

West Slope Water District

PROPOSED BUDGET

Fiscal Year 2025-26



West Slope Water District
Washington County, Oregon
3105 SW 89th Avenue
Portland, OR 97229
(503) 292-2777

www.WSWD.org

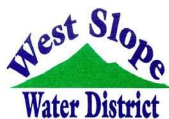


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Introduction

About Our District

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

*Serving the
West Slope
Neighborhood
Since 1922*

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

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

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

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

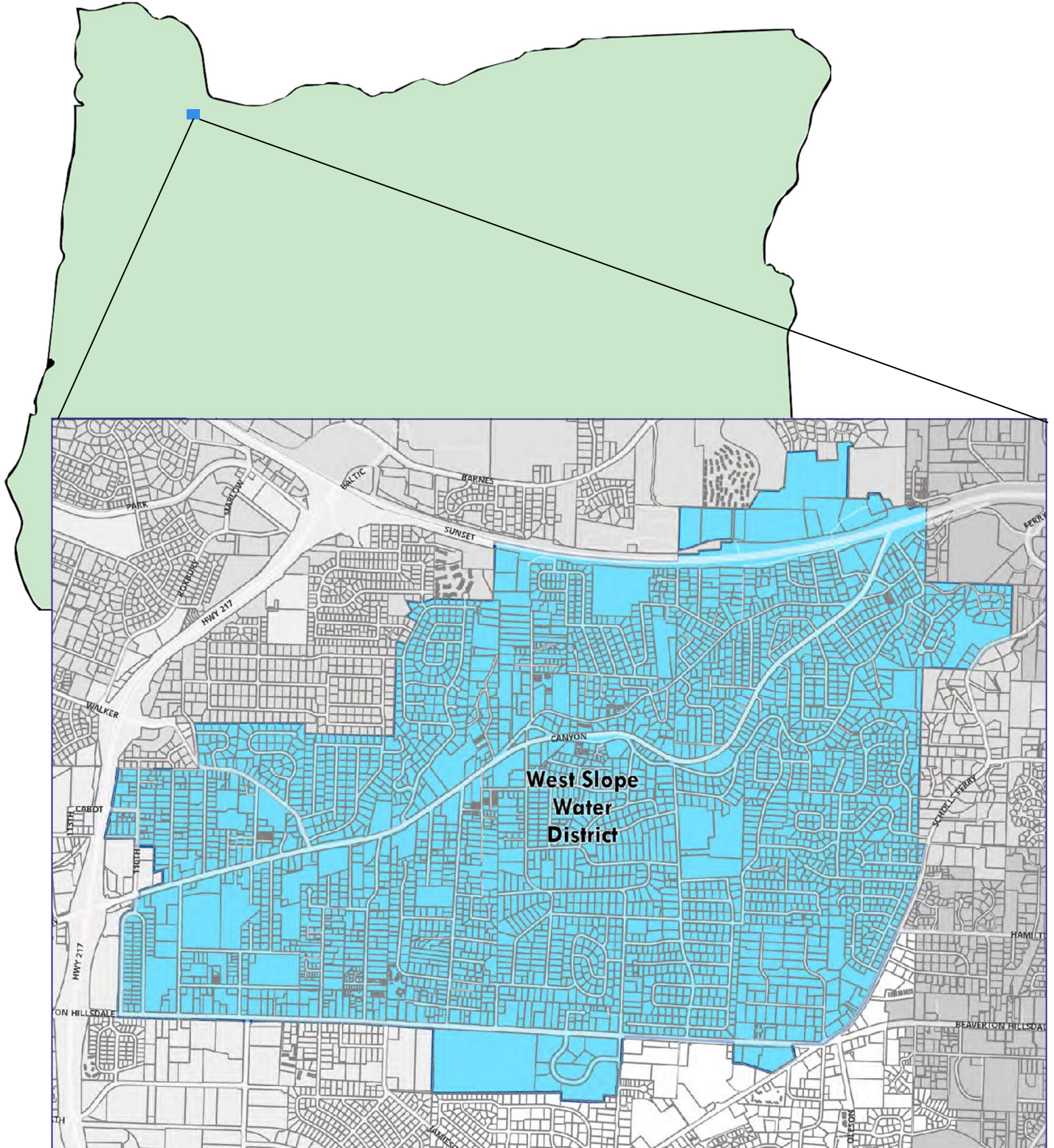
District staff monitors interties with PWB and TVWD utilizing Supervisory Control and Data Acquisition (SCADA) controls.

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

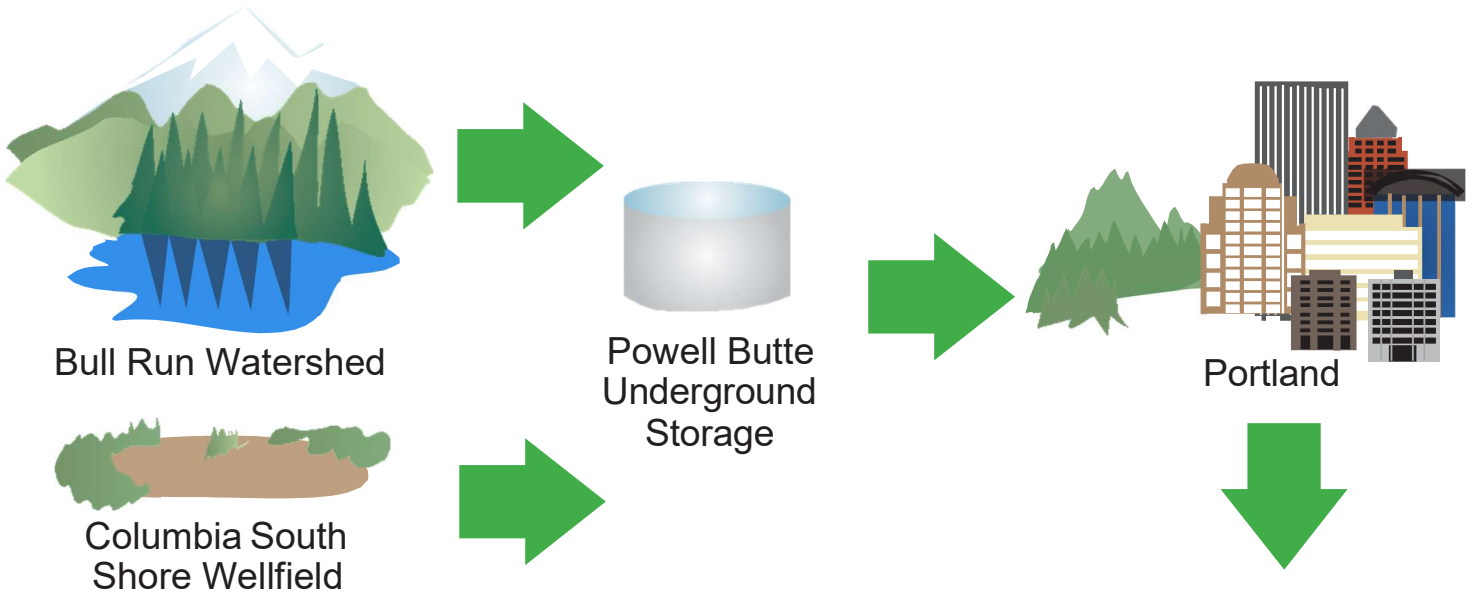


West Slope Water District Service Area Map

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



From the Water Source to the Customer



<p>Water Source 100% of our water is purchased from the City of Portland Water Bureau Bull Run Watershed and Columbia South Shore well fields.</p> <p>Backup Water Source Intertie with the Tualatin Valley Water District</p> <p>Average Production Annual water supplied – 416 Million Gallons (MG) Daily Average – 1.14MG</p>	<p>Distribution System Pipeline – 48 miles of 2” to 18” diameter pipeline</p> <p>Water Storage 2.25 MG Sylvan Hill Concrete Reservoir - Constructed in 1960 3.00 MG Sylvan Hill Concrete Reservoir - Constructed in 2009 0.80 MG SW Canyon Drive Welded Steel Standpipe Green Tank – Constructed in 1949 and seismically upgraded in 2017</p>
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West Slope

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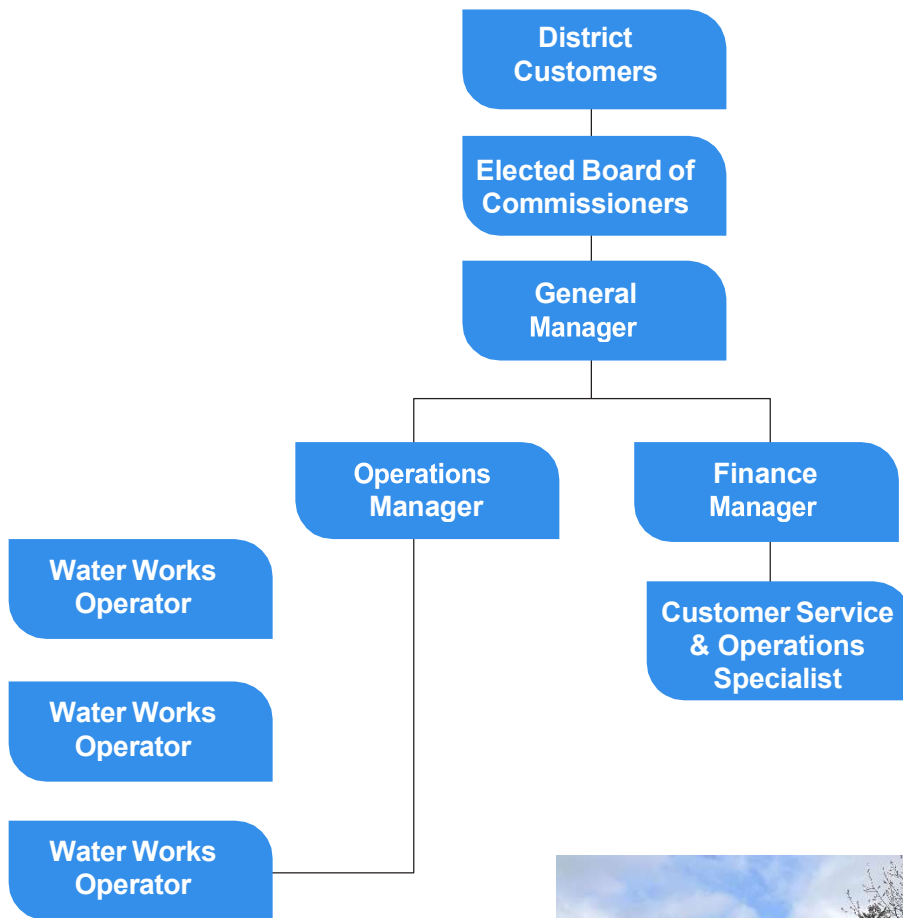
Customers Served

Service Area – 3.5 square miles

Total Service Connections – 3,200 Service Connections (residential, commercial, & multi-family)

People Served – 10,500

Organizational Chart



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

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:

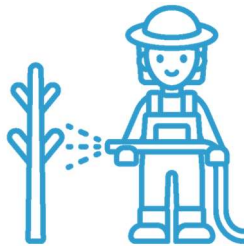
Our Vision is to

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 the 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's services • Create infrastructure resilience and reliability plan • Maintain effective communication among staff, management, Board, and the public
Maintain the District's long-term water supply (Maintain our quality product)	<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 2025-2026

APPOINTED CITIZEN MEMBERS

Ron Witcosky
Michael Smith
Will Short
Andrew Marsch
Marjorie Taylor

ELECTED COMMISSIONERS

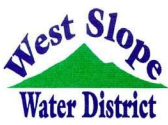
Ramesh Krishnamurthy, Chair
Susan Meamber
Paul Schuler
Andy Smith
Chris Eppler

BUDGET OFFICER

Wendy Irwin, Finance Manager



View of Trillium Lake with Mt. Hood in the background.



Budget Basics

General Information

The annual budget process is one of the most important activities undertaken by the District. It serves to clearly define the District's fiscal policies and functions as a tool for measuring performance and accountability to its customers.

According to Oregon State Law (ORS, Chapter 294), a budget is a financial plan that outlines expected revenues and expenditures for a specific period, typically a fiscal year. The annual budget authorizes the District to spend funds and incur obligations. Oregon Law also requires local governments to follow specific procedures when developing and adopting their budgets, making compliance with Local Budget Law essential.

Balanced Budget

All District funds must be budgeted with a balanced budget, meaning total resources must equal total requirements. Resources include beginning fund balances, revenues, other non-operating income, and debt proceeds. Requirements include current year expenditures, capital outlay, transfers, debt service, and amounts set aside as requirements for future reserves.

Fiscal Year

The District prepares its annual budget on a fiscal year basis, beginning on July 1 and ending on the following June 30. This budget document is for the fiscal year July 1, 2025 through June 30, 2026 (FY26).

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 are electors of the District and serve for staggered three-year terms.

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

Budget Adoption

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

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

Budget Amendments

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

Budget Basics

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, instead capital outlay is budgeted as an expense in the year the capital item is purchased
- Principal payments on long-term debt are budgeted as an expense rather than as a reduction to the liability

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

Fund Structure

For financial reporting purposes, all funds are considered a unitary enterprise operation and are therefore reported as a single enterprise fund in the financial statements. However, the District’s accounting records are maintained on a fund accounting basis for budgetary and legal purposes. 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 most of the financial resources and expenditures of the District, unless required to be accounted for in another fund. The fund’s primary source of revenue is from water rates and fees.

Rate Stabilization Fund

The purpose of this fund is to help the District meet bond debt covenant requirements while minimizing sudden increases in customer rates. The fund is solely supported by operating transfers from the General Fund.

Equipment Reserve Fund

This fund sets aside and uses resources specifically for the future purchase or replacement of capital equipment and vehicles. The fund is primarily supported by operating transfers from the General Fund.

Capital Improvement Reserve Fund

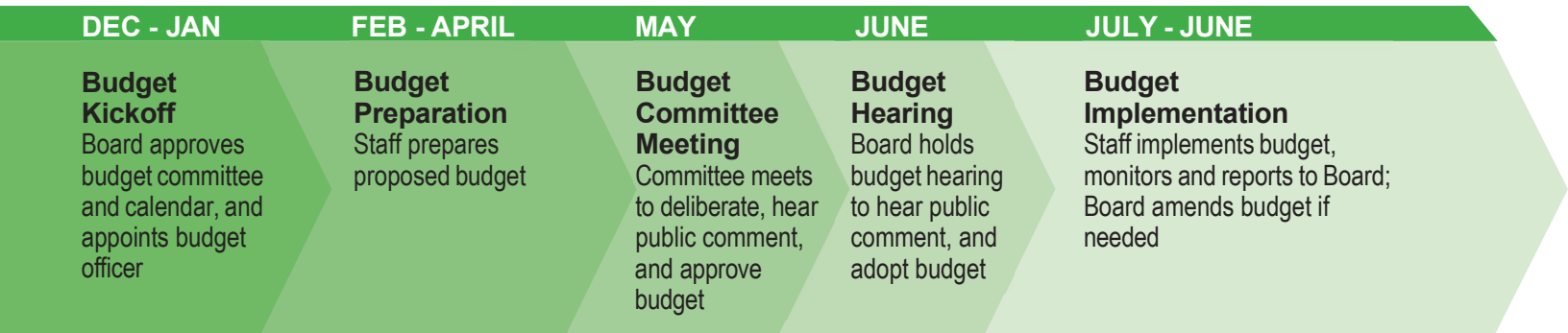
This fund sets aside and uses resources specifically for the future capital improvement and replacement of the District’s infrastructure. The fund is primarily supported by operating transfers from the General Fund.

