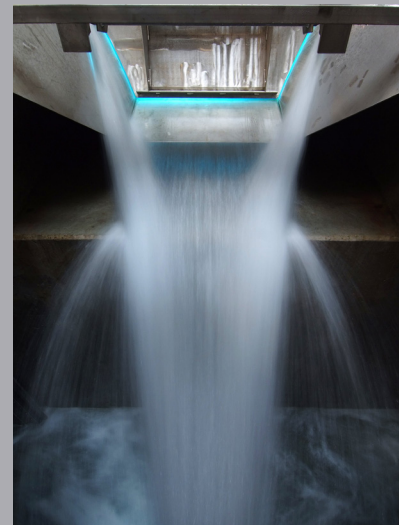


2020 - 2021 FISCAL YEAR Budget

Clackamas Water Environment Services
(A Component Unit of Clackamas County, Oregon)



Clackamas Water Environment Services

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Introduction



Tri-City Water Resource Recovery Facility



Clackamas County Board of County Commissioners;

Members of the Budget Committee for Clackamas Water Environment Services, Citizens and Customers

Budget Message

Fiscal Year 2020-2021

Fiscal Year ("FY") 2020-21 is the third year of the fully combined budget for Clackamas Water Environment Services ("WES"), which is a municipal partnership formed through an Oregon Revised Statute ("ORS") 190 agreement (the "Agreement") by Clackamas County Service District No. 1 ("CCSD No. 1"), the Tri-City Service District ("TCSD") and the Surface Water Management Agency of Clackamas County ("SWMACC"). WES provides sanitary sewer and/or surface water management services to some 190,000 Clackamas County residents. The Board of County Commissioners ("BCC") serves as the governing body, establishing policy and guiding efforts to meet the service demands of the community.

This FY 2020-21 budget proposal is being developed and presented in a time of great uncertainty. WES has taken extraordinary action during the 2019-20 fiscal year to maintain our critical services during this pandemic to protect public health and the environment. This includes splitting our Operations employees into four distinct work teams reporting to two different locations to maintain resiliency, shifting nearly all of our administrative workers to remote operations, and reprioritizing work to ensure critical functions and projects continue and regulatory requirements are met. It is unclear to what extent similar actions will be necessary in the new fiscal year.

We are also mindful of the impact of this pandemic on our customers. WES has adopted several temporary policies to support those in difficult circumstances, including no late fees, no certification of late accounts for collection, and agreeing to work with customers with a flexible repayment plan. We estimate that revenues will be reduced by ~\$2.6 million between reduced rate revenue and system development charge ("SDC") payments in FY 2020-21. This budget document also recommends reducing WES' proposed overall rate increase from the original 5% discussed with the BCC and our advisory committee in previous years to ~2.5% as an average across all rate zones. This rate change would continue to support the ongoing capital needs identified in the five-year Capital Improvement Plan ("CIP"), partnered with an operating budget that decreases expenditures by over \$50,000 from the prior fiscal year.

This budget proposal of reduced expenditures for operations and reduced revenues from customers is sustainable in part due to the sound fiscal management of WES over the prior several years, and the economies of scale able to be achieved by the integration of the service districts.

Our challenges

WES faces long-term financial and regulatory challenges in addition to the near-term challenge of maintaining critical services during the pandemic. Our continued near-term response to these challenges will determine how well we meet ratepayer expectations for protecting public health and the environment at the most economical cost for years to come. These include:

- creating and maintaining resiliency in operations in support of public health;
- funding appropriate levels of reinvestment in aging infrastructure;
- pre-financing sufficient treatment and conveyance capacity to meet the anticipated demand for new services;
- addressing increased operational requirements from both aging infrastructure and new capacity;
- attracting and retaining professional talent while controlling operating expenses;
- identifying and implementing potential productivity gains;
- complying with an ambitious state and federal water quality agenda in a fiscal environment of shrinking federal and state financial support, and heightened ratepayer concerns about costs; and
- continuing to implement and refine our Performance Clackamas Strategic Plan.

Staff continues to respond to many new and complex public policies on behalf of our customers. These include intensifying public interest in watershed-scale management practices, and managing more intense public and regulatory attention toward clean water issues. Customer surveys confirm continuing rate sensitivity, while also having high expectations for performance. This trend demands that we meet these and other challenges by finding new ways to engage customers and regulatory agencies while pursuing sustainable, resiliency-supporting efforts. Our Capital group provided an updated CIP outlining necessary projects, scheduled at a sustainable and affordable pace. This is matched with a commitment to sound financial management and maintaining rate policies which stabilize rates and capitalize on the economy of scale aspects of WES' business.

The FY 2020-21 budget is designed to continue to balance the delivery of quality services with the pressing need for continued capital investment. In total, WES will support 112 full-time equivalent ("FTE") positions, the same as approved in the FY 2019-20 budget. WES management operates on a "learning" mindset with the idea that we can always do better, and is constantly seeking ways to be more efficient. This prior year a major program review was undertaken and discussions around that review are ongoing.

Performance Clackamas

Performance Clackamas is a strategic plan and process modeled after a system known as Managing for Results (MFR), which has been used successfully in cities and counties throughout the United States. WES staff developed a Strategic Business Plan during FY 2015-16 and began implementation in FY 2016-17. Drawing on the experience of other county departments and working with the MFR Team, WES staff coalesced around our shared goal to deliver measureable, high quality services to our customers so we can live, work and play in a healthy environment and adopted a revised plan in FY 2018-19. The revised plan is reflected in this proposed budget and detailed in the Performance Clackamas section on pages 31-62. You can learn more about the plan on the County's website: <http://www.clackamas.us/performance/>

Rates for Services

The primary lens for ratemaking for WES is the type of service received, not the geographic location of the customer. Our three primary services are wholesale wastewater treatment, retail wastewater conveyance, and surface water management. These primary service rates are then adjusted based on existing conditions that pertain within a particular Rate Zone as required. The rate changes proposed for WES' primary service categories are described below:

Wholesale Wastewater Treatment:

Staff recommends a wholesale sanitary sewer rate increase of approximately 5.0% for FY 2020-21 to provide continued funding for asset replacements necessary to maintain aging infrastructure and growth-related construction efforts. The resulting rate increase would be \$1.20, raising the monthly service fee rate from \$23.75 to \$24.95 per Equivalent Dwelling Unit ("EDU").

