PERS, salaries, and purchased water
- 8) Capital outlay for equipment and technology costs are estimated at \$80K per year for FY2024 to FY2028
- 9) Capital outlay for capital improvement projects in the FY24 budget is noted on Page 27, which includes the Beaverton-Hillsdale project and engineering costs for Gardenview project; all other CIP projects will be determined once master plan study is completed and therefore not included in this forecast
- 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

	<u>6/30/2023</u>		<u>6/30/2024</u>		<u>6/30/2025</u>	
Bond Balance	\$1,620,000		\$1,320,000		\$1,010,000	
Wholesale Water Rates per unit	\$ 1.471		\$ 1.895		\$ 1.977	
	<u>Actual</u> <u>Projected</u>	Assmp/ Chng	<u>Proposed</u> <u>Budget</u>	Assump/ Chng	<u>Forecast</u>	Assump/ Chng
Revenue:						
Billed to customers	\$ 4,416,600		\$ 4,715,000		\$ 4,951,000	
Estimated Units billed		535,200		525,100		525,100
Water Reimbursed by Beavtrn	40,000		52,000		54,000	
Units reimbursed at PWB rate		27,193		27,193		27,193
Total Water Revenues	4,456,600	14%	4,767,000	7%	5,005,000	5%
Other Operating Income	91,500		90,000		92,400	
SDC Fees	20,000		16,000		16,000	
Interest Income	162,700		192,000		192,000	
Total Miscellaneous Income	274,200		298,000		300,400	
Total Revenue	4,730,800		5,065,000		5,305,400	
Operating Expense:						
Purchased Water	1,005,000	-5%	1,295,000	29%	1,350,600	4%
Personnel Services	912,200	8%	1,137,000	25%	1,215,900	7%
Other Materials & Services	496,000	32%	654,000	32%	687,200	5%
Total Operating Expense	2,413,200	6%	3,086,000	28%	3,253,700	
Income before Capital and Debt	2,317,600	30%	1,979,000	-15%	2,051,700	
Capital and Debt Requirements:						
Equipment & Technology	70,000		80,000		80,000	
Water System & Prop Improvements	1,064,200		3,356,000		-	
Total Capital Outlay	1,134,200		3,436,000		80,000	
Debt Service Principal & Interest	358,700		359,000		356,000	
Total Capital and Debt	1,492,900		3,795,000		436,000	
Net increase (decrease) in fund bal	\$ 824,700		\$ (1,816,000)		\$ 1,615,700	
Fund Balance, End of year:						
General Fund & Contingency	895,800		1,133,000	Transfers (1,240,000)	1,203,200	Transfers (1,609,500)
Rate Stabilization Fund	800,000		800,000	-	800,000	-
Capital Improvement Reserve Fund	5,138,000		3,123,000	1,200,000	4,652,500	1,609,500
Equipment Reserve Fund	396,100		369,000	40,000	369,000	
System Development Chg Res Fund	17,000		6,000		22,000	
Total Fund Balance, End of year	\$ 7,246,900		\$ 5,431,000	-	\$ 7,046,700	-