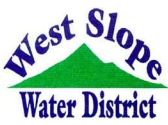
System Development Charges (SDC) Fund

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



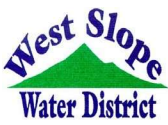
Budget Process





Budget Calendar – Fiscal Year 2025-2026

December 18, 2024 Board Meeting	Regular Board Meeting: <ul style="list-style-type: none"> Board appoints budget committee members and approves roster.
January 15, 2025 Board Meeting	Regular Board Meeting: <ul style="list-style-type: none"> Board appoints budget officer. Board approves budget calendar. Staff introduce preliminary budget concepts.
February 19, 2025 Board Meeting	Regular Board Meeting
March 19, 2025 Board Meeting	Regular Board Meeting
March/April 2025	Staff prepares proposed budget.
April 16, 2025 Board Meeting	Regular Board Meeting: <ul style="list-style-type: none"> Staff presents overview of proposed budget assumptions.
April 28, 2025	Staff delivers proposed budget document to Budget Committee and posts to District's website.
May 15, 2025	Notice of May 21st Budget Committee Meeting is published in community newspaper.
May 21, 2025 Board Meeting & Budget Committee Meeting	Regular Board Meeting: <ul style="list-style-type: none"> General manager presents cost of living and staff salary scale recommendations for Board's consideration and approval, effective date of July 1st. Budget Committee Meeting: <ul style="list-style-type: none"> Budget message is presented by budget officer and general manager. Budget committee discusses and receives public comment on proposed budget. Budget committee approves budget as submitted, makes revisions, or schedules another meeting. Budget officer prepares approved budget for public inspection.
June 12, 2025	Notice of June 18th budget hearing (Form LB-1) is published in community newspaper. Notice of Rate Hearing is included in June monthly billing and posted to District's website.
June 18, 2025 Board Meeting, Rate Hearing, & Budget Hearing	Regular Board Meeting Rate Hearing: <ul style="list-style-type: none"> Board receives public comment on proposed rate increases. Board adopts rate increases by resolution. Budget Hearing: <ul style="list-style-type: none"> Board receives public comment on the approved budget document. Board discusses and makes revisions, if necessary, to approved budget. Board adopts budget and makes appropriations by resolution.
June 27, 2025	Budget officer publishes adopted budget. <ul style="list-style-type: none"> Budget resolution is submitted to Oregon Department of Revenue. Adopted budget is posted to District's website



Budget Message

Introduction

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

We are pleased to present the West Slope Water District Budget for the fiscal year ended June 30, 2026 (FY26) for your review and consideration. This budget message is presented in accordance with Oregon Budget Law and is intended to present an overview of the budget document, highlighting changes from the previous year and articulating priorities and issues for the upcoming year.

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

The FY26 budget totals \$15,118,000 as shown below. This represents an overall increase of \$1,056,000 or 7.5% from the FY25 adopted budget. The increase in the budget is primarily a result of additional amounts budgeted for capital improvement projects and an increase in reserves and unappropriated fund balance. Overall, the District’s financial condition has remained steady, enabling the continued allocation of funds for both current and future capital improvement projects. This past year, the District completed a comprehensive Water Master Plan and an accompanying Water Rate Study. These efforts provided critical insights into the District’s long-term infrastructure and financial needs, which have been thoughtfully integrated into this year’s budget.

The District’s budget is strategically focused on replacing and maintaining aging infrastructure to ensure a dependable, efficient distribution system—extending its lifespan and reducing the risk of costly emergencies. At the same time, we remain deeply committed to delivering exceptional customer service, investing in enhanced responsiveness, clear communication, and better overall user experience. Together, these efforts reflect our dedication to building a reliable, customer-centered system that serves the community’s needs today and well into the future.

The following pages of the Budget Message give an overview of the District’s revenues and expenditures for the current year’s FY26 budget, as well as describe changes from the previous budget.



The District’s Green Tank on Canyon Dr.

Table 1 - Total Budget			
	Budget FY2026	Adopted Budget FY2025	Change
General Fund			
Personnel Services	\$ 1,359,000	\$ 1,253,000	\$ 106,000
Materials & Services	2,069,000	1,954,000	115,000
Debt Service	359,000	336,000	23,000
Transfers	1,750,000	1,970,000	(220,000)
Contingency	514,000	481,000	33,000
Subtotal	6,051,000	5,994,000	57,000
System Development Charges Fund			
Debt Service	-	20,000	(20,000)
Equipment & Vehicle Reserve Fund			
Capital Outlay	20,000	125,000	(105,000)
Capital Improvement Reserve Fund			
Capital Outlay	2,150,000	1,700,000	450,000
TOTAL APPROPRIATIONS	8,221,000	7,839,000	382,000
Reserved for Future Expenditures	6,115,000	5,523,000	592,000
Unappropriated Fund Balance	782,000	700,000	82,000
TOTAL BUDGET	\$ 15,118,000	\$ 14,062,000	\$ 1,056,000

Revenues

Sale of Water

Water sales remain the District’s primary source of revenue. Situated in a well-developed area with highly desirable residential and commercial properties, the District has limited open space available for new growth. With no plans to expand its boundaries, the customer base is expected to remain relatively steady.

Because water consumption—largely driven by unpredictable weather patterns—is the biggest factor influencing revenue, the District faces fluctuations beyond its control. Hot, dry conditions typically boost usage (and revenue), while cool, wet weather tends to reduce it. Given the stable customer base and limited ability to influence consumption, adjusting water rates is the most effective way for the District to keep pace with rising operational costs and set aside funds for future infrastructure repair and replacement.



View of Bull Run reservoir one.

To proactively plan for upcoming infrastructure needs and long-term financial sustainability, the District partnered with a professional engineering firm over the past year to complete a comprehensive Water Master Plan and Water Rate Study. Now completed, the Rate Study evaluated the fairness and sufficiency of current water rates, recommended necessary adjustments, and outlined funding strategies to meet both operational demands and future capital investments in alignment with the updated Master Plan.

Following the recommendations of the Water Rate Study, the District has adopted a new, more equitable rate structure that introduces three distinct customer classes—each with tailored consumption rates that better reflect usage patterns. Additionally, monthly fixed charges have been revised based on meter size to align with current industry standards, ensuring a fairer and more sustainable approach to covering system costs. A copy of the complete study can be found on the District’s website at www.wswd.org/new-rate-structure.

In line with the study’s recommendations, the FY26 budget includes a 5% increase in consumption rates and an increase to the monthly fixed charges, now weighted by meter size to reflect updated cost-of-service standards. The proposed rate increases will go into effect on July 1, 2025, with the new rate structure officially launching on November 1, 2025. The present consumption rate and those proposed for the FY26 budget are shown in **the table below**.

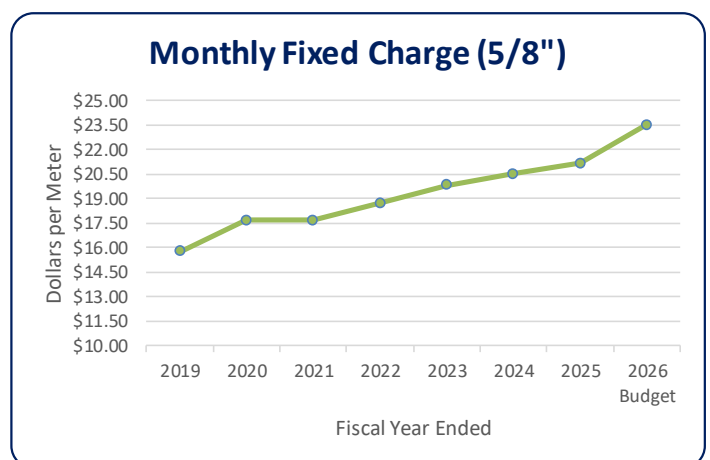
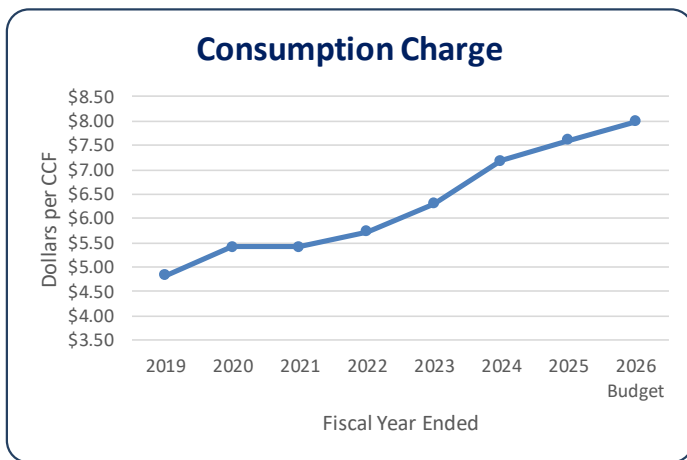
Table 2 - Water Consumption Rates (per CCF)			
	Present Rate	Budget FY26	
		July 1, 2025	Nov. 1, 2025
Residential			
Uniform Flat Rate	\$ 7.61	\$ 7.99	-
Tier 1 - 0 to 8	-	-	\$ 5.90
Tier 2 - 9 to 20	-	-	\$ 8.85
Tier 3 - 21+	-	-	\$ 11.80
Multi-Family			
Uniform Flat Rate	\$ 7.61	\$ 7.99	\$ 6.25
Commercial			
Uniform Flat Rate	\$ 7.61	\$ 7.99	-
Tier 1 - 0 to 325	-	-	\$ 7.61
Tier 2 - 326+	-	-	\$ 11.42

Revenues

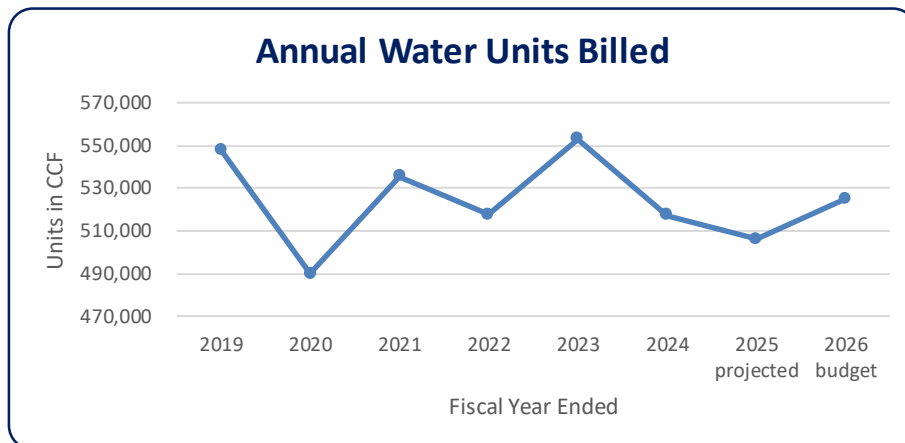
The District's rates are comparable to other water providers in the surrounding area, as noted in the results from the Regional Water Providers Consortium's annual rate survey on Page 53. Many of the local water providers also have proposed rate increases for their FY26 budget to cover rising operating costs and infrastructure improvements and replacements.

For reference, a history of the District's rates over the last several years is shown in **the following table and graphs**:

Table 3 - Rate History								
	Budget 2026	Fiscal Year Ended						
		2025	2024	2023	2022	2021	2020	2019
Consumption Charge (per CCF)	\$ 7.99	\$ 7.61	\$ 7.18	\$ 6.30	\$ 5.73	\$ 5.41	\$ 5.41	\$ 4.83
Percentage change	5%	6%	14%	10%	6%	0%	12%	12%
Monthly Fixed Charge (5/8" Meter)	\$ 23.50	\$ 21.14	\$ 20.52	\$ 19.83	\$ 18.71	\$ 17.65	\$ 17.65	\$ 15.76
Percentage change	11%	3%	3.5%	6%	6%	0%	12%	12%



The following graph shows the history of annual water units billed to customers in CCFs (1 CCF = 748 gallons). As shown below, water usage can vary from year to year by as much as 11% due to fluctuations in weather patterns. For the FY26 budget, the five-year average of 525,000 CCFs was used to estimate revenue, which is lower than the FY25 projected actual amount of 506,000 CCFs.



Revenues

Interest Income

The FY26 budget reflects estimated interest income earned on reserve monies in the Local Government Investment Pool (LGIP) accounts. Established in 1973, the Oregon LGIP is an open-ended, no-load diversified portfolio offered to local governments to provide a safe environment for the short-term investment of public funds.

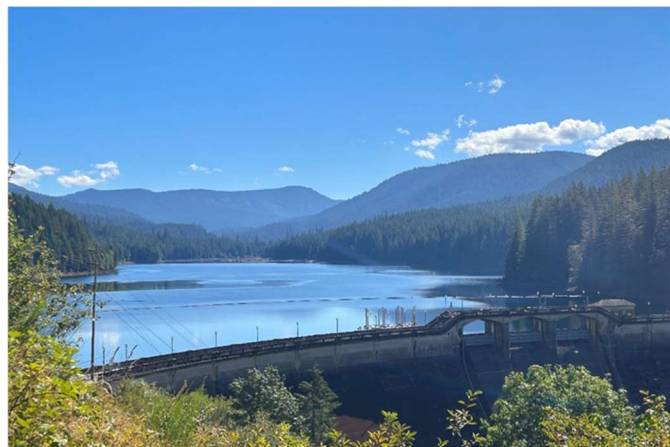
The current rate in the District’s LGIP reserve accounts as of April 2025 is 4.6%, lower than the previous year which peaked at 5.3% in July 2024. To forecast interest income for the FY26 budget, an estimated interest rate of 3.5% was used, as rates are expected to continue to decline.

Summary of Revenues

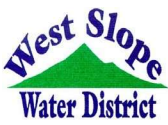
In summary, as noted in *the table below*, total budgeted revenues across all funds for FY26 increased by \$283,000 or about 5%. The revenue increase is primarily due to proposed rate increases netted against lower interest income and SDC revenues.

Increased revenues budgeted for FY26 will cover the District’s increasing operating costs as well as allow for continued transfers to capital reserves to fund future infrastructure projects.

Table 4 - Revenues for All Funds					
	Budget FY2026	Adopted Budget FY2025	Actual		
			FY2024	FY2023	FY2022
Sale of Water	\$ 5,541,000	\$ 5,169,000	\$ 4,782,873	\$ 4,588,104	\$ 3,923,266
Other Operating Revenue	96,000	99,000	104,434	92,770	92,098
Interest Income	193,000	273,000	311,133	184,699	27,619
Gain (Loss) on Disposition of Assets	-	-	(1,689)	(6,864)	(20,210)
SDC Revenue	4,000	10,000	9,848	19,878	9,957
Total Revenues - All Funds	\$ 5,834,000	\$ 5,551,000	\$ 5,206,599	\$ 4,878,587	\$ 4,032,730
Dollar Increase from previous year	\$ 283,000				
Percentage Increase from previous year	5.10%				



View of Bull Run reservoir one. The primary source of the District’s water supply.



Personnel Services

All personnel-related expenses are budgeted within the General Fund. The District currently employs seven full-time staff members: four in field operations, two in finance and customer service, and a general manager who oversees daily operations. Led by the general manager, the team is committed to fostering a positive, inclusive, and collaborative workplace culture, with a strong focus on providing exceptional customer service to the community.

Salaries and Wages

The District is fully staffed and has successfully retained the same seven employees over the past two years, reflecting a strong, positive, and collaborative workplace culture. Looking ahead, the current general manager is expected to retire in February 2026. To ensure a smooth leadership transition, the FY26 budget includes funding for a consultant to support the Board of Commissioners in the recruitment process, as well as a temporary salary overlap to support a seamless handoff between the outgoing and incoming general managers.

In addition to the transition-related costs, the FY26 salary and wage budget also includes a projected 2.5% cost-of-living adjustment (COLA) and estimated merit increases of 3–5% as employees earn new certifications and advance within their pay ranges. The District strongly encourages staff to pursue continued training and certification, which enhances individual skills and provides long-term benefits to the organization and its customers.