Retail Wastewater Conveyance:

Staff is recommending a wastewater retail rate increase of approximately 5.0% for FY 2020-21 to provide continued funding for asset replacements necessary to maintain aging infrastructure, especially infiltration and inflow removal efforts. The resulting rate increase would be \$0.65, raising the monthly service fee from \$12.65 to \$13.30 per EDU.

Surface Water Management:

Staff is also proposing an adjustment of approximately 4.8% to the surface water rate for FY 2020-21. As we have two different surface water rates in each of Rate Zone 2 and Rate Zone 3 at this time, the specific breakout of the rate proposals is set forth below.

Additional Rate Adjustments:

As part of the integration of CCSD No. 1's budget, assets and operations into the WES entity, WES became the issuer of the Legacy Debt. Per the requirements of the Agreement and related board orders, staff is proposing a rate that will ensure that only Rate Zone 2 ratepayers will have to pay for the debt held by CCSD No. 1 prior to the formation of WES. The amounts collected last year were more than sufficient to make those payments, so the amount proposed to be charged in support of this rate element would be decreased in FY 2020-21. For Rate Zone Two's wholesale wastewater only customers, this will offset the entirety of the primary service rate adjustment, resulting in a near-zero change. For others within Rate Zone Two, it will decrease the proposed rate adjustment by more than two-thirds.

The impact of the reduced collections to pay for the Legacy Debt is a material decrease in the net overall rate change for WES as an entity, resulting in a net increase of ~2.5% rather than 5% as may be suggested by the above primary service rate proposals.

Sub-Rates by Rate Zone

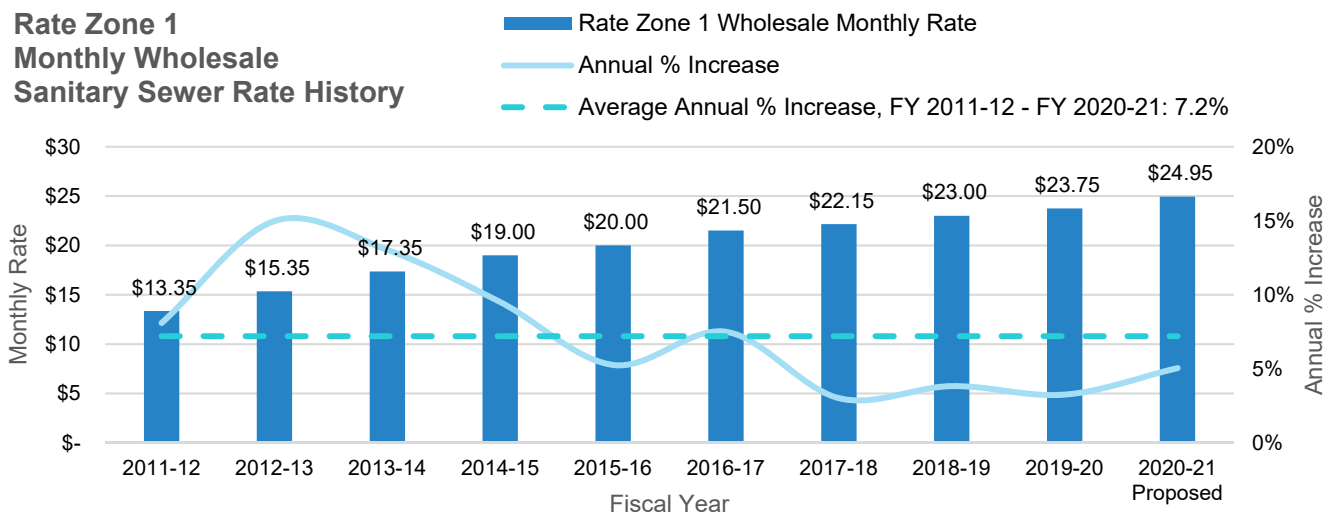
The ORS 190 agreement which formed WES established rate zones for each of WES’ service areas: TCSD was defined as Rate Zone 1, CCSD No. 1 was defined as Rate Zone 2, and SWMACC was defined as Rate Zone 3¹¹. This distinction will be meaningful for several years with respect to ratemaking as part of the agreements between the districts upon the formation of WES. The debt previously issued by CCSD No. 1 and now held by WES (“Legacy Debt”) is an example, whereby the debt service for that particular debt is only charged to the rates of those in Rate Zone 2. The cost of the Tri-City Solids Handling Capacity Expansion Project was negotiated to be split approximately one-third to Rate Zone 1 and two-thirds to Rate Zone 2. Once these items are resolved, approximately two decades from now, there will be no meaningful distinction between Rate Zones as a whole with respect to the costs of service received.

Rate Zone 1

Within Rate Zone 1, WES provides wholesale wastewater treatment services for the Cities of Gladstone, Oregon City and West Linn, as well as services to a small retail population outside of these three cities. These services are predominantly funded by revenues derived from monthly service charges and fees for development, both of which are collected by the three cities and remitted to WES.

In addition to this rate adjustment, it is proposed that Oregon City be charged an extra \$1.65 for a rate of \$26.60 per EDU per month and that the City of Gladstone be charged an extra \$1.25 for a rate of \$26.20 per EDU per month, each in order to cover the additional expenses necessitated by their respective right-of-way fees. The City of West Linn does not charge a right of way fee, and therefore their rates are not adjusted further.

**Rate Zone 1
Monthly Wholesale
Sanitary Sewer Rate History**



¹ Please see pages 15 and 24 for a map of WES’ Rate Zones.

Rate Zone 2

Rate Zone 2 provides retail sanitary sewer service to unincorporated portions of North Clackamas County as well as the cities of Happy Valley, Boring, the communities of the Hoodland corridor, and Fischer’s Forest Park near Redland. Wholesale wastewater treatment services are provided to the Cities of Milwaukie and Johnson City. Surface water management services are provided to the unincorporated portions of North Clackamas County and the City of Happy Valley. All of these services are predominantly funded by revenues derived from monthly service charges and fees for development.