5-Year Forecast - Part 2

	<u>6/30/2026</u>		<u>6/30/2027</u>		<u>6/30/2028</u>	
Bond Balance	\$685,000		\$350,000		\$0	
Wholesale Water Rates per unit	\$ 1.990		\$ 2.829		\$ 2.957	
	<u>Forecast</u>	<u>Assump/% Chng</u>	<u>Forecast</u>	<u>Assump/% Chng</u>	<u>Forecast</u>	<u>Assump/% Chng</u>
Revenue:						
Billed to customers	\$ 5,199,000		\$ 5,459,000		\$ 5,732,000	
Estimated Units billed		525,100		525,100		525,100
Water Reimbursed by Beavrtn	54,000		77,000		Terms End 06/30/27	
Units reimbursed at PWB rate		27,193		27,193		27,193
Total Water Revenues	5,253,000	5%	5,536,000	5%	5,732,000	4%
Other Operating Income	94,900		97,500		99,600	
SDC Fees	16,000		16,000		16,000	
Interest Income	192,000		192,000		192,000	
Total Miscellaneous Income	302,900		305,500		307,600	
Total Revenue	5,555,900		5,841,500		6,039,600	
Operating Expense:						
Purchased Water	1,359,500	1%	1,932,600	42%	2,020,100	5%
Personnel Services	1,297,300	7%	1,384,300	7%	1,477,100	7%
Other Materials & Services	721,500	5%	758,000	5%	796,000	5%
Total Operating Expense	3,378,300		4,074,900		4,293,200	
Income before Capital and Debt	2,177,600		1,766,600		1,746,400	
Capital and Debt Requirements:						
Equipment & Technology	80,000		80,000		80,000	
Water System & Prop Improvements	-		-		-	
Total Capital Outlay	80,000		80,000		80,000	
Debt Service Principal & Interest	359,000		356,000		357,000	
Total Capital and Debt	439,000		436,000		437,000	
Net increase (decrease) in fund bal	\$ 1,738,600		\$ 1,330,600		\$ 1,309,400	
Fund Balance, End of year:		Transfers		Transfers		Transfers
General Fund & Contingency	1,245,800	(1,760,000)	1,477,000	(1,163,400)	1,550,100	(1,300,300)
Rate Stabilization Fund	800,000	-	800,000	-	800,000	-
Capital Improvement Reserve Fund	6,332,500	1,760,000	7,415,900	1,163,400	8,636,200	1,300,300
Equipment Reserve Fund	369,000		369,000		369,000	
System Development Chg Res Fund	38,000		54,000		70,000	
Total Fund Balance, End of year	\$ 8,785,300	-	\$ 10,115,900	-	\$ 11,425,300	-