Group Benefits

As an incentive to retain qualified employees, the District’s benefit package includes fully paid health, vision, and dental insurance coverage for both the employee and their eligible dependents. Group benefits and related premiums are reviewed annually to ensure that the best coverage is maintained at the least possible cost. Insurance costs can fluctuate based on adjustments in premium rates and employee census data. For the FY26 budget, costs for group benefits have slightly decreased compared to the previous year, due to a lower-than-expected adjustment in premium rates.

PERS Retirement Plan

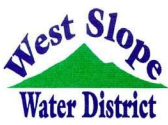
Currently, all full-time District employees are members in the Oregon Public Employees Retirement System (PERS). Employer contributions are based on actuarially determined rates on covered payroll. Contribution rates are determined by the fund administrator and are updated every two years. For fiscal years 2026 and 2027, employer contribution rates will increase to 30.57% for Tier One/Two and 25.03% for OPSRP employees. As a result, the FY26 budget for retirement contributions is higher than the previous year.

Summary of Personnel Services

As noted in *the table below*, the overall budget for FY26 has increased by \$106,000 or 8% from the previous year due to the factors mentioned above.

Table 5 - Personnel Services

	Budget FY2026	Adopted Budget FY2025	Actual		
			FY2024	FY2023	FY2022
Salaries and Wages	\$ 854,000	\$ 763,000	\$ 726,827	\$ 585,906	\$ 560,858
Group Benefits	205,000	219,000	168,224	128,480	103,771
Retirement contributions	214,000	191,000	167,695	126,741	120,210
Taxes, Workers Comp, and Other	86,000	80,000	68,499	58,232	60,855
Total Personnel Services	\$ 1,359,000	\$ 1,253,000	\$ 1,131,245	\$ 899,359	\$ 845,694
Dollar Increase from previous year	\$ 106,000				
Percentage Increase from previous year	8.46%				



Materials and Services

Purchased Water

Purchased water is the largest expense within the District’s materials and services budget. The District purchases 100% of its water supply wholesale from the City of Portland Water Bureau (PWB) under a 20-year agreement set to expire on June 30, 2026.

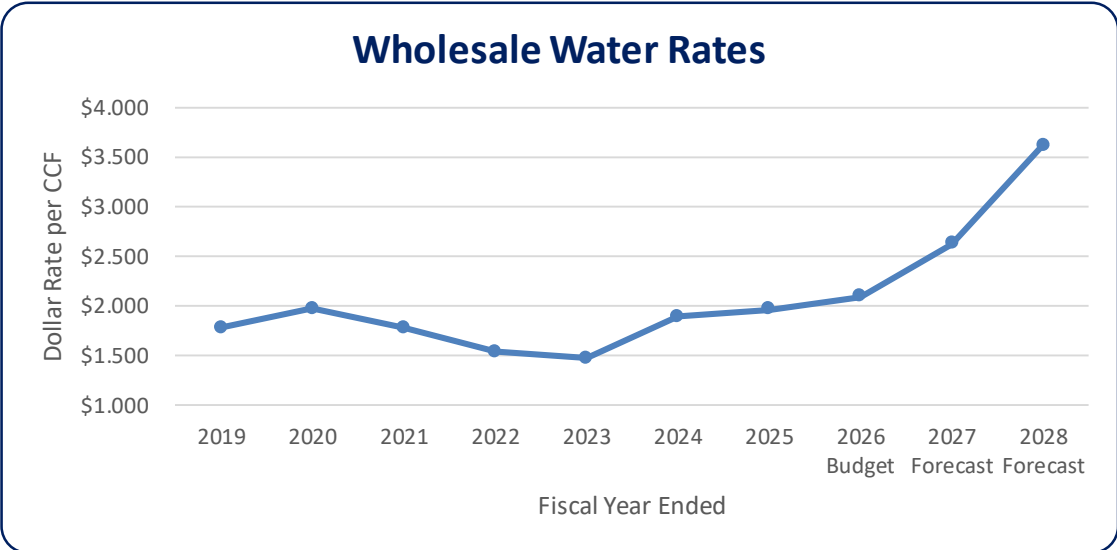
After years of collaborative effort with the PWB and other wholesale water purchasers, the District has signed a new 30-year wholesale water agreement with PWB, set to take effect on July 1, 2026, when the current agreement expires. The new contract includes more favorable terms, most notably, the elimination of the minimum purchase requirement, providing the District with greater flexibility.

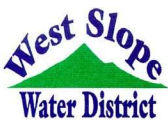
As with the previous agreement, the new contract includes charges for capital improvements made by PWB that benefit wholesale customers. Consequently, wholesale water rates are expected to rise significantly for the first several years of the new agreement, primarily due to the costs of constructing the Bull Run Filtration Facility. However, rates are anticipated to stabilize after this initial increase. This long-term agreement ensures a reliable and consistent water supply for the District well into the future.

For the FY26 budget, purchased water costs have increased by \$89,000 or 6.6% due to a projected rate increase from PWB. The wholesale water rate is influenced by the District’s peak summer demand, including the highest three consecutive days of usage, as well as PWB’s capital projects, which are allocated to wholesale customers in accordance with the agreement.

The table and graph below show the history of wholesale water rates and total purchased water.

Table 6 - Wholesale Water Rates					
	Budget	Adopted Budget	Actual		
	FY2026	FY2025	FY2024	FY2023	FY2022
Wholesale Water Rate (dollar per CCF)	\$2.094	\$1.964	\$1.892	\$1.471	\$1.542
Percentage change	6.62%	3.81%	28.62%	-4.60%	13.22%
Total Purchased Water	\$ 1,431,000	\$ 1,342,000	\$ 1,296,906	\$ 1,005,579	\$ 1,053,177
Dollar increase PY	\$ 89,000				
Percentage increase PY	6.63%				





Materials and Services

Materials and Services Excluding Water

The table below shows the line-item changes for the FY26 budget as compared to the previous budget, showing a total net increase of \$26,000 or 4%. A brief discussion of significant line items and changes in the budget follows:

Table 7 - Materials & Services Excluding Water Purchased

	Budget FY2026	Adopted Budget FY2025	Dollar Change	Percentage Change	Actual		
					FY2024	FY2023	FY2022
System maintenance	\$ 98,000	\$ 80,000	\$ 18,000	22.50%	\$ 115,686	\$ 53,489	\$ 33,988
Water tests	10,000	10,000	-		7,560	8,100	3,824
Truck and equipment	27,000	28,000	(1,000)	-3.57%	29,895	22,567	19,017
Utilities	17,000	17,000	-		16,433	13,808	11,446
Billing and payment	99,000	104,000	(5,000)	-4.81%	104,135	95,665	79,453
Office supplies and postage	4,000	4,000	-		2,536	3,023	2,509
Uniforms	3,000	3,000	-		758	2,072	1,455
General insurance	72,000	72,000	-		55,691	44,694	41,070
Professional services	58,000	38,000	20,000	52.63%	32,838	28,889	26,342
Property Maintenance	7,000	7,000	-		11,704	3,073	4,098
IT services and office equip	101,000	98,000	3,000	3.06%	84,397	89,342	68,493
General support	7,000	7,000	-		6,633	3,162	2,849
Janitorial	5,000	5,000	-		3,728	3,188	3,118
Right of Way (ROW) Tax	61,000	65,000	(4,000)		59,575	56,381	50,389
Board	8,000	10,000	(2,000)	-20.00%	2,680	7,874	2,498
Bad debts	2,000	2,000	-		934	1,746	1,525
Ed, training, and memberships	36,000	41,000	(5,000)	-12.20%	29,784	28,506	13,807
Community relations	15,000	13,000	2,000	15.38%	12,122	9,847	3,493
Conservation	8,000	8,000	-		7,353	6,549	6,785
Total Materials & Services Excl Water	\$638,000	\$612,000	\$ 26,000	4.25%	\$ 584,442	\$ 481,975	\$ 376,159

System Maintenance

System maintenance covers routine upkeep of the District’s distribution and storage system. This includes repairing and replacing components such as valves, meter boxes, vaults, and hydrants. Regular preventive maintenance significantly reduces the risk of damage to roadbeds and private property, helping to minimize disruptions to customers. The budget also includes a contingency for unexpected repair costs associated with major main breaks.

The FY26 system maintenance budget is \$18,000 or 22% higher than the previous year. This increase provides funding for two key projects: cleaning of the District’s green tank, which occurs approximately every five years, and hiring a satellite leak detection company to perform a comprehensive leak study across the entire system.

Billing and Payment

The FY26 billing and payment budget includes costs for outsourcing the printing and mailing of monthly billing statements, as well as merchant and transaction fees for the online payment portal and miscellaneous bank fees. The District does not charge customers any fees for credit card payments.

The FY26 budget has decreased by \$5,000 or 5%, compared to the previous year’s budget. This reduction is due to the District’s transition in FY25 to Xpress Bill Pay, a new online payment portal integrated with the utility billing software. The switch also included a new merchant processor that offers lower transaction fees for public entities, resulting in reduced overall costs.

Materials and Services

General Insurance

General insurance includes property, liability, and auto insurance provided by Special District Insurance Services (SDIS) through the District's membership in Special District Association of Oregon (SDAO). SDIS is funded by a self-insured pool of its participating members. In recent years, the insurance sector has faced a tough market with increased claims, inflation, cyber threats, and natural disasters resulting in rising premiums. The current policy with SDIS includes cyber coverage protection of up to \$750,000. For FY26, the budget amount remains the same, as the previous year's budget factored in additional premium increases that were not fully realized.

Professional Services

The professional services budget covers expenses for external audit fees, legal services, payroll processing, and other contracted professional services. For FY26, the budget increased by \$20,000 compared to the previous year. This increase includes amounts for hiring a consultant to assist the Board with the general manager transition, updating website PDF documents for ADA compliance, and covering higher audit fees.

IT Services and Office Equipment

The information technology (IT) services and office equipment budget includes costs for outsourced IT support, including a remote server hosted by a consultant, as well as annual maintenance fees for the accounting and utility billing software. The budget also includes copier and printer leases, cell service plans, and office equipment purchases under the \$5,000 capitalization threshold. The FY26 budget for IT services and office equipment remains largely unchanged from the previous year.

Right-of-Way (ROW) Tax

The Right of Way (ROW) line-item represents a 5% tax the District pays to the City of Beaverton (COB) for maintenance of the streets where the District's pipe infrastructure is located. This tax is passed through to customers residing within the city limits and is recorded in the General Fund as both revenue (from customer payments) and expense (to the COB). The District remits the collected ROW tax to COB quarterly. Customers living in unincorporated Washington County are not subject to this tax.

Education, Training, and Memberships

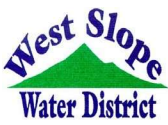
This budget line-item covers expenses for professional association dues, conference registrations, training fees, and related travel costs. Staff are encouraged to attend annual conferences to support their professional growth and strengthen connections within the water utility industry. The FY26 budget for these activities decreased by \$5,000 from the previous year to better align with historical spending levels.



Beaverton-Hillsdale main pipe replacement project, showing trench for pipe installation.



District fire hydrant.



Capital Outlay

Vehicles and Equipment

The District maintains an Equipment Reserve Fund to support the replacement of aging equipment and the purchase of new equipment and technology. Capital outlay is budgeted for purchases that exceed the capital threshold of \$5,000 and have a useful life of more than one year.

As in previous years, the FY26 capital outlay budget includes funding for the replacement of radio read meters, which are replaced as needed due to failure, leaks, or damage. The cost of each meter varies based on its size. Aside from meter replacements, no additional funding is budgeted for vehicles or equipment in FY26.

To ensure adequate funding for future equipment and vehicle replacements, the District makes annual transfers from the General Fund to the Equipment Reserve Fund. For FY26, a transfer of \$35,000 is budgeted to meet long-term reserve goals.

As seen in *the table below*, the amount budgeted in the Equipment Reserve Fund varies from year to year depending on the needs of the District.

Table 8 - Capital Outlay for Vehicles & Equipment		
	Budget FY2026	Adopted Budget FY2025
Equipment & Vehicles	\$ -	75,000
Technology	-	30,000
Radio read meters	20,000	20,000
Total Capital Outlay - Equipment	\$ 20,000	\$ 125,000
Dollar decrease from previous year	(105,000)	
Percentage decrease from previous year	-84.00%	

Capital Improvement Projects

The District maintains a Capital Improvement Reserve Fund to provide for current capital improvement projects as well as save for future repairs and replacements related to the District’s infrastructure. Capital outlay is budgeted for projects according to the Water Master Plan. Additional information on the District’s capital improvement projects can be found in the Capital Improvement Plan (CIP) section of this budget document, starting on page 32. Amounts for the following capital projects are included in the FY26 budget.

Property Improvements

The FY26 budget of \$150,000 for property improvements is for the expansion of the existing lower shop to accommodate parking of the District’s vector truck, ensuring it is protected from the elements. Exposure to harsh weather conditions can lead to increased maintenance costs, reduced equipment lifespan, and potential operational issues. A larger space will safeguard this critical asset, enhance its reliability, and help maintain the District’s investment for years to come.

Reservoirs and Main Lines

Garden View Pipe Replacement

The Garden View Avenue pipe project has an estimated cost of \$1.8 million. In 2025, the engineering work was completed and the construction bid successfully awarded. Construction is expected to be substantially completed by November 2025. The FY26 budget includes \$1.4 million for the completion of this project.

Capital Outlay

New 3.0 Million Gallon (MG) Reservoir #4

In FY25, the District contracted with Grayling Engineering to conduct a cost feasibility study for a new 3.0 MG concrete earthquake resilient reservoir to be built next to the two existing reservoirs located at the District’s Sylvan Hill property. Total cost for the new reservoir is estimated at \$10.8 million and will be funded from capital reserves, grants, and new debt. The FY26 budget includes \$400,000 to begin engineering and design work for the new reservoir.

Sharon Lane and Canyon Drive Pipe Replacements

Following the Garden View pipe replacement, the next pipe projects will be located at Sharon Lane, estimated at \$900,000, and Canyon Drive, estimated at \$550,000. Due to the relatively smaller scope of these projects, they are likely to be combined into a single contract for design and construction to streamline the bidding process. The FY26 budget includes \$200,000 to initiate engineering work for both projects.

Future Capital Improvement Projects

Transfers are made each year from the General Fund into the Capital Improvement Reserve Fund to set aside monies to cover future CIP costs as described in the Water Master Plan. To continue to save for future projects, the FY26 budget includes a transfer of \$1.7 million.

As noted above, a list of future projects for the next ten years is included in the Capital Improvement Plan (CIP) section, starting on page 32. Over the next five years, the District will focus on smaller pipe replacement projects in addition to the planning and funding of the new 3.0 MG reservoir.

As seen in *the table below*, The amount budgeted in the Capital Improvement Reserve Fund varies from year to year depending on the current projects undertaken by the District.



District staff saw cutting street for pipe project.

Table 9 - Capital Outlay for Capital Improvements		
	Budget FY2026	Adopted Budget FY2025
Property Improvements	\$ 150,000	\$ 200,000
Reservoirs and Main Lines	2,000,000	1,500,000
Total Capital Outlay - Capital Imp	\$ 2,150,000	\$ 1,700,000
Dollar increase from previous year	450,000	
Percentage increase from previous year	26.47%	

Debt Service

The FY26 budget includes an annual debt service payment of \$359,000 for the \$5 million revenue bonds issued in 2008. The District’s debt payments remain approximately level through 2027, as detailed in the bond amortization schedule on Page 50. These bonds funded the design and construction of the District’s 3.0 MG Reservoir #3 and the demolition of the 2.25 MG Reservoir #1. The final payment on the bond is scheduled for October 2027.

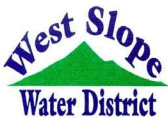
The District anticipates incurring new debt to finance the construction of a new 3.0 MG Reservoir #4. The estimated funding requirement for this project will be close to \$11 million, which will be sourced from the capital reserves, grants, and newly issued debt.