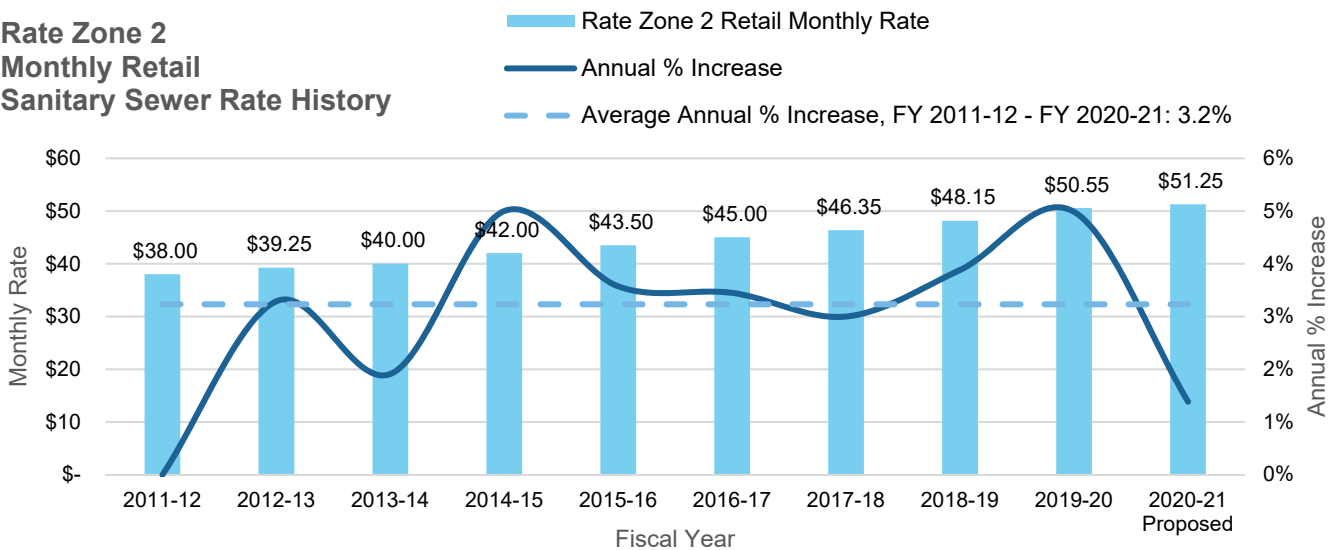
As noted above, Rate Zone 2 currently has an additional rate element designed to generate sufficient revenue to make all necessary payments on the Legacy Debt. WES staff reviewed the revenue generated from that component and found higher than expected collections. Therefore WES is proposing a material decrease in this rate component, which will offset base service increases proposed as noted above.

This will result in a net rate increase of \$0.70, or an approximately 1.38% increase for retail wastewater customers of Rate Zone 2.

The same reduction in the Legacy Debt component results in a net rate increase of \$0.05, or an approximately 0.14% increase for wholesale customers in Rate Zone 2 (Milwaukie and Johnson City).

For Rate Zone 2, the surface water rate is proposed to increase \$0.35 from \$7.30 to \$7.65 per Equivalent Service Unit (“ESU”) per month.

**Rate Zone 2
Monthly Retail
Sanitary Sewer Rate History**



In addition to these rate adjustments, it is proposed that the City of Happy Valley continues to be charged an extra \$2.56 per EDU and an additional \$0.38 per ESU on their respective sanitary sewer and surface water monthly service fees for a rate of \$53.81 per EDU per month and a rate of \$8.03 per ESU per month, in order to cover the additional expenses necessitated by the city’s right-of-way fee. The cities of Milwaukie and Johnson City do not charge a right of way fee, and therefore their rates are not adjusted further.

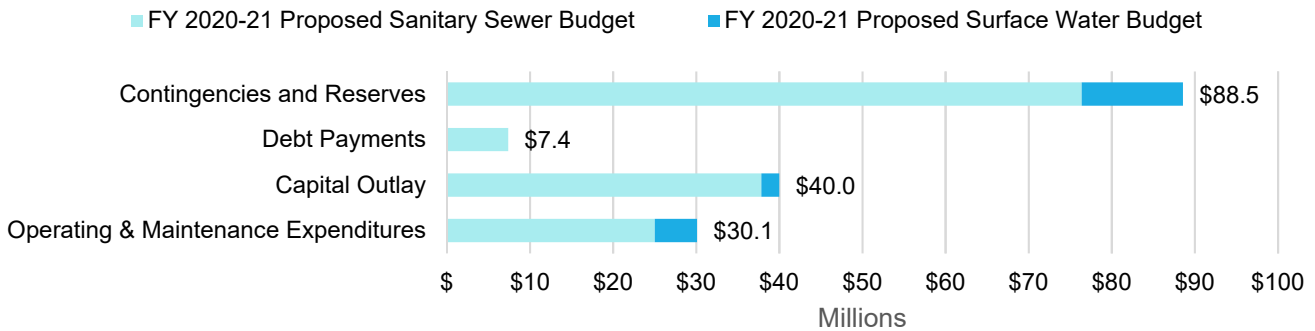
Rate Zone 3

Rate Zone 3 provides surface water management services to those portions of unincorporated Clackamas County draining into the Tualatin River and the City of Rivergrove. WES continues to provide the same level of service to its customers as provided by SWMACC in prior years through maintenance of existing roadside ditches and drywells. WES has also assumed SWMACC’s contracts for stream assessment and analysis. WES will provide a slightly enhanced level of service to its customers through maintenance activities, planting activities, water quality monitoring and focus on permit compliance in FY 2020-21. Staff recommends a rate increase in the monthly service fee of approximately 4.5% for FY 2020-21 resulting in a rate adjustment of \$0.20 from \$4.45 to \$4.65 per ESU per month.