Bond Amortization

West Slope Water District																					
Revenue Bonds																					
Issued 02/26/2008																					
Reservoir replacement and improvements																					
													Calendar Year totals			Fiscal Year Totals					
Date	Coupon	Principal	Interest	Total	Principal Payments	Interest Payments	Total Payments		Principal Payments	Interest Payments	Total Payments	FYE	Princ Bal at FYE	Princ Bal	Rem Int						
10/1/2008	3.500%	155,000	111,430.47	266,430.47	155,000.00	111,430.47	266,430.47	2008						4,845,000	2,044,963.92						
4/1/2009			90,578.13	90,578.13					155,000	202,008.60	357,008.60	6/30/2009	4,845,000	4,845,000	1,954,385.79						
10/1/2009	3.500%	180,000	90,578.13	270,578.13	180,000.00	181,156.26	361,156.26	2009						4,665,000	1,863,807.66						
4/1/2010			87,428.13	87,428.13					180,000	178,006.26	358,006.26	6/30/2010	4,665,000	4,665,000	1,776,379.53						
10/1/2010	3.500%	185,000	87,428.13	272,428.13	185,000.00	174,856.26	359,856.26	2010						4,480,000	1,688,951.40						
4/1/2011			84,190.63	84,190.63					185,000	171,618.76	356,618.76	6/30/2011	4,480,000	4,480,000	1,604,760.77						
10/1/2011	3.500%	195,000	84,190.63	279,190.63	195,000.00	168,381.26	363,381.26	2011						4,285,000	1,520,570.14						
4/1/2012			80,778.13	80,778.13					195,000	164,968.76	359,968.76	6/30/2012	4,285,000	4,285,000	1,439,792.01						
10/1/2012	3.500%	200,000	80,778.13	280,778.13	200,000.00	161,556.26	361,556.26	2012						4,085,000	1,359,013.88						
4/1/2013			77,278.13	77,278.13					200,000	158,056.26	358,056.26	6/30/2013	4,085,000	4,085,000	1,281,735.75						
10/1/2013	3.500%	205,000	77,278.13	282,278.13	205,000.00	154,556.26	359,556.26	2013						3,880,000	1,204,457.62						
4/1/2014			73,690.63	73,690.63					205,000	150,968.76	355,968.76	6/30/2014	3,880,000	3,880,000	1,130,766.99						
10/1/2014	3.500%	215,000	73,690.63	288,690.63	215,000.00	147,381.26	362,381.26	2014						3,665,000	1,057,076.36						
4/1/2015			69,928.13	69,928.13					215,000	143,618.76	358,618.76	6/30/2015	3,665,000	3,665,000	987,148.23						
10/1/2015	4.000%	225,000	69,928.13	294,928.13	225,000.00	139,856.26	364,856.26	2015						3,440,000	917,220.10						
4/1/2016			65,428.13	65,428.13					225,000	135,356.26	360,356.26	6/30/2016	3,440,000	3,440,000	851,791.97						
10/1/2016	4.000%	230,000	65,428.13	295,428.13	230,000.00	130,856.26	360,856.26	2016						3,210,000	786,363.84						
4/1/2017			60,828.13	60,828.13					230,000	126,256.26	356,256.26	6/30/2017	3,210,000	3,210,000	725,535.71						
10/1/2017	4.000%	240,000	60,828.13	300,828.13	240,000.00	121,656.26	361,656.26	2017						2,970,000	664,707.58						
4/1/2018			56,028.13	56,028.13					240,000	116,856.26	356,856.26	6/30/2018	2,970,000	2,970,000	608,679.45						
10/1/2018	3.500%	250,000	56,028.13	306,028.13	250,000.00	112,056.26	362,056.26	2018						2,720,000	552,651.32						
4/1/2019			51,653.13	51,653.13					250,000	107,681.26	357,681.26	6/30/2019	2,720,000	2,720,000	500,998.19						
10/1/2019	3.500%	260,000	51,653.13	311,653.13	260,000.00	103,306.26	363,306.26	2019						2,460,000	449,345.06						
4/1/2020			47,103.13	47,103.13					260,000	98,756.26	358,756.26	6/30/2020	2,460,000	2,460,000	402,241.93						
10/1/2020	3.650%	270,000	47,103.13	317,103.13	270,000.00	94,206.26	364,206.26	2020						2,190,000	355,138.80						
4/1/2021			42,175.63	42,175.63					270,000	89,278.76	359,278.76	6/30/2021	2,190,000	2,190,000	312,963.17						
10/1/2021	3.650%	280,000	42,175.63	322,175.63	280,000.00	84,351.26	364,351.26	2021						1,910,000	270,787.54						
4/1/2022			37,065.63	37,065.63					280,000	79,241.26	359,241.26	6/30/2022	1,910,000	1,910,000	233,721.91						
10/1/2022	3.750%	290,000	37,065.63	327,065.63	290,000.00	74,131.26	364,131.26	2022						1,620,000	196,656.28						
4/1/2023			31,628.13	31,628.13					290,000	68,693.76	358,693.76	6/30/2023	1,620,000	1,620,000	165,028.15						
10/1/2023	3.750%	300,000	31,628.13	331,628.13	300,000.00	63,256.26	363,256.26	2023						1,320,000	133,400.02						
4/1/2024			26,003.13	26,003.13					300,000	57,631.26	357,631.26	6/30/2024	1,320,000	1,320,000	107,396.89						
10/1/2024	3.875%	310,000	26,003.13	336,003.13	310,000.00	52,006.26	362,006.26	2024						1,010,000	81,393.76						
4/1/2025			19,996.88	19,996.88					310,000	46,000.01	356,000.01	6/30/2025	1,010,000	1,010,000	61,396.88						
10/1/2025	3.875%	325,000	19,996.88	344,996.88	325,000.00	39,993.76	364,993.76	2025						685,000	41,400.00						
4/1/2026			13,700.00	13,700.00					325,000	33,696.88	358,696.88	6/30/2026	685,000	685,000	27,700.00						
10/1/2026	4.000%	335,000	13,700.00	348,700.00	335,000.00	27,400.00	362,400.00	2026						350,000	14,000.00						
4/1/2027			7,000.00	7,000.00					335,000	20,700.00	355,700.00	6/30/2027	350,000	350,000	7,000.00						
10/1/2027	4.000%	350,000	7,000.00	357,000.00	350,000.00	14,000.00	364,000.00	2027						-	7,000.00						
				-					350,000	7,000.00	357,000.00	6/30/2028									
				-																	
				-																	
Total		5,000,000	2,156,394	7,156,394	5,000,000	2,156,394	7,156,394		5,000,000.00	2,156,394.39	7,156,394.39										

Appendix

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Figure 1	Where the District Budget Dollar Comes From
Figure 2	How the District Proposes to Spend Each Budget Dollar
Figure 3	How the District Proposes to Spend Each Operating Revenue Dollar