Budgeted funds for debt service, paid out of the General Fund, **are listed below:**

Table 10 - Debt Service Payments			
	Budget FY2026		
	Total	Principal	Interest
General Fund	\$ 359,000	\$ 325,000	\$ 34,000



Picture of the District’s Reservoir #3, when it was completed in 2009.



Concluding Thoughts

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

The condition and reliability of the distribution system is of utmost importance. A water main break can create a significant financial requirement for the District, disruption of water service to the rate payers, potential adverse impact to public health, and damage to personal and public property. The District is committed to responding to such an event by having a crew of trained water distribution operators available 24/7 and by maintaining equipment and materials to perform the work when needed. The District is also committed to the planning and funding of future capital projects designed to replace aging infrastructure with new, resilient assets that will be completed over the next thirty years thereby minimizing as well as hopefully preventing major disruptions in the District's water distribution system.

Contingency and reserves have been established to supply funding for maintenance and operating expenses during potential economic downturns, major failures in the distribution system, and natural disasters. The FY26 budget, consistent with prior years, maintains a reserve of \$1.3 million in the General Fund, which is equivalent to four months of operating expenses. This includes \$514,000 in contingency and \$782,000 in unappropriated fund balance. In addition, the Rate Stabilization Fund has \$800,000 set aside to smooth future rate increases as wholesale water rates rise under the new agreement.

Funds reserved for future capital outlay and capital improvement projects in the FY26 budget include \$4.8 million in the Capital Improvement Reserve Fund and \$546,000 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 are committed to providing equitable access to safe, clean, and reliable water for customer use and fire suppression to those who live in our community.

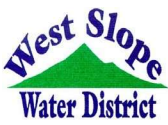
We respectfully submit the West Slope Water District's Budget for Fiscal Year 2025-26.

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

Michael Grimm, PE
General Manager

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

Wendy Irwin, CPA
Finance Manager & Budget Officer



Budget Summary All Funds

Summary of Fiscal Year 2026 Budget (All Funds)

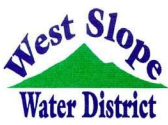
A summary of resources and requirements for all funds is **outlined below**: Oregon Budget Law requires beginning working capital and transfers to be included in resources.

Table 11 - Summary of Resources for All Funds

		Budget FY2026	Adopted Budget FY2025	Dollar Change	Percentage Change	
1	Beginning Working Capital	\$ 7,534,000	\$ 6,541,000	\$ 993,000	15.2%	1
2						2
3	Sale of Water	5,541,000	5,169,000	372,000	7.2%	3
4	Other operating	96,000	99,000	(3,000)	-3.0%	4
5	Interest	193,000	273,000	(80,000)	-29.3%	5
6	SDC's	4,000	10,000	(6,000)	-60.0%	6
7	Revenue	5,834,000	5,551,000	283,000	5.1%	7
8						8
9	Transfers In	1,750,000	1,970,000	(220,000)	-11.2%	9
10	Total Resources	\$ 15,118,000	\$ 14,062,000	\$ 1,056,000	7.5%	10

Table 12 - Summary of Requirements for All Funds

		Budget FY2026	Adopted Budget FY2025	Dollar Change	Percentage Change	
1	Purchased Water	\$ 1,431,000	\$ 1,342,000	\$ 89,000	6.6%	1
2	Personnel Services	1,359,000	1,253,000	106,000	8.5%	2
3	Materials and Services	638,000	612,000	26,000	4.2%	3
4	Operating Expense	3,428,000	3,207,000	221,000	6.9%	4
5						5
6	Contingency	514,000	481,000	33,000	6.9%	6
7	Capital Outlay	2,170,000	1,825,000	345,000	18.9%	7
8	Debt Service	359,000	356,000	3,000	0.8%	8
9	Transfers Out	1,750,000	1,970,000	(220,000)	-11.2%	9
10	Non-Operating Expenditures	4,793,000	4,632,000	161,000	3.5%	10
11						11
12	Reserved for Future Expenditures	6,115,000	5,523,000	592,000	10.7%	12
13	Unappropriated Fund Balance	782,000	700,000	82,000	100.0%	13
14	Reserved & Unappropriated	6,897,000	6,223,000	674,000	10.8%	14
15	Total Requirements	\$ 15,118,000	\$ 14,062,000	\$ 1,056,000	7.5%	15



Fiscal Year 2026 Budget Operating Statement by Fund

The table below is a summary by fund for the FY26 budget showing operating and non-operating resources and requirements as well as changes in fund balances for the year.

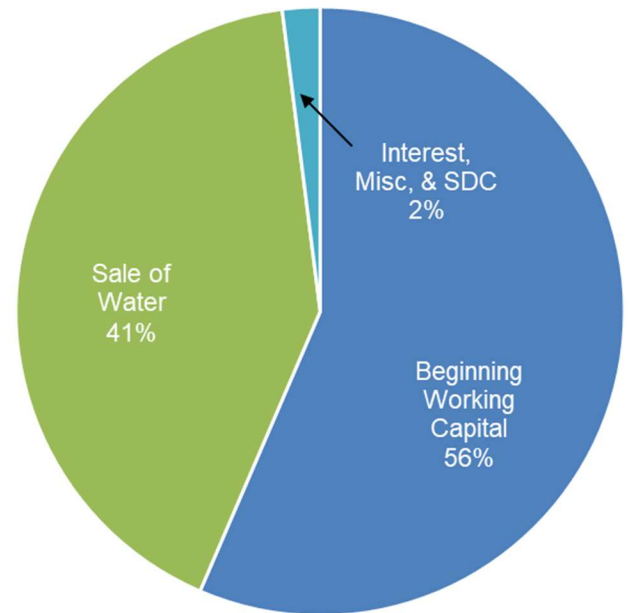
Table 13 - Operating Statement by Fund								
	FY 2026						FY 2025	
	General Fund	Rate Stabilization Fund	Equipment Reserve	Capital Improv Reserve	System Dev Charges Fund	Proposed Budget Total	Budget Total	Actual Projected
Operating Revenues:								
Sale of Water	\$ 5,541,000	\$ -	\$ -	\$ -	\$ -	\$ 5,541,000	\$ 5,169,000	\$ 4,962,400
Other Operating	96,000	-	-	-	-	96,000	99,000	96,900
Total Operating Revenues	5,637,000	-	-	-	-	5,637,000	5,268,000	5,059,300
Operating Expenses								
Purchased Water	1,431,000	-	-	-	-	1,431,000	1,342,000	1,341,000
Personnel Services	1,359,000	-	-	-	-	1,359,000	1,253,000	1,234,400
Materials & Services	638,000	-	-	-	-	638,000	612,000	564,900
Total Operating Expenses	3,428,000	-	-	-	-	3,428,000	3,207,000	3,140,300
Operating Income	2,209,000	-	-	-	-	2,209,000	2,061,000	1,919,000
Non-Operating Resources (Requirements)								
Capital Outlay	-	-	(20,000)	(2,150,000)	-	(2,170,000)	(1,825,000)	(548,501)
Debt Service	(359,000)	-	-	-	-	(359,000)	(356,000)	(356,000)
Interest Income	35,000	-	18,000	140,000	-	193,000	273,000	296,000
SDC Fees	-	-	-	-	4,000	4,000	10,000	2,000
Contingency	(514,000)	-	-	-	-	(514,000)	(481,000)	-
Non-operating Requirements	(838,000)	-	(2,000)	(2,010,000)	4,000	(2,846,000)	(2,379,000)	(606,501)
Excess (deficit) before Transfers	1,371,000	-	(2,000)	(2,010,000)	4,000	(637,000)	(318,000)	1,312,499
Transfers	(1,750,000)	-	35,000	1,715,000	-	-	-	-
Change in Fund Balance	(379,000)	-	33,000	(295,000)	4,000	(637,000)	(318,000)	1,312,499
Fund Balance, Beg. of Year:								
General Fund	1,161,000					1,161,000	1,376,000	1,271,000
Reserve Funds	-	800,000	513,000	5,194,000	11,000	6,518,000	5,165,000	5,094,800
	1,161,000	800,000	513,000	5,194,000	11,000	7,679,000	6,541,000	6,365,800
Fund Balance, End of Year:								
Reserved for Future Expenditure	-	800,000	546,000	4,899,000	15,000	6,260,000	5,523,000	6,517,299
Unappropriated Ending Fund Balance	782,000	-	-	-	-	782,000	700,000	1,161,000
	\$ 782,000	\$ 800,000	\$ 546,000	\$ 4,899,000	\$ 15,000	\$ 7,042,000	\$ 6,223,000	\$ 7,678,299

Budgeted Resources

FY26 budgeted resources for all funds, excluding transfers, total \$13 million. The following pie chart (Figure 1) illustrates the various sources of the District’s funding.

In accordance with state-required budget process, this chart also includes beginning working capital and reserves which were generated and unspent from prior years.

Figure 1
FY26 Budgeted Resources:
All Funds (Excluding Transfers)

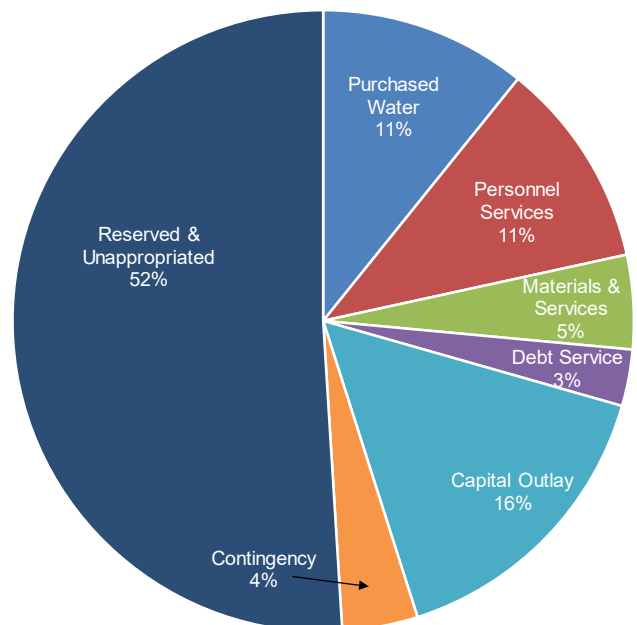


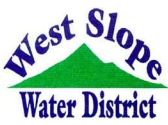
Budgeted Requirements

FY26 budgeted requirements for all funds, excluding transfers, total \$13 million. The following pie chart (Figure 2) illustrates the various uses of the District’s funding.

In accordance with state-required budget process, this chart also includes beginning working capital and reserves which were generated and unspent from prior years.

Figure 2
FY26 Budget Requirements:
All Fund (Excluding Transfers)





Budget Detail by Fund

General Fund

General Fund Resources:

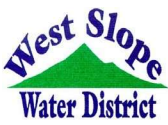
The General Fund is the primary operating fund and accounts for most of the general financial resources and expenses of the District, unless required to be accounted for in another fund. The fund's primary source of revenue is from water rates and fees.

The following FY26 budget assumptions are included in General Fund resources:

- A consumption rate increase of 5% was used based on an average of 525,000 CCF units billed.
- Monthly fixed charges are estimated based on rates per meter size as recommended in the Water Rate Study.
- Interest income was based on an estimated rate of 3.5% on average balances in reserve accounts.
- Per IGA, City of Beaverton wholesale water was calculated at 31% of under consumption, which is the difference between the PWB minimum purchase requirement and the amount billed to customers, capped at 27,193 CCFs.
- Per IGA, City of Beaverton debt reimbursement was estimated based on six months of bond interest per amortization schedule.
- The Right of Way (ROW) line item was calculated at 5% tax on estimated gross revenue for customers who live within the City of Beaverton.

The following table shows the General Fund resources for the FY26 budget and historical data:

Table 14 - General Fund Resources								
	Historical Data			RESOURCE DESCRIPTION	Budget 2025-26			
	Actual		Adopted Budget		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
	2022-23 Prior Year	2023-24 Prior Year	2024-25 This Year					
	BEGINNING FUND BALANCE							
1	\$ 1,315,103	\$ 1,061,708	\$ 1,376,000	1 Beginning Working Capital	\$ 1,161,000	\$ -	\$ -	1
2				2				2
3	OTHER RESOURCES			3				3
4	4,557,907	4,731,424	5,116,000	4 Sale of Water	5,484,000	-	-	4
5	30,197	51,449	53,000	5 Beaverton Wholesale Water	57,000	-	-	5
6	3,818	7,229	3,000	6 Service Installation and Fees	5,000	-	-	6
7	7,805	4,941	5,000	7 Miscellaneous	5,000	-	-	7
8	9,170	17,260	10,000	8 Penalties	10,000	-	-	8
9	50,710	69,582	50,000	9 Interest	35,000	-	-	9
10	15,652	15,606	16,000	10 Beaverton Debt Reimbursement	15,000	-	-	10
11	56,325	59,398	65,000	11 Right of Way (ROW) tax	61,000	-	-	11
12	4,731,584	4,956,889	5,318,000	12 TOTAL OTHER RESOURCES	5,672,000	-	-	12
13				13				13
14	\$6,046,687	\$ 6,018,597	\$ 6,694,000	14 TOTAL RESOURCES	\$6,833,000	\$ -	\$ -	14



General Fund

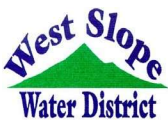
General Fund Requirements:

The following FY26 budget assumptions are included in General Fund requirements:

- Personnel services include a cost-of-living adjustment of 2.5%, merit increases of 3-5%, and overlap for the general manager position transition of 2.5 months.
- Materials and services include an increase in PWB wholesale water rate of 6.6% from \$1.964 in FY25 to \$2.094 in FY26 as well as amounts for green tank cleaning and a satellite leak detection study.