Total Budget

WES’ total proposed FY 2020-21 budget is \$166.0 million¹, a decrease of 3.0% or \$5.1 million from FY 2019-20’s budget. The total budget includes capital outlay of approximately \$40 million, operating and maintenance expenditures of \$30.1 million, debt payments of \$7.4 million, and contingencies and reserves of approximately \$88.5 million, reflecting the expenditure of ending fund balances previously built up.

FY 2020-21 Total Proposed Budget



	Operating and Maintenance Expenditures	Capital Outlay	Debt Payments	Contingencies and Reserves	Total
WES Sanitary Sewer Budget	\$ 25,015,516	\$ 37,848,000	\$ 7,380,637	\$ 76,384,105	\$ 146,628,258
WES Surface Water Budget	\$ 5,089,029	\$ 2,141,500	\$ -	\$ 12,189,850	\$ 19,420,379
Total FY 2020-21 Proposed Budget	\$ 30,104,545	\$ 39,989,500	\$ 7,380,637	\$ 88,573,955	\$ 166,048,637

The major components in the budget from a strategic perspective include a slightly reduced operational budget, a decrease in planned capital expenditures as indicated in our revised CIP, and SDC revenues are anticipated at a lower level. This is in part due to the impact of the pandemic, and in part because prior projections were consistently overestimating the rate of growth, particularly in Rate Zone One.

¹ Excludes Interfund Transfers of \$21,468,056 to reconcile to the total of \$187,516,693 as shown on the schedule on page 64. Interfund Transfers have a zero net effect on Resources and Requirements of Funds but are budgeted in accordance with Oregon Budget Law.

WES Sanitary Sewer Budget

The budget to fund sanitary sewer services and projects discussed above totals \$146.6 million. Of this total, \$25.0 million is allocated to sanitary sewer program operation, \$37.8 million is allocated to capital projects, \$7.4 million to debt service, and \$76.4 million is set aside as contingencies and reserves in anticipation of future capital expenditures. Service charges provide the majority of revenue to support the programs with new development fees and interest income providing the balance.

FY 2020-21 will be a year of completion of major projects and the beginning of others. Significant capital improvements include the completion of the Tri-City Plant Solids Capacity Expansion project and bringing online the new digester, the refurbishment of major portions of the Kellogg Water Resource Recovery Facility, the Willamette Facilities Master Plan completion, and initiation of the Tri-City Outfall project.

WES Surface Water Budget

The budget to fund surface water services and projects totals \$19.4 million. This total consists of \$5.1 million for surface water operations, \$2.1 million for capital projects, and \$12.2 million set aside as contingencies and reserves. Service charges provide the majority of revenue to support the programs with new development fees and interest income providing the balance.

Efforts continue to focus on the implementation of the watershed action plans developed for the Rock Creek and Mt. Scott basins, while the services identified in the plans extend to areas outside of the planning basins, like Clackamas and Tualatin River tributaries. These plans take a watershed management approach that expands core storm system maintenance practices to include stream restoration and resource stewardship efforts that improve watershed health. A storm system master plan is also under development this year, which will identify and prioritize key system improvements to improve water quality and reduce property flooding. Efforts in FY 2020-21 include increased levels of service for catch basin and water quality structure maintenance, storm pond rehabilitation, focused pollution and spill prevention efforts, watershed health education, and forging partnerships with local watershed enhancement groups to leverage investments. Capital improvements include design and permitting work at WES' Three Creeks site, decommissioning and rerouting of surface water flows relating to a collapsed detention pipe in Happy Valley, and several targeted repairs of the storm system where local flooding occurs.

Summary

We are pleased to present you with this unified budget that demonstrates our continued commitment to providing quality services to protect public health and the environment at the most economical cost. Despite the challenge of the pandemic and uncertainty around the future, continued growth in the customer base within our service areas, rising costs of labor and materials, aging infrastructure, and new environmental regulations, we have assembled a budget that allows WES to meet our customers' expectations, supports economic development, and preserves and enhances the environment. While this budget does reflect upward cost pressures, by utilizing the Performance Clackamas strategic approach while holding rate increases at 2.6%, below the prior target of 5% and well within the WES advisory board rate policy parameters, we at Clackamas Water Environment Services believe we are meeting our ratepayers and governing body's expectations. We stand committed to "Excellence in Public Service" and the prudent use of public funds to protect public health and the environment, and look forward to serving our community this coming fiscal year and forward into the future.



Greg Geist
Director

BUDGET OVERVIEW

The following summary data serves to complement the Budget Message and provide a general overview of significant FY 2020-21 budgetary items, highlights and trends for Clackamas Water Environment Services. A more detailed discussion, including summaries for each fund, is provided in the Budget Detail section.

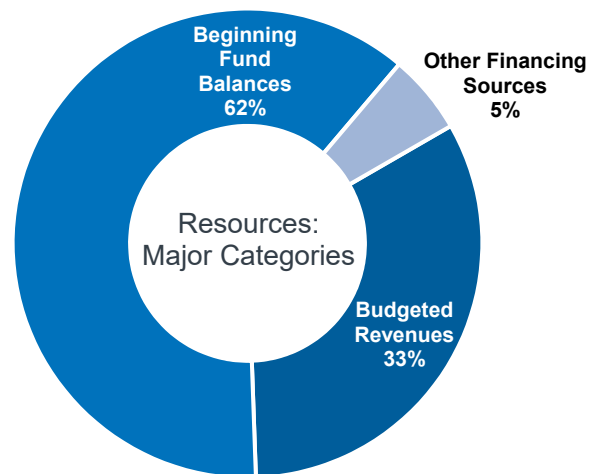
Per Oregon State Budget Law, WES' total budget for FY 2020-21 is balanced overall and in each fund, where resources, which consist of revenues combined with other financing sources, interfund transfers in and beginning fund balances, equal requirements, which consist of planned expenditures, contingencies, interfund transfers out and ending fund balances. The summary of WES' proposed budget within this section presents resources and requirements net of interfund transfers, which are made to share sources between funds and have a zero net effect on total resources and requirements. Interfund transfers are discussed in detail for each fund and in total in the Budget Detail section of this document.