Acronyms

ACFR	Annual Comprehensive Financial Report
BRE	Business Risk Exposure
CCF	100 Cubic Feet; 1 unit = 748 Gallons
CDL	Commercial Driver's License
CIP	Capital Improvement Program
COB	City of Beaverton
COLA	Cost of Living Adjustment
CoF	Consequence of Failure
EUM	Effective Utility Management
FAQ	Frequently Asked Questions
FY	Fiscal Year
FYE	Fiscal Year Ended / Ending
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
N/A	Not Applicable or Not Available
OAR	Oregon Administrative Rules
OPSRP	Oregon Public Service Retirement Plan
ORP	Oregon Resilience Plan
ORS	Oregon Revised Statutes
PERS	Public Employee Retirement System
PWB	(City of) Portland Water Bureau
ROW	Right of Way
SCADA	Supervisory Control and Data Acquisition
SDAO	Special Districts Association of Oregon
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 1, 2023

Rank	City / District	Monthly Residential 5/8" Meter Charge	Consumption Charge per CCF Unit		Estimated Monthly Bill at 8 CCF
		Rate	Rate	Notes	Total
1	TVWD	\$ 21.25	\$ 7.030	Tiered (1)	\$ 77.49
2	WSWD -proposed	\$ 20.42	\$ 6.950	Flat	\$ 76.02
3	Tigard	\$ 32.31	\$ 5.015	Tiered (2)	\$ 74.35
4	Portland	\$ 18.24	\$ 6.493	Flat	\$ 70.18
5	Beaverton	\$ 20.00	\$ 5.400	Flat	\$ 63.20
6	Hillsboro	\$ 20.15	\$ 3.250	Tiered (3)	\$ 46.15
7	Raleigh	\$ 16.57	\$ 2.080	Tiered (4)	\$ 33.21
8	Tualatin	\$ 4.88	\$ 3.480	Flat	\$ 32.72

(1) TVWD

Block 1 - 0 to 28 CCF	\$ 7.03
Block 2 - +28 CCF	\$ 10.02

(2) Tigard

Tier 1 - 0 to 6 CCF	\$ 4.50
Tier 2 - 6 to 15 CCF	\$ 6.56
Tier 3 - +15 CCF	\$ 7.52

(3) Hillsboro

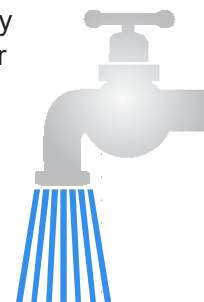
Tier 1 - 0 to 8 CCF	\$ 3.25
Tier 2 - 9 to 18 CCF	\$ 5.10
Tier 3 - +18 CCF	\$ 6.90

(4) Raleigh

Tier 1 - 0 to 12 CCF	\$ 2.08
Tier 2 - +12 CCF	\$ 3.19

Frequently Asked Questions

- Where does my water come from?** West Slope Water District purchases 100% of its water supply from the City of Portland which uses Bull Run surface water year-round with additional groundwater from wells as needed during the summer months.
- If my water rates increase 10% for water used and 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 \$0.59 (from \$19.83 to \$20.42) and the per unit consumption rate will increase \$0.65 (from \$6.30 to \$6.95). For example, for a typical residential home using an average of 8 CCF units a month, your bill would increase by \$5.79 per month (from \$70.23 to \$76.02).
- 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 other 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. The total cost for the water treatment facility and projects serving wholesale customers will exceed \$1 billion. 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, 2024, 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 at 5pm, Wednesday, June 21st. 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, 2023 to June 30, 2024 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 17, 2023 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://us02web.zoom.us/j/84803479322?pwd=SlQ4YjQ2dWF4WkRiQ0J3NERqdit2QT09>

Meeting ID: 848 0347 9322

Passcode: 197896

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

The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. A copy of the budget document may be inspected or obtained after April 28, 2023 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 4, 2023

May 11, 2023



Budget Hearing Notice (LB1)

NOTICE OF BUDGET HEARING (Proposed)