The following table shows the General Fund summary requirements for the FY26 budget and historical data:

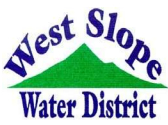
Table 15 - General Fund Requirements (Summary)								
	Historical Data			EXPENDITURE DESCRIPTION	Budget 2025-26			
	Actual		Adopted Budget		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
	2022-23 Prior Year	2023-24 Prior Year	2024-25 This Year					
				REQUIREMENTS				
1	\$ 899,359	\$1,131,245	\$ 1,253,000	1 Personnel Services	\$1,359,000	\$ -	\$ -	1
2	1,487,554	1,881,348	1,954,000	2 Materials and Services	2,069,000	-	-	2
3	-	-	481,000	3 Contingency	514,000	-	-	3
4	327,066	357,631	336,000	4 Debt Service	359,000	-	-	4
5				5 SUBTOTAL	4,301,000	-	-	5
6				6				6
7				TRANSFERS OUT				7
8	170,000	40,000	120,000	8 Equipment Reserve Fund	35,000	-	-	8
9	2,101,000	1,337,000	1,850,000	9 Capital Improvement Reserves Fund	1,715,000	-	-	9
10	2,271,000	1,377,000	1,970,000	10 TOTAL TRANSFERS OUT	1,750,000	-	-	10
11				11				11
12	4,984,979	4,747,224	5,994,000	12 TOTAL EXPENDITURES	6,051,000	-	-	12
13	1,061,708	1,271,373	700,000	13 UNAPPROPRIATED ENDING FD BALANCE	782,000	-	-	13
14	\$6,046,687	\$6,018,597	\$ 6,694,000	14 TOTAL REQUIREMENTS	\$6,833,000	\$ -	\$ -	14



General Fund

The following table shows the General Fund line-item detail requirements for the FY26 budget and historical data:

Table 16 - General Fund Requirements (Detail)									
1	Historical Data			EXPENDITURE DESCRIPTION	Number of FTE	Budget 2025-26			1
	Actual		Adopted Budget			Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
	2022-23 Prior Year	2023-24 Prior Year	2024-25 This Year						
1				1 PERSONNEL SERVICES					1
2	\$ 151,818	\$ 177,829	\$ 177,000	2 General Manager	1	\$ 231,000	\$ -	\$ -	2
3	234,603	327,695	342,000	3 Labor Maintenance	4	368,000	-	-	3
4	179,049	197,526	208,000	4 Office Salaries	2	224,000	-	-	4
5	20,436	23,777	36,000	5 Overtime		31,000	-	-	5
6	128,480	168,224	219,000	6 Group Benefits		205,000	-	-	6
7	126,741	167,695	191,000	7 PERS Retirement		214,000	-	-	7
8	51,669	61,380	73,000	8 Payroll Taxes		77,000	-	-	8
9	3,998	4,735	6,000	9 Workers Compensation		7,000	-	-	9
10	2,565	2,384	1,000	10 Other Employee Related Costs		2,000	-	-	10
11	899,359	1,131,245	1,253,000	11 TOTAL PERSONNEL SERVICES	7	1,359,000	-	-	11
12				12					12
13				13 MATERIALS & SERVICES					13
14	1,005,579	1,296,906	1,342,000	14 Purchased Water		1,431,000	-	-	14
15	53,489	115,686	80,000	15 System Maintenance		98,000	-	-	15
16	8,100	7,560	10,000	16 Water Tests		10,000	-	-	16
17	22,567	29,895	28,000	17 Truck and Equipment Expense		27,000	-	-	17
18	13,808	16,433	17,000	18 Utilities		17,000	-	-	18
19	95,665	104,135	104,000	19 Billing and Payment		99,000	-	-	19
20	3,023	2,536	4,000	20 Office Supplies and Postage		4,000	-	-	20
21	2,072	758	3,000	21 Uniforms and PPE		3,000	-	-	21
22	44,694	55,691	72,000	22 General Insurance		72,000	-	-	22
23	28,889	32,838	38,000	23 Professional Services		58,000	-	-	23
24	3,073	11,704	7,000	24 Property Maintenance		7,000	-	-	24
25	89,342	84,397	98,000	25 IT Services and Office Equipment		101,000	-	-	25
26	3,162	6,633	7,000	26 General Support Services		7,000	-	-	26
27	3,188	3,728	5,000	27 Janitorial Expense		5,000	-	-	27
28	56,381	59,575	65,000	28 Right of Way (ROW) Tax		61,000	-	-	28
29	7,874	2,680	10,000	29 Board Expenses		8,000	-	-	29
30	1,746	934	2,000	30 Bad Debts		2,000	-	-	30
31	28,506	29,784	41,000	31 Ed, Training, and Memberships		36,000	-	-	31
32	9,847	12,122	13,000	32 Community Relations		15,000	-	-	32
33	6,549	7,353	8,000	33 Conservation		8,000	-	-	33
34	1,487,554	1,881,348	1,954,000	34 TOTAL MATERIALS & SERVICES		2,069,000	-	-	34
35				35					35
36	-	-	481,000	36 CONTINGENCY		514,000	-	-	36
37				37					37
38				38 DEBT SERVICE					38
39				39 2008 Revenue Bond (20 year):					39
40	290,000	300,000	310,000	40 Principal Payment		325,000	-	-	40
41	37,066	57,631	26,000	41 Interest Pymt (also SDC Fund)		34,000	-	-	41
42	327,066	357,631	336,000	42 TOTAL DEBT SERVICE		359,000	-	-	42
43				43					43
44	2,713,979	3,370,224	4,024,000	44 SUB TOTAL		4,301,000	-	-	44
45				45					45
46				46 TRANSFERS OUT					46
47	170,000	40,000	120,000	47 Equipment Reserve Fund		35,000	-	-	47
48	2,101,000	1,337,000	1,850,000	48 Capital Improvement Reserve Fund		1,715,000	-	-	48
49	2,271,000	1,377,000	1,970,000	49 TOTAL TRANSFERS OUT		1,750,000	-	-	49
50				50					50
51	4,984,979	4,747,224	5,994,000	51 TOTAL EXPENDITURES		6,051,000	-	-	51
52	1,061,708	1,271,373	700,000	52 UNAPPROPRIATED ENDING FUND BAL		782,000	-	-	52
53	\$6,046,687	\$6,018,597	\$ 6,694,000	53 TOTAL		\$6,833,000	\$ -	\$ -	53



Rate Stabilization Fund

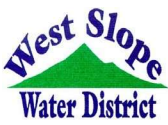
The Rate Stabilization Fund accounts for monies accumulated for the purpose of assisting with meeting bond debt covenants while smoothing rate spikes. The fund was authorized by Resolution on June 20, 2018, for the specific purpose of accounting for funds transferred into and out of the General Fund as per the terms and conditions set forth in the District’s 2008 Revenue Bond Master Resolution. This fund shall be reviewed and either renewed or discontinued before June 20, 2028.

Its only source of revenue is operating transfers from the General Fund. The last transfer was made in FY21. Since then, the PWB wholesale water rates have stabilized so additional transfers were no longer needed for reserves. However, once the new agreement with PWB begins on July 1, 2026, wholesale water rates are expected to spike for the first few years. Therefore, this fund will more than likely be used to smooth the impact of wholesale water rate price increases at that time.

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

The following table shows the Rate Stabilization Fund resources and requirements for the FY26 budget and historical data:

Table 17 - Rate Stabilization Fund Resources & Requirements							
Historical Data			RESOURCES AND REQUIREMENTS DESCRIPTION	Budget 2025-26			
Actual		Adopted Budget		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
2022-23 Prior Year	2023-24 Prior Year	2024-25 This Year					
			RESOURCES				
1			1 BEGINNING FUND BALANCE				1
2	\$ 800,000	\$ 800,000	2 Beginning Working Capital	\$ 800,000	\$ -	\$ -	2
3			3				3
4	\$ 800,000	\$ 800,000	4 TOTAL RESOURCES	\$ 800,000	\$ -	\$ -	4
5			5				5
			REQUIREMENTS				
7			7				7
8	\$ 800,000	\$ 800,000	8 RESERVED FOR FUTURE EXPENDITURE	\$ 800,000	\$ -	\$ -	8
9	\$ 800,000	\$ 800,000	9 TOTAL REQUIREMENTS	\$ 800,000	\$ -	\$ -	9



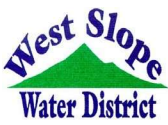
Equipment Reserve Fund

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

The FY26 capital outlay budget of \$20,000 is for the replacement of radio-read meters, which are replaced as needed due to failure, leaks, or damage. In addition, \$31,000 is budgeted to be transferred into the Equipment Reserve Fund from the General Fund to cover the District's future capital equipment needs

The following table shows the Equipment Reserve Fund resources and requirements for the FY26 budget and historical data:

Table 18 - Equipment Reserve Fund Resources & Requirements								
Historical Data			RESOURCES AND REQUIREMENTS DESCRIPTION	Budget 2025-26				
Actual		Adopted Budget		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board		
2022-23 Prior Year	2023-24 Prior Year	2024-25 This Year						
			RESOURCES					
1			1 BEGINNING FUND BALANCE				1	
2	\$ 288,051	\$ 402,155	2 Beginning Working Capital	\$ 513,000	\$ -	\$ -	2	
3			3				3	
4			4 OTHER RESOURCES				4	
5	10,114	20,903	5 Interest	18,000	-	-	5	
6	170,000	40,000	6 Transfers In - General Fund	35,000	-	-	6	
7	180,114	60,903	7 TOTAL OTHER RESOURCES	53,000	-	-	7	
8	\$ 468,165	\$ 463,058	8 TOTAL RESOURCES	\$ 566,000	\$ -	\$ -	8	
9			9				9	
			REQUIREMENTS					
10			10 CAPITAL OUTLAY				10	
11			11				11	
12	\$ 34,992	\$ 8,004	12 Technology	\$ -	-	-	12	
13	31,018	6,047	13 Radio Read Meters	20,000	-	-	13	
14	-	9,606	14 Equipment & Vehicles	-	-	-	14	
15	66,010	23,657	15 TOTAL CAPITAL OUTLAY	20,000	-	-	15	
16			16				16	
17	402,155	439,401	17 RESERVED FOR FUTURE EXPENDITURE	546,000	-	-	17	
18	\$ 468,165	\$ 463,058	18 TOTAL REQUIREMENTS	\$ 566,000	\$ -	\$ -	18	



Capital Improvement Reserve Fund

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

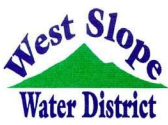
The FY26 budget for capital outlay includes the following items:

- \$150,000 for property improvements for expansion of shop garage to park Vector truck
- \$1.4 million for the completion of the Garden View pipe replacement project
- \$200,000 for joint engineering on the Sharon Lane/Canyon Dr pipe replacement projects
- \$400,000 for design and engineering of the new reservoir

In addition to the above, \$1.7 million is budgeted to be transferred into the Capital Reserve Fund from the General Fund to cover the District's future capital improvement project needs as listed in the CIP.

The following table shows the Capital Reserve Fund resources and requirements for the FY26 budget and historical data:

Table 19 - Capital Reserve Fund Resources & Requirements								
	Historical Data			RESOURCES AND REQUIREMENTS DESCRIPTION	Budget 2025-26			
	Actual		Adopted Budget		Proposed by Budget Officer	Approved by Budget Comm	Adopted by Board	
	2022-23 Prior Year	2023-24 Prior Year	2024-25 This Year					
				RESOURCES				
1				1 BEGINNING FUND BALANCE				1
2	\$3,991,191	\$5,513,732	\$ 3,901,000	2 Beginning Working Capital	\$5,049,000	\$ -	\$ -	2
3				3				3
4				4 OTHER RESOURCES				4
5	123,120	219,664	200,000	5 Interest	140,000	-	-	5
6	2,101,000	1,337,000	1,850,000	6 Transfers In - General Fund	1,715,000	-	-	6
7				7				7
8	\$6,215,311	\$7,070,396	\$ 5,951,000	8 TOTAL RESOURCES	\$6,904,000	\$ -	\$ -	8
9				9				9
10				10 REQUIREMENTS				10
11				11 CAPITAL OUTLAY				11
12	\$ 692,427	\$3,179,892	\$ 1,500,000	12 Reservoirs and Main Lines	\$2,000,000	\$ -	\$ -	12
13	9,152	-	-	13 Property Improvements	150,000	-	-	13
14	-	62,771	200,000	15 Master Plan Update / Rate Study	-	-	-	14
15	701,579	3,242,663	1,700,000	16 TOTAL CAPITAL OUTLAY	2,150,000	-	-	15
16				17				16
17	5,513,732	3,827,733	4,251,000	18 RESERVED FOR FUTURE EXPENDITURE	4,754,000	-	-	17
18	\$6,215,311	\$7,070,396	\$ 5,951,000	19 TOTAL REQUIREMENTS	\$6,904,000	\$ -	\$ -	18



System Development Charges (SDC) Fund

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

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

The FY26 budget includes \$4,000 for SDC fees collected. Annual SDC revenue projections are informed by current projects in the permitting process. However, because the timing of project initiation is often uncertain, revenue estimates are conservative. SDC revenues also represent a relatively small portion of the District's overall budget.

When funds are available, the District uses them to make interest payments on the 2008 bonds issued to finance the construction of Reservoir #3. The FY26 budget does not include any such bond interest payments.

The following table shows the SDC Fund resources and requirements for the FY26 budget and historical data:

Table 20 - SDC Fund Resources & Requirements								
	Historical Data			RESOURCES AND REQUIREMENTS DESCRIPTION	Budget 2025-26			
	Actual		Adopted Budget		Proposed by	Approved by	Adopted by	
	2022-23 Prior Year	2023-24 Prior Year	2024-25 This Year					
				RESOURCES				
1				1 BEGINNING FUND BALANCE				1
2	\$ 27,904	\$ 16,909	\$ 22,000	2 Beginning Working Capital	\$ 11,000	\$ -	\$ -	2
3				3				3
4				4 OTHER RESOURCES				4
5	755	984	-	5 Interest	-	-	-	5
6	19,878	9,848	10,000	6 SDC Fees Collected	4,000	-	-	6
7				7				7
8	\$ 48,537	\$ 27,741	\$ 32,000	8 TOTAL RESOURCES	\$ 15,000	\$ -	\$ -	8
9				9				9
10				10 REQUIREMENTS				10
11				11 DEBT SERVICE				11
12	\$ 31,628	\$ -	\$ 20,000	12 Bond Interest Payment	\$ -	\$ -	\$ -	12
13				13				13
14	16,909	27,741	12,000	14 RESERVED FOR FUTURE EXPENDITURE	15,000	-	-	14
15	\$ 48,537	\$ 27,741	\$ 32,000	15 TOTAL REQUIREMENTS	\$ 15,000	\$ -	\$ -	15

Capital Improvement Plan

Overview

West Slope Water District is committed to responsible asset management, sound financial stewardship, and strong customer engagement. While very little of the original infrastructure installed in the 1920's when the District was founded remains in service today, a significant portion of the distribution system built in post-World War II era remains in use. Because the District is nearly fully developed, priorities have shifted over the past several decades from system expansion to replacing aging infrastructure and enhancing seismic resilience.

Metal pipes typically have a useful life of 70-100 years. By 2025, pipe installed in 1946-47 will be approaching 80 years in service. While this doesn't mean these pipes will fail immediately, it does signal the need for a proactive strategy. The District must evaluate the current condition and criticality of each pipe segment, considering potential risk factors such as external corrosion, internal pressure, landslide-prone areas, and vulnerability to seismic events.

Over the next 30-40 years, the District faces the critical but complex challenge of coordinating and prioritizing repairs and replacements of aging infrastructure before failures occur. To ensure the effective and efficient renewal of its water distribution system, the District is developing a comprehensive asset management program. Part of this asset management program involves partnering with Fracta, a specialized asset management consultant, to create an advanced condition assessment and decision-making tool. Using artificial intelligence and machine learning, this tool integrates multiple infrastructure metrics to help the District identify and prioritize the most at-risk pipe segments for replacement.

These metrics include:

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

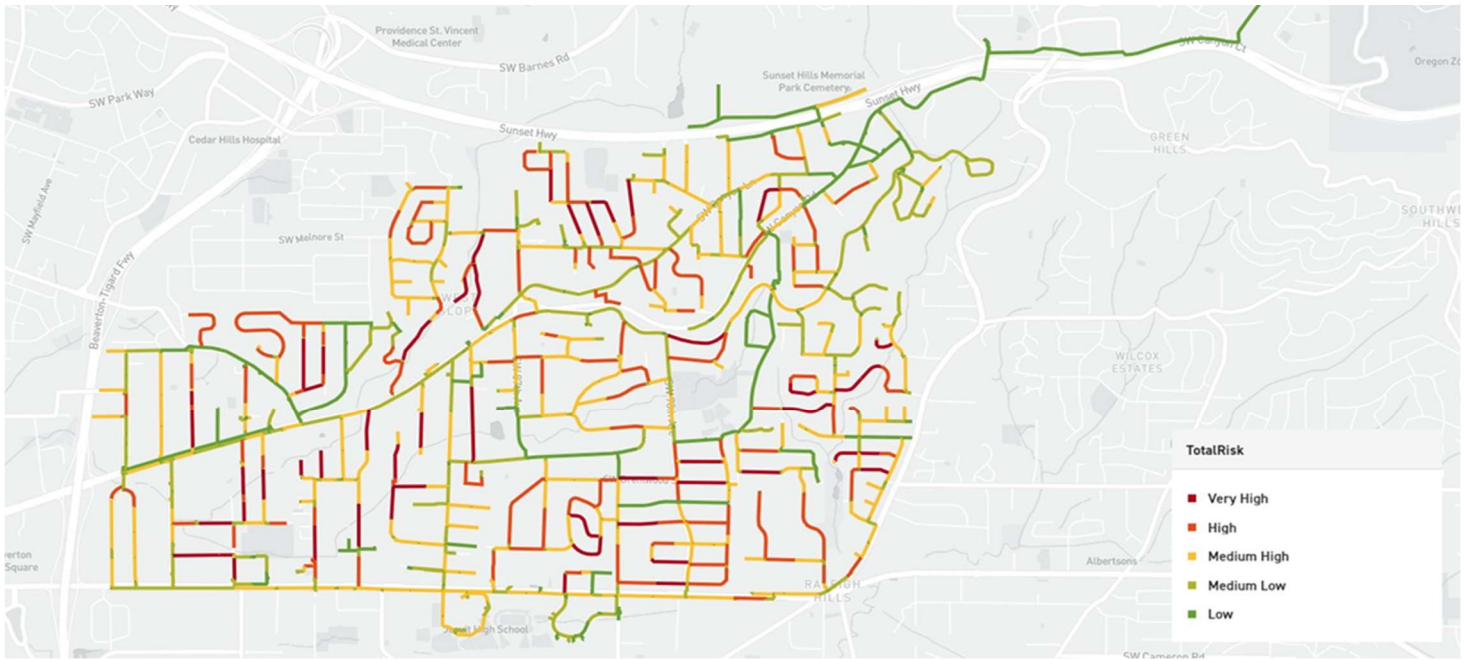


Water pipe cut showing condition of pipe.