BUDGET SUMMARY

FY 2020-21 Total Resources ¹ \$166,048,637

Total resources, excluding interfund transfers, are budgeted at approximately \$166.0 million. Resources include: budgeted current revenues of approximately \$54.4 million, beginning fund balances of approximately \$102.5 million, and other financing sources of \$9.1 million.

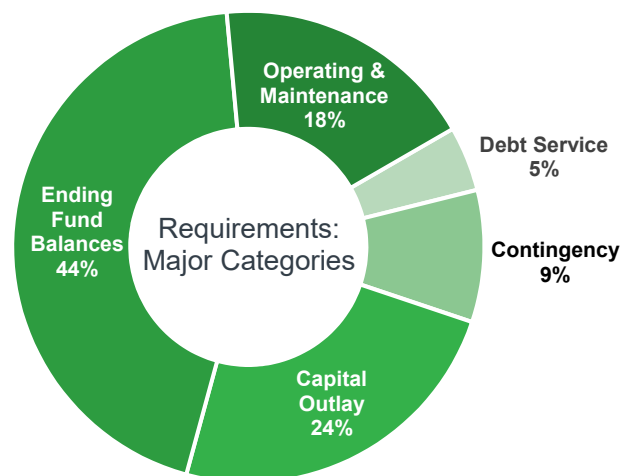
Resource	FY 2020-21 Proposed Budget
Beginning Fund Balances	\$ 102,558,017
Budgeted Revenues	54,390,620
Other Financing Sources	9,100,000
TOTAL	\$ 166,048,637



FY 2020-21 Total Requirements ¹ \$166,048,637

Total requirements for FY 2020-21 are budgeted at approximately \$166.0 million. Requirements include: operating and maintenance expenditures of approximately \$30.1 million, capital outlay of approximately \$40.0 million, debt payments of approximately \$7.4 million, contingencies of approximately \$15.0 million, and ending fund balances of approximately \$73.5 million.

Requirement	FY 2020-21 Proposed Budget
Operating & Maintenance	\$ 30,104,545
Capital Outlay	39,989,500
Debt Payments	7,380,637
Contingency	15,014,375
Ending Fund Balance	73,559,580
TOTAL	\$ 166,048,637



¹ Excludes transfers between funds of \$21,468,056 to reconcile to the total of \$187,516,693 as shown on the schedule on page 64. Interfund transfers have a zero net effect on Resources and Requirements of Funds, but are budgeted in accordance with Oregon Budget Law.

**CLACKAMAS WATER ENVIRONMENT SERVICES
BUDGET SUMMARY – ALL FUNDS**

	2018-19 ACTUAL	2019-20 BUDGET ¹	2020-21 PROPOSED BUDGET	\$ Change From 2019-20	% Change From 2019-20
RESOURCES					
Beginning Fund Balance	\$ 96,035,261	\$ 100,266,428	\$ 102,558,017	\$ 2,291,589	2.3%
Revenues					
Sales and Services					
Service Charges	27,898,923	29,978,200	29,556,000	(422,200)	-1.4%
City Payments	13,472,565	14,200,000	14,638,100	438,100	3.1%
System Dev. Charges	5,220,707	8,574,400	6,657,600	(1,916,800)	-22.4%
City Right-of-Way Fees ²	588,177	619,000	647,000	28,000	4.5%
Assessment Principal	500,658	157,200	133,500	(23,700)	-15.1%
Assessment Interest	199,864	145,000	145,000	-	0.0%
Intergovernmental Revenue	-	244,300	244,300	-	0.0%
Interest Income	1,581,688	2,005,300	1,640,900	(364,400)	-18.2%
Miscellaneous	900,112	1,095,388	728,220	(367,168)	-33.5%
Subtotal – Revenues	50,362,694	57,018,788	54,390,620	(2,628,168)	-4.6%
Other Financing Sources: State Revolving Fund Contribution	8,882,051	13,900,000	9,100,000	(4,800,000)	-34.5%
TOTAL RESOURCES ³	\$ 155,280,006	\$ 171,185,216	\$ 166,048,637	\$ (5,136,579)	-3.0%
REQUIREMENTS					
Operating & Maintenance (O&M) Expenditures					
WES Labor	\$ 12,337,188	\$ 14,489,170	\$ 14,703,748	\$ 214,578	1.5%
Laboratory Services	31,724	55,000	78,000	23,000	41.8%
Other County Services	2,882,260	3,277,230	3,392,628	115,398	3.5%
Professional Services	1,466,621	4,090,500	3,125,400	(965,100)	-23.6%
Miscellaneous Services	314,191	449,360	482,710	33,350	7.4%
Supplies	2,266,411	2,147,630	2,325,740	178,110	8.3%
Utilities	1,585,142	1,614,250	1,729,585	115,335	7.1%
Repairs and Maintenance	879,451	834,050	808,550	(25,500)	-3.1%
Interagency Coordination	918,836	1,212,000	1,296,000	84,000	6.9%
Miscellaneous Expenses	1,654,281	1,989,679	2,162,184	172,505	8.7%
Subtotal – O&M Expenditures	24,336,105	30,158,869	30,104,545	(54,324)	-0.2%
Capital Outlay	23,563,301	43,668,300	39,989,500	(3,678,800)	-8.4%
Debt Service - Principal	3,821,208	3,891,208	4,041,208	150,000	3.9%
Debt Service - Interest	3,166,416	3,367,310	3,339,429	(27,881)	-0.8%
Contingency	-	15,762,450	15,014,375	(748,075)	-4.7%
Ending Fund Balance	100,392,976	74,337,079	73,559,580	(777,499)	-1.0%
TOTAL REQUIREMENTS ⁴	\$ 155,280,006	\$ 171,185,216	\$ 166,048,637	\$ (5,136,579)	-3.0%

¹ FY 2019-20 Budget includes a transfer of \$145,300 from Contingency to Capital Construction.

² City Right-of-Way fees are fees collected by WES and then remitted to the cities. These fees are offset in their entirety by a portion of the Interagency Coordination line item within Operating & Maintenance Expenditures.