A public meeting of the **West Slope Water District** will be held on **June 21, 2023 at 5 pm** 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, 2023, 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 www.WSWD.org or by contacting the office at (503) 292-2777 or by email at customer.service@wswd.org. The budget is for an annual 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://us02web.zoom.us/j/84803479322?pwd=SIQ4YjQ2dWF4WkRiQ0J3NERqdit2QT09>
 Phone Link (audio only): (253) 215-8782; Meeting ID: 848 0347 9322; Passcode: 197896

Budget Officer: Wendy Irwin

Telephone: 503-292-2777

Email: wirwin@wswd.org

FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amount 2021-22	Revised Budget This Year 2022-23	Approved Budget Next Year 2023-24
Beginning Fund Balance/Net Working Capital	5,223,073	6,661,000	7,247,000
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	3,933,223	4,382,000	4,783,000
Federal, State and All Other Grants, Gifts, Allocations and Donations			
Revenue from Bonds and Other Debt			
Interfund Transfers / Internal Service Reimbursements	1,426,000	2,271,000	1,240,000
All Other Resources Except Property Taxes	122,797	117,000	282,000
Property Taxes Estimated to be Received		0	
Total Resources	10,705,093	13,431,000	13,552,000

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	845,694	955,000	1,137,000
Materials and Services	1,429,336	1,517,000	1,949,000
Capital Outlay	222,572	2,777,000	3,436,000
Debt Service	359,242	360,000	359,000
Interfund Transfers	1,426,000	2,271,000	1,240,000
Contingencies	0	1,433,000	500,000
Special Payments	0		
Unappropriated Ending Balance and Reserved for Future Expenditure	6,422,249	4,118,000	4,931,000
Total Requirements	10,705,093	13,431,000	13,552,000

FINANCIAL SUMMARY - REQUIREMENTS BY ORGANIZATIONAL UNIT OR PROGRAM *			
Name of Organizational Unit or Program FTE for that unit or program			
Water Services	10,705,093	13,431,000	13,552,000
FTE	7	7	7

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	\$1,620,000	
Other Borrowings	\$0	
Total	\$1,620,000	\$0

Notice of Proposed Rate Increase



NOTICE OF PROPOSED RATE INCREASE (proposed)

The Board of Commissioners will be holding a **Public Hearing on June 21, 2023 at 5pm to hear public comment** regarding a proposed 10.3% increase to the customer consumption rate and a 3.0% increase to the flat monthly meter rate. The meeting will be held via zoom virtual conferencing at the following link:

<https://us02web.zoom.us/j/84803479322?pwd=SIQ4YjQ2dWF4WkRiQ0J3NERqdit2QT09>

Meeting ID: 848 0347 9322

Passcode: 197896

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

The public is encouraged to attend and provide comment.

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

The Board of Commissioners is proposing an increase to the District's Consumption Charge and the Monthly Minimum (flat fee) charge. The increase will be effective for bills generated on or after June 22, 2023.

- The consumption charge will increase 10.3% or \$0.65 from \$6.30 to \$6.95 for each 748 gallons (1 unit) of use
- The monthly meter (flat fee) for the typical 5/8" meter will increase 3.0% or \$0.59, from \$19.83 to \$20.42 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 \$5.79 per month or \$69.48 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.



Budget Resolution

WEST SLOPE WATER DISTRICT

RESOLUTION # XX-2023

RESOLUTION ADOPTING THE BUDGET

Proposed

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, 2024 in the total amount of \$13,552,000. 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, 2023 and for the purposes shown below are hereby appropriated:

<u>Appropriation</u>	<u>2023-24</u>
General Fund	
Personnel Services	\$ 1,137,000
Materials & Services	1,949,000
Debt Service	332,000
Transfers	1,240,000
Contingency	500,000
Total	5,158,000
System Development Charges Fund	
Debt Service	27,000
Total	27,000
Equipment & Vehicle Reserve Fund	
Capital Outlay	80,000
Total	80,000
Capital Improvement Reserve Fund	
Capital Outlay	3,356,000
Total	3,356,000
Total Appropriations	8,621,000
Reserved for Future Expenditures	4,298,000
Unappropriated Fund Balance	633,000
TOTAL ADOPTED BUDGET	<u>\$13,552,000</u>

Adopted by the Board of Commissioners, June 21, 2023.

WEST SLOPE WATER DISTRICT

By _____
Paul Schuler, Board Chair

ATTEST:

By _____
Susan Meamber, Treasurer