Overview

The map **pictured below**, prepared by Fracta, shows the District's pipe distribution system and uses color coding to represent the Total Business Risk exposure as of March 2024. This data was incorporated into the recent Water Master Plan to help prioritize future capital improvement projects.

**Fracta Map of the District's Distribution System
March 2024**



The projects included in the current Capital Improvement Program (CIP) Project Priority List are considered by the District to be its most current critical infrastructure needs based on the current Water Master Plan. All of these water main projects involve replacing cast iron pipes, originally installed between the late 1940s and early 1950s, with modern ductile iron pipe. **The table below** is a summary of the CIP Project Priority List for the next ten years.

Table 21 - CIP Project Priority List			
	Estimated Project Cost	Estimated Timing (priority)	Individual Project Data Sheet Page
1 to 5 Year			
Garden View	\$ 1,800,000	2025	36
Reservoir #4	10,800,000	2026-2028	37
Sharon Lane	900,000	2026-2027	38
Canyon Drive	550,000	2026-2027	39
TOTAL	\$ 14,050,000		
6 to 10 Year			
106th Ave	\$ 950,000	2031-2036 (2)	41
98th / 100th Ave	1,900,000	2031-2036 (4)	42
99th Ave	1,200,000	2031-2036 (1)	43
75th Ave	2,300,000	2031-2036 (3)	44
103rd Ave	2,200,000	2031-2036 (5)	45
TOTAL	\$ 8,550,000		

Overview

For the FY26 budget year, the District will be managing four capital products as noted in the CIP project priority list. Construction on the Garden View pipe replacement will start in the summer of 2025 and should be completed by November 2025.

For the new Reservoir #4 project, a preliminary design report conducted in FY25 documented the estimated cost of the project to assist the District in pursuing funding from grants, congressional discretionary spending, and low interest loans. Final engineering and design work on the reservoir should begin in early 2026.

The final two projects for FY26, Sharon Lane and Canyon Dr. pipe replacements will likely be combined for design and construction purposes since both projects are relatively small individually. Engineering work for these two projects should begin following the design of Reservoir #4.

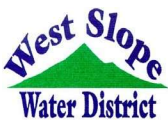
Individual Data sheets are included on the following pages and provide a description, justification, and cost summary for each CIP project. The items on the 1 to 5 Year Priority List are the most critical to complete and have been included in the FY26 budget. The items in the 6 to 10 Year Priority List have been identified as priority projects in the Water Master Plan will be started in 2031. District staff has ranked this list in order of priority as shown in parentheses in Table 21 above.



Construction worker connecting into water main pipe.



Construction crew installing water main pipe.



CIP Priority List – 1 to 5 Year

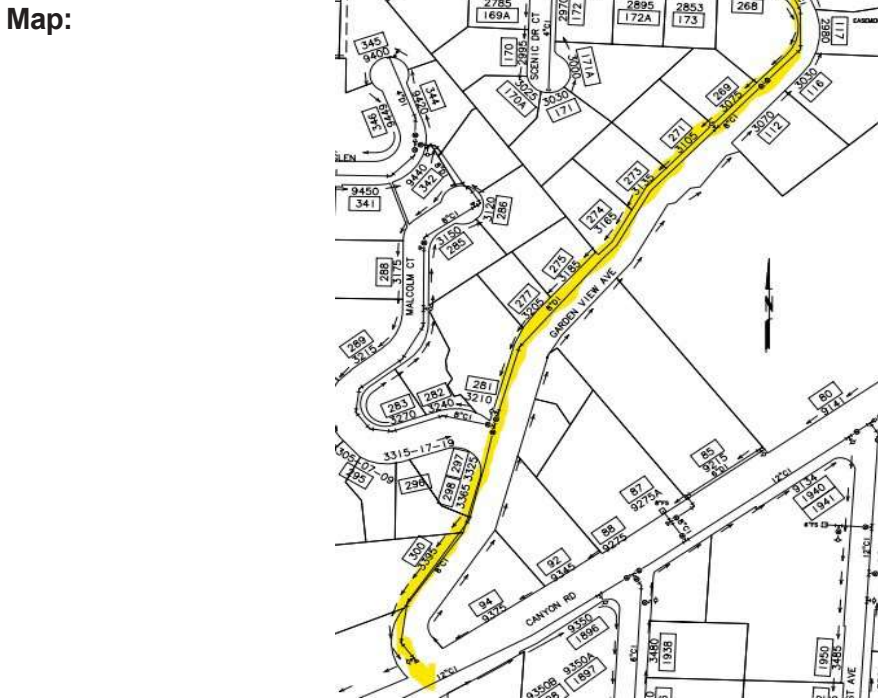
Project	Need / Driver	Condition Assessment	Consequence of Failure (COF) & Likelihood of Failure (LOF)	Total Business Risk Exposure (from Fracta)	Effective Utility Management (EUM) Attributes	Cost in \$ Million	Funding	Priority
Garden View Water Main	Several water main breaks in the last few years including large break in 2022, resulting in major 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 Dr neighborhood between SW 89th Ave and SW Canyon Rd.	Segment between SW Scenic Dr and SW Canyon Rd listed as Very High total business risk exposure	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	\$1.8	Water rates	High-Current CIP project to be completed in FY26
Reservoir #4: 3.0 MG	Only the current 2009 Res #3 is CSZ resilient. Res #1 was demolished to build Res #3. Propose building Res #4 on vacant space on Sylvan Hill property before Res #2 is demolished for new Res #5 in the future	Generally, utilities have 3X peak day demand in finished water storage. District peak day is 2.9 MG, and District has 5.25 MG of storage of which 2.25 MG is not earthquake resilient. Res #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 resulting in a High total business risk exposure	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support	\$10.8	Water rates plus possible DWSRF Loan, bonds, or earmark revenue if available	High – Project engineering and design to begin in FY26
Sharon Lane Water Main	Three water main break repairs since May 2023. Part of the District's water main located in the County ROW is under a private retaining wall that was illegally constructed in the ROW. To repair the pipe, the retaining wall would need to be torn down. The District proposes a new alignment away from the wall.	The exact cause of the three recent main breaks is unknown, but the cast iron pipe dates back to the early 1950s so its age is 70 years or more.	This section of pipe is listed by Fracta as in the top 9% of LOF with a medium low COF. The project will also connect the SW Sharon Lane / SW Ridgewood intersection with the water main on SW Brentwood.	The total business risk for the pipe in this project scope is listed as Medium High to Very High	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support	\$0.9	Water rates	High – Project to begin following design of Res #4 in FY26
Canyon Dr Water Main	Large water main break repair in Feb 2024. The District's water main is located in the County ROW next to pavement with four large trees directly over the water main. To repair the break, the trees were removed and the root system cut away from the pipe. The District proposes a new alignment away from the trees.	The cast iron water pipe built in the late 1940s will likely experience another similar failure which will be equally difficult to repair. The exterior surface of the pipe exposed in Feb 2024 appeared to be in good condition, but the threat of tree roots pressing on the pipe is a major concern.	This section of pipe is listed by Fracta as in the top 15% of LOF with a medium high COF. The project will also add valves on SW Canyon Dr between SW 78th Avenue and SW Miner.	The total business risk for the pipe in this project scope is listed as Very High.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	\$0.5	Water rates	High – Project to begin following design of Res #4 in FY26

CIP Priority List – 1 to 5 Year

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

Project Priority: 1-5 Year CIP – High Priority

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



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

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

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

Project Cost Estimate:	Construction Cost	\$ 1,222,000
	Engineering Cost	183,000
	Administrative Cost	122,000
	Contingency	245,000
	TOTAL	\$ 1,772,000
	Rounded	\$ 1,800,000

CIP Project Data Sheet – 1 to 5 Year

Project Name: 3.0 MG Reservoir #4 / Sylvan Hill

Project Priority: 1-5 Year CIP – High Priority (2026-2028 assuming available funding)

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



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

Project Justification: Currently, the District has 5.25 MG of finished water storage. However, the District’s peak day demand (PDD) is 2.9 MGD (2021), and a general engineering practice is to have a finished water storage volume of three times the utility’s PDD, which would be about 9.0 MG. To achieve a storage volume of 9.0 MG, the District proposes to construct a new Reservoir #4 while leaving Reservoir #2 in place. Then at a time in the future, Reservoir #2 will be demolished and a new third 3.0 MG reservoir will be built in its place. Added finished water storage will allow the District to better manage peak water purchase demands and wholesale water rates.

Project Timeline: Funding for design and construction of this project will need to be from a combination of water rates and outside sources to acquire the amount of working capital needed for the project. Priority consideration will be given to the Drinking Water State Revolving Loan Fund and/or Federal discretionary funding as compared to the open bond market. Final design and engineering to begin in 2026 with construction starting in 2027- 2028.

Project Cost Estimate:	Construction Cost	\$ 6,513,000
	Engineering Cost	1,303,000
	Administrative Cost	651,000
	Contingency	2,344,000
	TOTAL	\$ 10,811,000
	Rounded	\$ 10,800,000

CIP Project Data Sheet – 1 to 5 Year

Project Name: Sharon Lane (Master Plan Project P-1)
Water main replacement from SW Ridgewood to SW Brenne

Project Priority: 1-5 Year CIP – High Priority

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



Project Justification: The District has recently repaired this water main three times (May 2023, Sept. 2023, and Jan. 2024) and a portion of this pipe located in the County’s public right-of-way (ROW) is not accessible due to private encroachment in the County’s ROW. The project will also include a new tie-in between SW Ridgewood and SW Brentwood.

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

Project Cost Estimate:	Construction Cost	\$ 625,000
	Engineering Cost	94,000
	Administrative Cost	63,000
	Contingency	125,000
	TOTAL	\$ 907,000
	Rounded	\$ 900,000



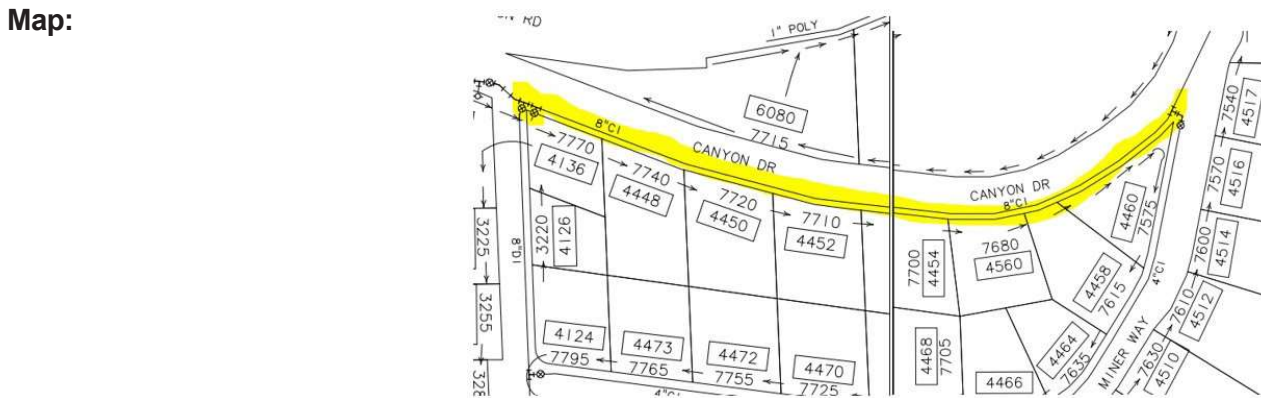
Construction worker installing water main in street.

CIP Project Data Sheet – 1 to 5 Year

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

Project Priority: 1-5 Year CIP – High Priority

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



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

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

Project Cost Estimate:	Construction Cost	\$	378,000
	Engineering Cost		57,000
	Administrative Cost		38,000
	Contingency		75,000
	TOTAL	\$	548,000
	Rounded	\$	550,000



District staff drilling in the street to remove tree root.

CIP Priority List – 6 to 10 Year

Project	Need / Driver	Condition Assessment	Consequence of Failure (COF) & Likelihood of Failure (LOF)	Total Business Risk Exposure (from Fracta)	Effective Utility Management (EUM) Attributes	Cost in \$ Million	Funding	Priority
106th Ave Water Main	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, 2021 and 2025. 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 Ave. The water main is not a key connector between SW Walker & SW Canyon Rds. COF is low, LOF is in the top 5%.	Full section of pipe is listed as Very High for total business risk based on break data, pipe age, and pipe material.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	\$1.0	Water rates	High with 5 main breaks in 12 years
98th / 100th Avenues Water Main	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, twice in 2013 twice in 2015, 2016, and 2023. System pressure in these mains is under 80 PSI in most situations.	This section of pipe has no backup supply for customers in the neighborhood. The water main is not a key connector in the distribution system. COF is medium low; LOF is in the top 5%.	All cast iron water mains in this area are listed as Very High for total business risk based on break data, pipe age, and pipe material.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	\$1.9	Water rates	High with 7 main breaks in 12 years
99th Ave Water Main	Existing 6-inch cast iron main was constructed in 1947. Amaya Creek Development tied into the existing main adding 30 customer accounts served from the water main.	Water main breaks have occurred on this section of pipe in 2011, twice in 2023, and one in 2025. System pressure in these mains can be as high as 130 PSI.	This section of pipe has no backup supply for customers in the neighborhood. The water main is a key connector in the distribution system. COF is high, LOF is in the top 5-9%.	Full section of pipe is listed as Very High for total business risk based on break data, pipe age, and pipe material.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	\$1.2	Water rates	High with 4 main breaks in 13 years, 3 since 2023
75th Ave Water Main	Existing 4-inch and 6-inch cast iron mains were constructed in 1949-54. SW Cedar St water main was replaced in 2005. Some water mains are located in yards as ROW has been encroached.	Water main breaks have occurred on this section of pipe in 2012, 2013, 2014 twice in 2016, 2017, and 2020. System pressure in these mains can be as high as 95 PSI.	This section of pipe is located in the heart of the distribution system but not a key connector. COF is mostly low; LOF is in the top 30%	All cast iron water mains in this project area have a total business risk exposure of High to Very High based on break data, pipe age, & pipe material.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	\$2.3	Water rates	High to Medium High with 6 main breaks in 13 years
103rd Ave Water Main	Existing 4-inch and 6-inch cast iron mains were constructed in 1940-64. The existing pipe on SW Laurel dates back to 1940. This project would serve to complete an 8-inch water loop between SW Canyon Rd and Beaverton / Hillsdale Hwy.	No known water main breaks on this stretch of pipe distribution since 2010. This project is listed in the Master Plan to improve flow between Canyon and B-H Hwy. In 'n Out Burger development on SW Laurel can help with this project.	COF for these water mains is high due to lack of other service alternatives for local customers. LOF is in the top 15%. The main driver for this project is improved fire flow in the area to the east of Target.	All cast iron water mains in this project area have a total business risk exposure of High to Very High based on pipe age and pipe material.	Infrastructure Strategy and Performance. Financial Viability. Customer Satisfaction. Stakeholder Understanding and Support.	\$2.2	Water rates	Low but could be elevated with the start of development on Laurel and B-H Hwy

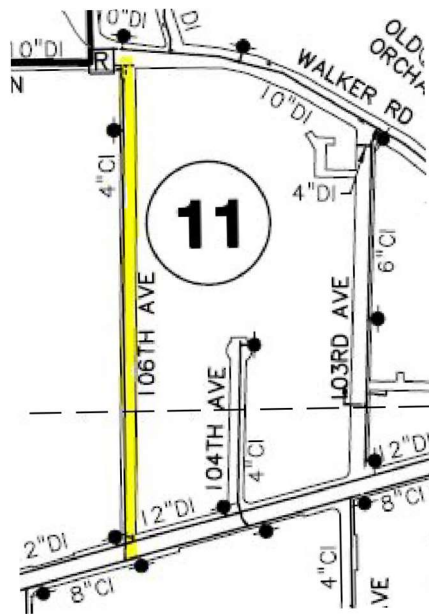
CIP Project Data Sheet – 6 to 10 Year

Project Name: 106th Avenue (Master Plan Project P-3)
Water main replacement from SW Walker Road to SW Canyon Road

Project Priority: 6-10 Year CIP – High Priority

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

Map:



Project Justification: This project will replace a cast iron main installed after World War II. The District has fixed main breaks on this water line five 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	\$ 646,000
	Engineering Cost	97,000
	Administrative Cost	65,000
	Contingency	130,000
	TOTAL	\$ 938,000
Rounded		\$ 950,000

CIP Project Data Sheet – 6 to 10 Year

Project Name: 98th / 100th Avenue (Master Plan Project P-4)
Water main replacement from SW Vista Street to SW Thurlow Street

Project Priority: 6-10 Year CIP – High Priority

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

Map:



Project Justification: This project will replace a cast iron main installed in the late 1940s and early 1950s. The District has made seven main break 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 area residents.