³ Excludes transfers between funds of \$21,468,056 to reconcile to the total of \$187,516,693 as shown on the schedule on page 64. Interfund transfers have a zero net effect on Resources and Requirements of Funds, but are budgeted in accordance with Oregon Budget Law.

TOTAL BUDGET

The total proposed budget for FY 2020-21 is \$166.0 million¹, which is a 3.0% decrease from the FY 2019-20 budget of \$171.2 million. The primary driver for this difference is decreased Sanitary Sewer capital spending.

The table below summarizes the total FY 2020-21 budget for WES by service category in relation to the prior year budget.

Service Category	FY 2020-21 Proposed Budget	FY 2019-20 Budget	\$ Increase / (Decrease)	% Increase / Decrease
WES Sanitary Sewer	\$ 146,628,258	\$ 152,756,279	\$ (6,128,021)	-4.0%
WES Surface Water	\$ 19,420,379	\$ 18,428,937	\$ 991,442	5.4%

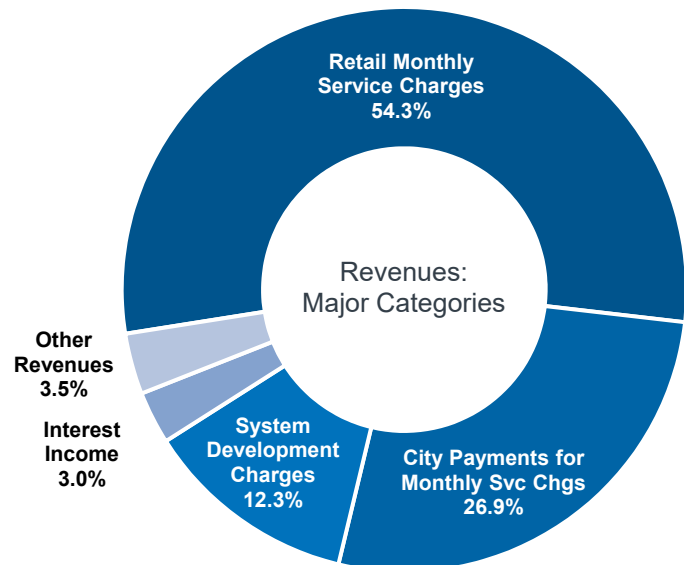
REVENUE HIGHLIGHTS

BUDGETED REVENUES - \$54,390,620

WES' primary revenue sources are monthly retail and wholesale service charges and System Development Charges (SDCs) for new sanitary sewer and surface water connections. Together, these three sources account for 93.5% of the approximate \$54.4 million of revenue budgeted for FY 2020-21.

Other revenue sources include non-operating revenue such as interest earnings on investments, assessment principal and interest collections, intergovernmental revenue, pass-through revenue in the form of city right-of-way fees, and miscellaneous fees and charges.

FY 2020-21 budgeted revenues are projected to decrease \$2.6 million or 4.6% from FY 2019-20's budget. This overall decrease is driven by a decrease in SDCs of \$1.9 million from a reduction in population growth projections in response to the lower actual growth observed in recent years. Although the proposed combined sanitary sewer and surface water retail monthly service charge rates for FY 2020-21 reflect a modest increase of 1.73%, retail monthly service charge revenue is budgeted to decrease by approximately \$422 thousand. The reason for this decrease is the temporary suspension of WES' past-due account collection process in support of customers impacted by COVID-19. WES' collection process certifies past-due balances to the property for collection through payment of property taxes to the County Assessor. The temporary suspension of certification is projected to reduce FY 2020-21's budgeted retail service charge revenue collections by FY 2019-20's estimated past-due account total of \$1.16M. City Payments for monthly service charges are budgeted to increase by \$438 thousand due to an increase of approximately 5% in the monthly wholesale rate. Budgeted income from interest is projected to decrease by \$364 thousand while income from all other revenue sources is projected to decrease by \$367 thousand.



Staff recommends sanitary sewer and surface water monthly rate increases ranging from 0.13% to 5.35% to cover the increasing cost of operating, various planning efforts, and to provide additional financing capabilities for future asset replacement efforts as well as new capital facilities.

OTHER FINANCING SOURCES - \$9,100,000

The FY 2020-21 budget includes other financing sources of \$9.1 million in the form of capital financing from the State of Oregon Clean Water State Revolving Fund for the Tri-City Solids Handling Improvement Project. This funding is discussed in detail in the separate Debt section.

¹ Excludes transfers between funds of \$21,468,056 to reconcile to the total of \$187,516,693 as shown on the schedule on page 64. Interfund transfers have a zero net effect on Resources and Requirements of Funds, but are budgeted in accordance with Oregon Budget Law.

EXPENDITURE HIGHLIGHTS

BUDGETED EXPENDITURES - \$77,474,682

Clackamas Water Environment Services' projected expenditures for FY 2020-21 reflect a decrease of 4.5% from FY 2019-20's budget. This decrease consists of reductions of \$3.7 million in Capital Outlay and \$54 thousand in Operating and Maintenance expenditures which are partially offset by an increase in Debt Service of \$122 thousand.

Within Operating and Maintenance expenditures, the WES Labor budget is projected to increase by 1.5%, or \$215 thousand from FY 2019-20's adopted budget due to higher costs related to pensions and salaries. No new FTE have been proposed for FY 2020-21.

The FY 2020-21 Materials and Services budget reflects a decrease of 1.7% or approximately \$269 thousand. Moderate increases in supplies, utilities, and other expenses were more than offset by a large decrease in professional services spending for master planning. While the past few fiscal years have seen the completion of numerous planning efforts, the budget continues to fund high levels of engineering and environmental services as well as provide for additional proactive maintenance of WES' facilities.

WES' FY 2020-21 Debt Service budget is 1.7% higher than FY 2019-20's budget due to budgeting \$500 thousand as a prepayment of interest for the State Revolving Fund Loan related to the Tri-City Solids Handling Project. WES continues to benefit from CCSD No. 1's refinancing of the majority of its existing debt in FY 2016-17, which resulted in annual savings on existing debt of approximately \$625,000 beginning in FY 2017-18.

WES' budget includes approximately \$40.0 million for capital outlay, a decrease of 8.4% or \$3.7 million from the FY 2019-20 budget. The underlying factor for this decrease is reduced sanitary sewer capital outlay due to several active projects nearing completion during the current fiscal year as anticipated in the Capital Improvement Plan (CIP). Planned capital expenditures for FY 2020-21 include projects related to maintaining existing facilities, increasing the efficiency of treatment processes, and increasing system capacity. The largest share of sanitary sewer capital expenditures for FY 2020-21 includes \$9.4 million for the Clackamas Interceptor Capacity Improvements Project and \$9.1 million for continuing work on the Tri-City Water Resource Recovery Facility Solids Handling Improvement Project. The largest share of surface water capital expenditures for FY 2020-21 is \$1.2 million for the Red Rose Valley Detention Pipe Project.

Expenditures for WES for all funds for FY 2016-17 through FY 2018-19 actuals, with the current budget and the proposed budget for FY 2020-21 are shown in the following table:

	FY 2016-17 Actual ^{1,2}	FY 2017-18 Actual ⁵	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Proposed Budget
WES Labor	\$ 11,088,324	\$ 11,282,628	\$ 12,337,188	\$ 14,489,170	\$ 14,703,748
Materials & Services	11,029,601	12,086,911	11,998,917	15,669,699	15,400,797
Capital Outlay	4,953,307	11,756,946	23,563,301	43,668,300	39,989,500
Debt Service	99,737,121 ²	7,862,924	6,987,624	7,258,518	7,380,637
Total	\$ 126,808,353	\$ 42,989,409	\$ 54,887,030	\$ 81,085,687	\$ 77,474,682

Expenditure increases for FY 2018-19's actuals and both FY 2019-20's budget and FY 2020-21's budget reflect higher spending on capital outlay and an increase in materials and services driven by engineering costs, chemical costs, repairs and maintenance costs, and labor.

CONTINGENCIES

Contingencies are funds set aside to provide for unforeseen circumstances that may arise during the year. The FY 2020-21 budget includes contingencies of approximately \$15.0 million, with \$5.0 million budgeted as contingency for the operating funds and the remaining \$10.0 million budgeted as contingency for the construction and SDC funds. Budgeted operating fund contingencies are equal to 2 months' operating expenses. Budgeted construction and SDC fund contingencies are equal to 25% of each fund's budgeted capital outlay. Amounts budgeted as contingencies may only be accessed through special action of the Board of County Commissioners. These amounts are typically not expended during the year and added to reserves at year-end to become part of the subsequent year's beginning fund balance.

¹Prior year data for WES' three member districts are combined and shown for comparison with WES' FY 2018-19 Actuals and FY 2019-20 and FY 2020-21 budgets.

² FY 2016-17 Debt Service includes expenditures of \$92,021,510 related to the advanced refunding of portions of CCSD No. 1's existing debt.

FUND BALANCES

Fund balance is the difference between accumulated resources and the requirements charged against them over the life of a fund. The fund balance at the end of one fiscal year is carried forward to the following year. Per Oregon Budget Law, the resources of each fund, including beginning fund balance, must be equal to the requirements in that fund, including ending fund balance.

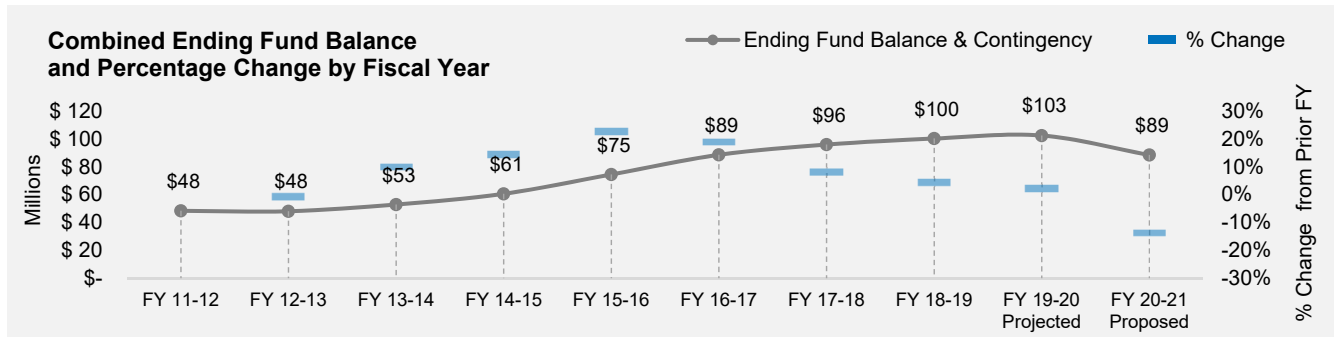
Changes in fund balance are useful to understand if expenditures are sustainable without additional revenue. Due to the integration of the districts into the Clackamas Water Environment Services' partnership, changes in fund balance may be most meaningful on an aggregate level, inclusive of all districts. The table below shows fund balance by both district/partnership and the aggregate totals for FY 2016-17 through FY 2018-19 actuals, projected FY 2019-20, and the FY 2020-21 proposed budget.

	FY 2016-17 Actual ¹	FY 2017-18 Actual ²	FY 2018-19 Actual	FY 2019-20 Projected	FY 2020-21 Proposed Budget
BEGINNING FUND BALANCES					
CCSD No. 1	\$ 61,626,801	\$ 73,032,207	\$ -	\$ -	\$ -
TCSD	12,429,310	-	-	-	-
SWMACC	495,949	-	-	-	-
WES	-	15,664,794	96,035,261	100,392,976	102,558,017
TOTAL BEGINNING FUND BALANCE	\$ 74,552,060	\$ 88,697,001	\$ 96,035,261	\$ 100,392,976	\$ 102,558,017
ENDING FUND BALANCES					
CCSD No. 1	\$ 73,032,207	\$ 78,786,227 ²	\$ -	\$ -	\$ -
TCSD	15,102,361 ¹	-	-	-	-
SWMACC	562,433 ¹	-	-	-	-
WES	-	17,249,034	100,392,976	102,558,017	88,573,955
TOTAL ENDING FUND BALANCES (Includes Cont.) ³	\$ 88,697,001	\$ 96,035,261	\$ 100,392,976	\$ 102,558,017	\$ 88,573,955
INCREASE / (DECREASE) FROM BEGINNING	\$ 14,144,941	\$ 7,338,260	\$ 4,357,715	\$ 2,165,041	\$ (13,984,062)

The overall increases in fund balance and strengthening of reserves from FY 2016-17 to FY 2018-19 and projected FY 2019-20 result from revenues in excess of expenditures. This build-up in reserves will be used for current and future capital outlay. The decrease of approximately \$14.0 million during FY 2020-21 represents the budgeted use of reserves for capital outlay.