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

Project Cost Estimate:	Construction Cost	\$ 1,301,000
	Engineering Cost	195,000
	Administrative Cost	130,000
	Contingency	260,000
	TOTAL	\$ 1,886,000
	Rounded	\$ 1,900,000

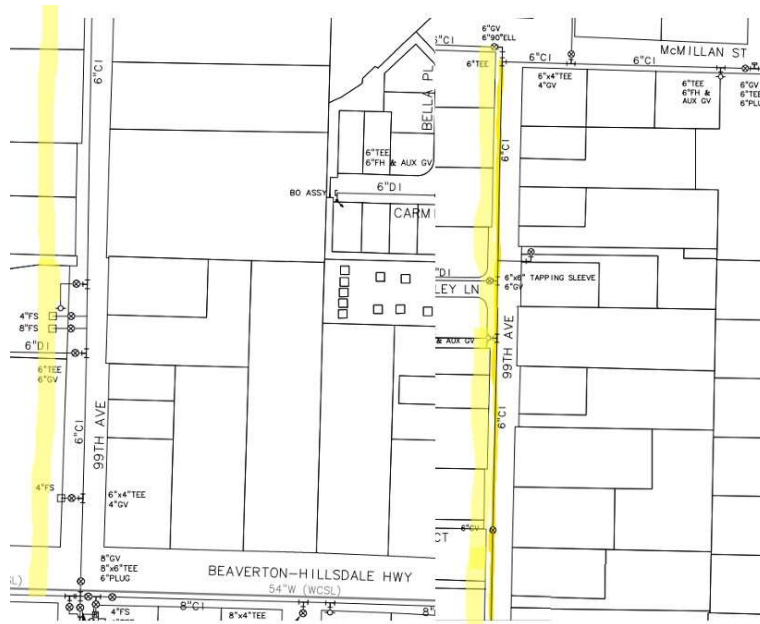
CIP Project Data Sheet – 6 to 10 Year

Project Name: 99th Avenue (Master Plan Project P-5)
Water main replacement from SW McMillan Street to SW Beaverton-Hillsdale Hwy

Project Priority: 6-10 Year CIP – High Priority

Project Description: Install 1,650 linear feet of 8-inch ductile iron pipe and abandon the existing 6-inch cast iron water main.

Map:



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

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

Project Cost Estimate:	Construction Cost	\$ 806,000
	Engineering Cost	121,000
	Administrative Cost	81,000
	Contingency	161,000
	TOTAL	\$ 1,169,000
	Rounded	\$ 1,200,000

CIP Project Data Sheet – 6 to 10 Year

Project Name: 75th Avenue (Master Plan Project P-6)
Water main replacement from SW Northshire Street to SW Westmoor Street

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

Project Description: Install 1,580 linear feet of 8-inch and 2,120 linear feet of 6-inch ductile iron pipe and abandon the existing cast iron water main. All water services along SW 75th Avenue in the project area will be transferred to the new 8-inch water main.

Map:



Project Justification: This project will replace a cast iron main installed in the late 1940s. 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 area residents.

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

Project Cost Estimate:	Construction Cost	\$ 1,573,000
	Engineering Cost	236,000
	Administrative Cost	157,000
	Contingency	314,000
	TOTAL	\$ 2,280,000
	Rounded	\$ 2,300,000

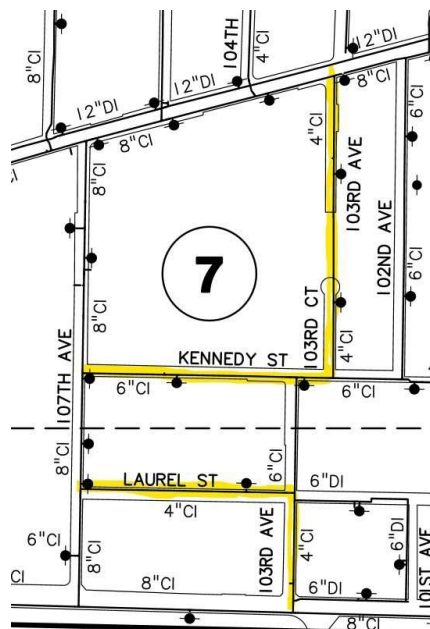
CIP Project Data Sheet – 6 to 10 Year

Project Name: 103rd Avenue (Master Plan Project FF-1)
Water Line Replacement from SW Canyon Road to SW Beaverton-Hillsdale Highway

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

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

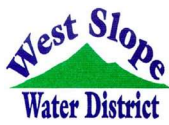
Map:



Project Justification: This project will replace a cast iron main installed in the late 1940s and early 1950s. The District has made several repairs on this section of pipeline. Increasing the diameter of the water from 4-inch to 8-inch will improve fire flow capacity to 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	\$ 1,493,000
	Engineering Cost	224,000
	Administrative Cost	149,000
	Contingency	299,000
	TOTAL	\$ 2,165,000
	Rounded	\$ 2,200,000



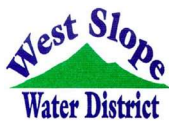
Supplemental Financial Schedules

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	FY26 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. CIP pipe projects include the completion of Garden View and the start of engineering work for projects on Sharon Lane and Canyon Dr. Staff will also begin the design work for a new earthquake resilient 3.0 MG Reservoir #4 The operations manager schedules and provides ongoing maintenance for valves, regulators, vaults, meters, and pipes. Projects include replacing failed water meters, adding sump pumps to vaults, reservoir telemetry maintenance, green tank cleaning, and the calibrating and rebuilding of pressure regulators.	<ul style="list-style-type: none"> • Garden View pipe project • Reservoir #4 project • Sharon Ln/Canyon Dr pipe project • System maintenance • Reserves for future CIP
	Create infrastructure resilience and reliability plan	The CIP project list has been updated to reflect the priorities as outline in the new water master plan completed in 2025. In addition, Effective Utility Management priorities drive District activities. A Water Rate Study was completed in 2025, which followed industry standards by performing a revenue requirement analysis, allocating cost of service between customer classes, and proposing a new rate design that meets the future financial needs of the District. The new rate structure will be implemented during FY26.	<ul style="list-style-type: none"> • Fracta fees • 120 Water fees • Professional services • GIS Data project
	Maintain effective communication among staff, management, Board, and the public	The District continues to improve its communication at all levels, including in-person and video conferencing as well as the look and feel of annual financial and budget reports, quarterly newsletters, and the annual water quality report. The District also held an in-person informational meeting to discuss the new rate structure with our customers. In addition, staff will continue updating the District’s website for better communication on capital projects, push alerts, water conservation items, ADA compliance, transparency, and billing and payment information.	<ul style="list-style-type: none"> • Graphic design services • IT & office equipment • TextMyGov service • Website fees • Community relations
Maintain the District’s long-term water supply – Maintain our quality product	Evaluate resiliency, reliability, value, service, viability, and quality of water supply options	The District signed a new thirty-year agreement to purchase water from the Portland Water Bureau (PWB), beginning July 1, 2026, when the current contract ends. Wholesale water rates will increase as PWB adds infrastructure to its system and passes it on to its customers. Also, water supply quality is subject to increasing federal and state mandates for testing and treatment.	<ul style="list-style-type: none"> • Purchased water costs • Water testing fees
	Develop and maintain political understanding of the regional water industry	The District has held a high value in participating in federal, state and local associations related to the water industry which keeps staff current on issues, laws, and advancements related to water supply, infrastructure, and compliance. In addition, the District is a member in Oregon’s special districts association (SDAO), which advocates for legislation advantageous to special districts.	<ul style="list-style-type: none"> • Education, training, & memberships
	Promote conservation efforts to better manage regional natural resources	The District is a member of the Regional Water Providers Consortium, which provides marketing materials for water conservation and emergency preparedness. We use this material to post on the District’s website and in the quarterly newsletter. Both the staff and board are actively involved in the Consortium’s activities.	<ul style="list-style-type: none"> • Consortium membership fees • Website fees • Community relations
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"> • Translation services • Education & training
	Strive for customer satisfaction excellence	The District staff have high value for providing excellent customer service and personal contact with our customers. Staff are available in the office and in the field to address customer questions related to billing, leaks, and water quality. Since our staff is few in number and our service area is relatively small, customers have an opportunity for personal connection with those servicing their water.	<ul style="list-style-type: none"> • Education, training, & memberships • Utility billing software • Website fees
	Assure a well-trained, competent staff is available to manage and operate the water system	As part of the District’s employee development plan, we encourage all staff to pursue additional training, certification, and continuing education. Currently, all water operators have obtained their level 2 certification. Office personnel have the opportunity to attend training in HR, finance, management skills, and customer service. The finance manager is currently pursuing the Certified Public Finance Officer designation.	<ul style="list-style-type: none"> • Education, training, & memberships
	Establish a workforce succession plan	Since the District has a small staff, succession planning for key management roles is vital for providing stability in continuing operations. The District has started a succession plan for the general manager, who will be retiring in FY26. As needed, HR and management consulting services will be obtained as well as consulting services offered through membership in SDAO. As part of the succession plan, the Board will update the District’s current strategic plan by assessing current strengths and future challenges to establish the strategic direction for the next five years.	<ul style="list-style-type: none"> • Professional services • Memberships • Personnel services



Long-Term Planning 5-Year Forecast

The District's long-term financial strategy focuses on covering increasing operating expenses related to purchased water and personnel services while building reserves for needed infrastructure improvements. The following assumptions are used in the five-year forecast:

Revenue assumptions:

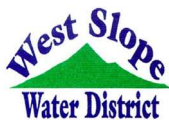
- 1) Rate increases noted below were calculated using an average consumption volume of 525,000 units.
 - a) FY27 – 5% increase
 - b) FY28 to FY29 – 6% increase
 - c) FY30 – 8% increase
- 2) In FY27, there is no minimum required purchase under the new wholesale water agreement with PWB. Therefore, water reimbursement revenue from Beaverton IGA is no longer applicable.
- 3) In FY29, Beaverton IGA expires and therefore revenues for reimbursement of debt interest are zero, impacting other operating income by about \$15,000 for FY29 to FY30.
- 4) SDC income remains flat at \$5,000 per year based on substantially no new development in the District.
- 5) Interest income is estimated at 3% of the previous year's total fund balance less \$600,000 held in a non-interest-bearing checking account.

Expenditure assumptions:

- 1) Water purchased is calculated based on wholesale water rates forecasted by PWB:
 - a) FY26 wholesale rate is based on the current contract which expires 6/30/2026. Total purchased water is calculated on the forecasted rate times the required minimum purchase of 683,300 units.
 - b) FY27 through FY30, wholesale rates are based on the new contract effective 7/1/2026. Total purchased water is calculated on the forecasted rate times estimated water usage of 570,000 units. The new water sales agreement does not require a minimum purchase quantity.
- 2) Salaries/Wages include 7 full-time employees, with an increase of 5% per year.
- 3) Payroll taxes are estimated to increase, consistent with salaries/wages at 5% per year.
- 4) PERS retirement contribution rates are estimated to increase 10% each two-year period.
- 5) All expenses, other than salaries, payroll taxes, PERS, and purchased water, are estimated to increase 5% per year

Capital Outlay / Debt assumptions:

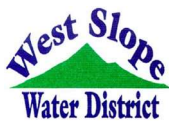
- 1) Capital outlay for equipment, vehicles, and technology costs are estimated at \$50K per year/
- 2) Capital outlay for capital improvement projects:
 - a) FY26 total of \$2.15M includes \$400K for reservoir, \$1.6M for water mains, plus \$150K property imp.
 - b) FY27 total of \$2.3M includes \$1M for reservoir plus \$1.3M for water mains.
 - c) FY28 total of \$4.7M is for reservoir.
 - d) FY29 total of \$5M includes \$4.7M for reservoir plus \$300K for water mains.
 - e) FY30 total of \$1.2M is for water mains.
- 3) The annual debt service for FY26 to FY28 is per the bond amortization schedule. In FY28, the forecast includes debt proceeds of \$5 million to fund the new reservoir, amortized over 20 years at 4% interest rate. The estimated annual principal and interest payment would be approximately \$400K.
- 4) Transfers into the Capital Improvement Reserve Fund are made each year for all General Fund resources generated over and above four months of operating expenses with a target amount of \$1.5M per year.



Long-Term Planning 5-Year Forecast - Part 1

	Bond Balance Wholesale Water Rates per unit		\$1,010,000 \$ 1.964	\$685,000 \$ 2.094	\$350,000 \$ 2.622 **		
			<u>6/30/2025</u> <u>Actual</u> <u>Projected</u>	<u>6/30/2026</u> <u>Proposed</u> <u>Budget</u>	% Chng	<u>6/30/2027</u> <u>Forecast</u>	Assump/% Chng
Revenue:							
Billed to customers			\$ 4,909,000	\$ 5,484,000		\$ 5,758,200	
Estimated Units billed		506,000			525,000		525,000
Water Reimbursed by Beavrtn			53,400	57,000		-	
Units reimbursed at PWB rate		27,193			27,193		
Total Water Revenues			4,962,400	5,541,000	13%	5,758,200	4%
Other Operating Income			96,900	96,000		99,600	
SDC Fees			2,000	4,000		5,000	
Interest Income			296,000	193,000		204,300	3% rate
Total Other Revenues			394,900	293,000		308,900	
Total Revenue			5,357,300	5,834,000	8%	6,067,100	
Operating Expense:							
Water Purchased PWB		\$ 1.964	1,295,000	1,431,000	\$ 2.094	1,494,500	\$ 2.622
Units Declared/Purchased		683,155			683,300		570,000
Purchased Water			1,341,000	1,431,000	7%	1,494,500	4%
Personnel Services			1,234,400	1,359,000	10%	1,449,700	7%
Other Materials & Services			564,900	638,000	13%	670,400	5%
Total Operating Expense			3,140,300	3,428,000		3,614,600	
Income before Capital and Debt			2,217,000	2,406,000		2,452,500	
Capital and Debt Requirements:							
Equipment, Vehicles & Technology			70,700	20,000		50,000	
Water System & Prop Improvements			622,800	2,150,000		2,300,000	
Total Capital Outlay			693,500	2,170,000		2,350,000	
Debt Service Principal & Interest			356,000	359,000		355,700	
Debt Proceeds			-	-		-	
Total Capital and Debt			1,049,500	2,529,000		2,705,700	
Net increase (decrease) in fund bal			\$ 1,167,500	\$ (123,000)		\$ (253,200)	
Fund Balance, End of year:							
General Fund & Contingency		Transfers	1,161,000	1,296,000	Transfers	1,323,400	Transfers
		(1,750,000)		(1,750,000)		(2,064,400)	
Rate Stabilization Fund			800,000	800,000	-	800,000	-
Capital Improvement Reserve Fund		1,630,000	5,048,900	4,754,000	1,715,000	4,468,400	2,014,400
Equipment Reserve Fund		120,000	512,700	546,000	35,000	546,000	50,000
System Development Chg Res Fund			10,700	15,000		20,000	
Total Fund Balance, End of year			\$ 7,533,300	\$ 7,411,000		\$ 7,157,800	

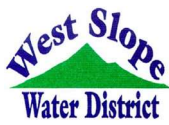
**Rates are forecasted by PWB based on the new water sales agreement, effective 7/1/2026. The new agreement has no required minimum purchase



Long Term Planning 5-Year Forecast - Part 2

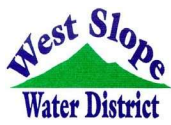
	Bond Balance Wholesale Water Rates per unit		\$5,000,000 \$ 3.618 **		\$4,850,000 \$ 4.135 **		\$4,692,000 \$ 6.715 **	
	<u>6/30/2028</u> <u>Forecast</u>	Assump/% Chng	<u>6/30/2029</u> <u>Forecast</u>	Assump/% Chng	<u>6/30/2030</u> <u>Forecast</u>	Assump/% Chng		
Revenue:								
Billed to customers	\$ 6,103,700		\$ 6,469,900		\$ 6,987,500			
Estimated Units billed		525,000		525,000		525,000		
Water Reimbursed by Beavrtn	-		-		-			
Units reimbursed at PWB rate								
Total Water Revenues	6,103,700	6%	6,469,900	6%	6,987,500	8%		
Other Operating Income	102,900		90,700		94,200			
SDC Fees	5,000		5,000		5,000			
Interest Income	196,700	3% rate	257,100	3% rate	156,700	3% rate		
Total Other Revenues	304,600		352,800		255,900			
Total Revenue	6,408,300		6,822,700		7,243,400			
Operating Expense:								
Water Purchased PWB	2,062,300	\$ 3.618	2,357,000	\$ 4.135	3,827,600	\$ 6.715		
Units Declared/Purchased		570,000		570,000		570,000		
Purchased Water	2,062,300	38%	2,357,000	14%	3,827,600	62%		
Personnel Services	1,522,200	5%	1,625,500	7%	1,706,900	5%		
Other Materials & Services	703,900	5%	739,200	5%	776,400	5%		
Total Operating Expense	4,288,400		4,721,700		6,310,900			
Income before Capital and Debt	2,119,900		2,101,000		932,500			
Capital and Debt Requirements:								
Equipment, Vehicles & Technology	50,000		50,000		50,000			
Water System & Prop Improvements	4,700,000		5,000,000		1,200,000			
Total Capital Outlay	4,750,000		5,050,000		1,250,000			
Debt Service Principal & Interest	357,000		400,000		400,000			
Debt Proceeds	(5,000,000)		-		-			
Total Capital and Debt	107,000		5,450,000		1,650,000			
Net increase (decrease) in fund bal	\$ 2,012,900		\$ (3,349,000)		\$ (717,500)			
Fund Balance, End of year:		Transfers		Transfers		Transfers		
General Fund & Contingency	1,548,500	(1,582,800)	1,707,200	(1,587,300)	2,236,900	(47,800)		
Rate Stabilization Fund	800,000	-	800,000	-	-	(800,000)		
Capital Improvement Reserve Fund	6,251,200	1,532,800	2,738,500	1,537,300	2,286,300	797,800		
Equipment Reserve Fund	546,000	50,000	546,000	50,000	546,000	50,000		
System Development Chg Res Fund	25,000		30,000		35,000			
Total Fund Balance, End of year	\$ 9,170,700	-	\$ 5,821,700	-	\$ 5,104,200	-		

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



Bond Amortization

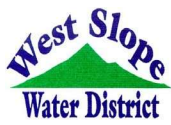
West Slope Water District Revenue Bonds Issued 02/26/2008 Reservoir replacement and improvements													
Date	Coupon	Principal	Interest	Total	Calendar Year totals				Fiscal Year Totals			FYE	Princ Bal at FYE
					Principal Payments	Interest Payments	Total Payments		Principal Payments	Interest Payments	Total Payments		
10/1/2008	3.500%	155,000	111,430.47	266,430.47	155,000.00	111,430.47	266,430.47	2008					
4/1/2009			90,578.13	90,578.13					155,000	202,008.60	357,008.60	6/30/2009	4,845,000
10/1/2009	3.500%	180,000	90,578.13	270,578.13	180,000.00	181,156.26	361,156.26	2009					
4/1/2010			87,428.13	87,428.13					180,000	178,006.26	358,006.26	6/30/2010	4,665,000
10/1/2010	3.500%	185,000	87,428.13	272,428.13	185,000.00	174,856.26	359,856.26	2010					
4/1/2011			84,190.63	84,190.63					185,000	171,618.76	356,618.76	6/30/2011	4,480,000
10/1/2011	3.500%	195,000	84,190.63	279,190.63	195,000.00	168,381.26	363,381.26	2011					
4/1/2012			80,778.13	80,778.13					195,000	164,968.76	359,968.76	6/30/2012	4,285,000
10/1/2012	3.500%	200,000	80,778.13	280,778.13	200,000.00	161,556.26	361,556.26	2012					
4/1/2013			77,278.13	77,278.13					200,000	158,056.26	358,056.26	6/30/2013	4,085,000
10/1/2013	3.500%	205,000	77,278.13	282,278.13	205,000.00	154,556.26	359,556.26	2013					
4/1/2014			73,690.63	73,690.63					205,000	150,968.76	355,968.76	6/30/2014	3,880,000
10/1/2014	3.500%	215,000	73,690.63	288,690.63	215,000.00	147,381.26	362,381.26	2014					
4/1/2015			69,928.13	69,928.13					215,000	143,618.76	358,618.76	6/30/2015	3,665,000
10/1/2015	4.000%	225,000	69,928.13	294,928.13	225,000.00	139,856.26	364,856.26	2015					
4/1/2016			65,428.13	65,428.13					225,000	135,356.26	360,356.26	6/30/2016	3,440,000
10/1/2016	4.000%	230,000	65,428.13	295,428.13	230,000.00	130,856.26	360,856.26	2016					
4/1/2017			60,828.13	60,828.13					230,000	126,256.26	356,256.26	6/30/2017	3,210,000
10/1/2017	4.000%	240,000	60,828.13	300,828.13	240,000.00	121,656.26	361,656.26	2017					
4/1/2018			56,028.13	56,028.13					240,000	116,856.26	356,856.26	6/30/2018	2,970,000
10/1/2018	3.500%	250,000	56,028.13	306,028.13	250,000.00	112,056.26	362,056.26	2018					
4/1/2019			51,653.13	51,653.13					250,000	107,681.26	357,681.26	6/30/2019	2,720,000
10/1/2019	3.500%	260,000	51,653.13	311,653.13	260,000.00	103,306.26	363,306.26	2019					
4/1/2020			47,103.13	47,103.13					260,000	98,756.26	358,756.26	6/30/2020	2,460,000
10/1/2020	3.650%	270,000	47,103.13	317,103.13	270,000.00	94,206.26	364,206.26	2020					
4/1/2021			42,175.63	42,175.63					270,000	89,278.76	359,278.76	6/30/2021	2,190,000
10/1/2021	3.650%	280,000	42,175.63	322,175.63	280,000.00	84,351.26	364,351.26	2021					
4/1/2022			37,065.63	37,065.63					280,000	79,241.26	359,241.26	6/30/2022	1,910,000
10/1/2022	3.750%	290,000	37,065.63	327,065.63	290,000.00	74,131.26	364,131.26	2022					
4/1/2023			31,628.13	31,628.13					290,000	68,693.76	358,693.76	6/30/2023	1,620,000
10/1/2023	3.750%	300,000	31,628.13	331,628.13	300,000.00	63,256.26	363,256.26	2023					
4/1/2024			26,003.13	26,003.13					300,000	57,631.26	357,631.26	6/30/2024	1,320,000
10/1/2024	3.875%	310,000	26,003.13	336,003.13	310,000.00	52,006.26	362,006.26	2024					
4/1/2025			19,996.88	19,996.88					310,000	46,000.01	356,000.01	6/30/2025	1,010,000
10/1/2025	3.875%	325,000	19,996.88	344,996.88	325,000.00	39,993.76	364,993.76	2025					
4/1/2026			13,700.00	13,700.00					325,000	33,696.88	358,696.88	6/30/2026	685,000
10/1/2026	4.000%	335,000	13,700.00	348,700.00	335,000.00	27,400.00	362,400.00	2026					
4/1/2027			7,000.00	7,000.00					335,000	20,700.00	355,700.00	6/30/2027	350,000
10/1/2027	4.000%	350,000	7,000.00	357,000.00	350,000.00	14,000.00	364,000.00	2027					
				-					350,000	7,000.00	357,000.00	6/30/2028	-



Appendix

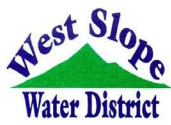
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Acronyms

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



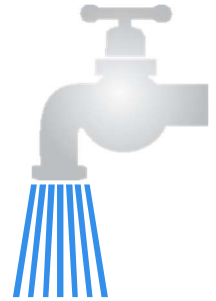
Comparison of Monthly Water Cost

Comparison of Monthly Water Cost (5/8" meter with 8 CCF)						
Data Collected at April 2025						
Rank	City / District	Monthly Residential 5/8" Meter Fixed Charge	Consumption Charge per CCF Unit	Notes	Total Estimated Monthly Bill at 8 CCF	Proposed rate increase for coming year
1	TVWD	\$ 30.47	\$ 10.080	Tiered (1)	\$ 111.11	
2	Portland	\$ 22.86	\$ 7.559	Flat	\$ 83.33	7.7%
3	WSWD - Current	\$ 21.14	\$ 7.610	Flat	\$ 82.02	5.0%
4	Tigard	\$ 33.61	\$ 5.218	Tiered (2)	\$ 75.35	1.9%
5	Beaverton	\$ 21.50	\$ 5.900	Flat	\$ 68.70	
6	Hillsboro	\$ 21.94	\$ 3.905	Tiered (3)	\$ 53.18	
7	Tualatin	\$ 12.32	\$ 4.370	Flat	\$ 47.28	12.0%
8	Raleigh	\$ 20.05	\$ 2.520	Tiered (4)	\$ 40.21	12.5%
(1) TVWD						
	Block 1 - 0 to 28 CCF	\$ 10.08				
	Block 2 - +28 CCF	\$ 14.36				
(2) Tigard						
	Tier 1 - 0 to 6 CCF	\$ 4.68				
	Tier 2 - 6 to 15 CCF	\$ 6.83				
	Tier 3 - +15 CCF	\$ 7.82				
(3) Hillsboro						
	Tier 1 - 0 to 4 CCF	\$ 3.63				
	Tier 2 - 5 to 8 CCF	\$ 4.18				
	Tier 2 - 9 to 18 CCF	\$ 6.36				
	Tier 3 - +18 CCF	\$ 8.72				
(4) Raleigh						
	Tier 1 - 0 to 12 CCF	\$ 2.52				
	Tier 2 - +12 CCF	\$ 3.85				
Source Data: Utility's website and 2025 Regional Water Providers Consortium annual members survey						

Frequently Asked Questions on Water Rates

- **Why is a new rate structure being implemented now?**

During this past year, the District conducted a Water Rate Study which examined the adequate level of rate revenue needed to operate and maintain the District's water system. As a result of this study, a proportional and cost-based rate design was recommended based on industry standards. The new rate structure allocates costs in a more equitable manner than a flat rate structure. For more information on the new rate structure and to view a copy of the water rate study, visit our website at www.wswd.org/new-rate-structure.



- **Why are the water rates increasing?**

The increase is necessary to cover rising operational costs, infrastructure upgrades, and regulatory compliance to maintain a safe and reliable water supply.

- **How much will my bill increase?**

On July 1, 2025, consumption rates will increase \$0.38 per unit and the monthly fixed charge will increase \$2.36 on a 5/8" meter. For a typical residential home using an average of 10 CCF units a month, your bill will increase by \$6.16 per month.

On November 1, 2025, when the new rate structure is implemented, monthly bills will decrease, or increase based on the customer class and usage tier. For residential customers that use more than 20 CCF units in the summer months, they will be subject to Tier 3 rates and will experience higher bills. Customers will need to review their monthly bill to determine the monthly CCF units used to assess the impact that the new rate structure will have on their household.

- **Will there be more rate increases in future years?**

Yes, and for reasons related to the region as well as specific to the District. By 2027, the Portland Water Bureau will begin to operate the new Bull Run Water Filtration Treatment Facility. Portland and their wholesale water customers like West Slope Water District will share in the cost of the new water treatment facility through our water rates to Portland. Additionally, the District has its own share of capital projects to replace aging pipelines and to construct a new reservoir within the District. The cost to pay for these improvements comes from water rates.

- **What happens if the rates do not increase?**

Without an increase, deferred maintenance may lead to emergency repairs, higher costs in the future, and potential service disruptions.

- **Are there any assistance programs available?**

The District does not offer any financial assistance. However, we are more than willing to work with our customers in setting up a payment plan. Utility assistance is available through Washington County Community Action for eligible customers.

Visit <https://caowash.org/programs/utility-assistance/utility-assistance.html> for details.

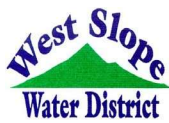
- **How can I reduce my water bill?**

You can reduce your water bill by implementing conservation measures such as fixing leaks, installing water-saving fixtures, using water-efficient appliances, watering plants in the early morning or late at night to reduce evaporation, and choosing drought-resistant plants for landscaping.

- **How can I provide feedback or ask more questions?**

Customers can submit feedback by giving our office a call at (503) 292-2777, emailing our office at Customer.Service@WSWD.org, or submitting a comment through our website. We also enjoy meeting our customers in person at our office during regular business hours at 3105 SW 89th Ave.

You can also provide comments and speak directly with the Board of Commissioners at the monthly board meetings held on the third Wednesday each month at the District office and virtually through 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, 2025 to June 30, 2026 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 21, 2025 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/84930646501?pwd=WnNJVVpVQlgza2EwMzU2eW1DRHArUT09>

Meeting ID: 849 3064 6501

Passcode: 474179

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

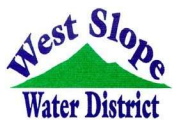
The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. A copy of the budget document may be inspected or obtained after April 28, 2025 at 3105 SW 89th Ave, Portland, OR 97225, M-F between the hours of 8:00 AM and 4:30 PM. A PDF of the budget 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

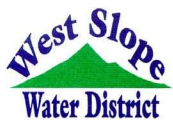
Beaverton Valley Times
Published May 15, 2025

Posted to Website on April 28, 2025



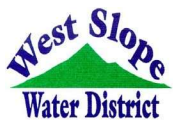
Budget Hearing Notice (LB1)

(Reserved)



Notice of Proposed Rate Increase

(Reserved)



Budget Resolution

(Reserved)