In the table above, the FY 2017-18 beginning fund balances for TCSD and SWMACC are \$0; this change from the FY 2016-17 ending fund balances represents the integration of the districts into the WES partnership on July 1, 2017 via the transfer of each member districts' reserves to the partnership.

Similarly, CCSD No. 1's beginning fund balances in FY 2018-19 are \$0. This change from the district's FY 2017-18 ending fund balance reflects the integration of the district into WES via a contribution of all of the district's reserves to WES on July 1, 2018.



More detailed discussions of changes in the fund balances of individual funds are contained in the Budget Detail section.

¹ TCSD's and SWMACC's FY 2016-17 Reserves were contributed to WES on July 1, 2017

² CCSD No. 1's FY 2017-18 Reserves were contributed to WES on July 1, 2018

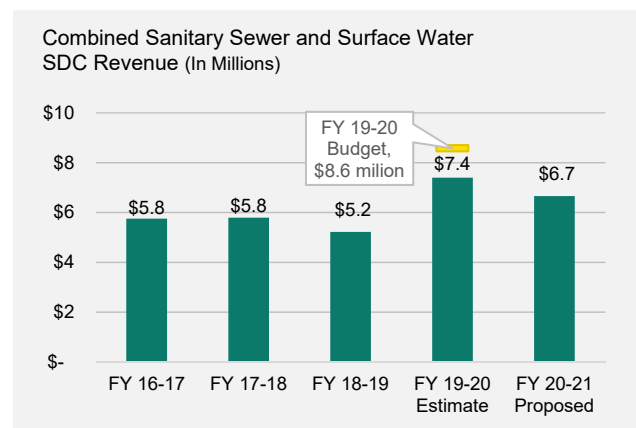
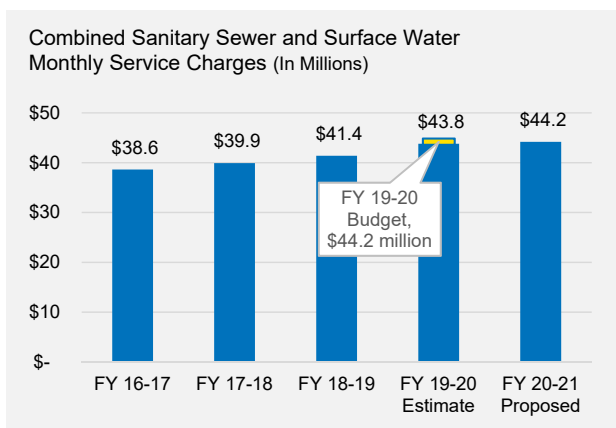
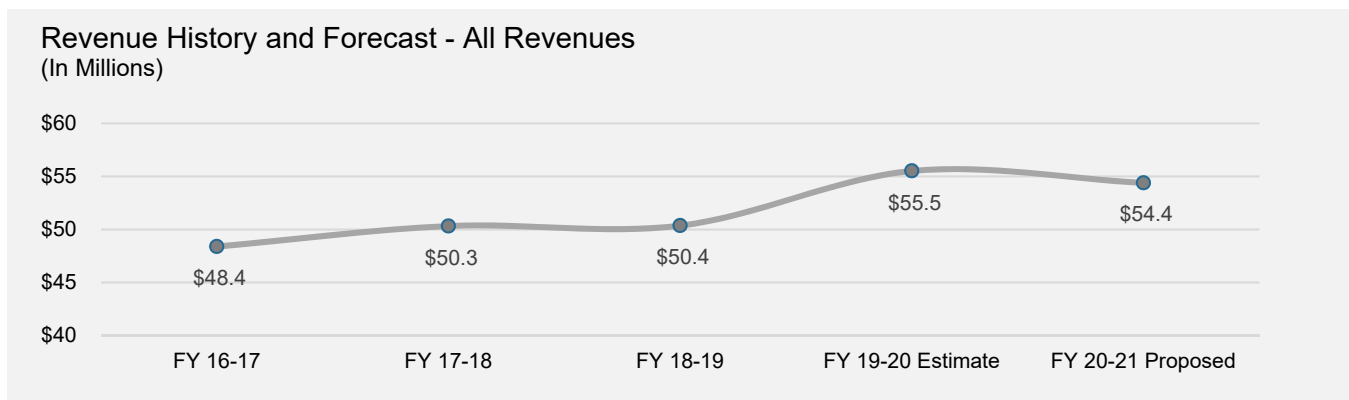
³ Includes budgeted contingency for FY 2020-21 as this amount is not expected to be expended during the year and will be added to reserves at year-end.

REVENUE TRENDS

Over 90% of WES' revenues are derived from two main sources: monthly charges for sanitary sewer and surface water services, and system development charges (SDCs). The following table shows the total combined revenues for all funds within WES for FY 2016-17 through FY 2018-19 actuals, the current FY 2019-20 budget and estimate, and the proposed budget for FY 2020-21.

	FY 2016-17 Actual ¹	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budget	FY 2019-20 Estimate	FY 2020-21 Proposed Budget
Sanitary Sewer and Surface Water Service Charges	\$ 38,619,492	\$ 39,905,289	\$ 41,371,488	\$ 44,178,200	\$ 43,799,900	\$ 44,194,100
System Development Charges	5,750,719	5,788,384	5,220,707	8,574,400	7,394,500	6,657,600
Other Revenue Items	4,019,875	4,633,996	3,770,499	4,266,188	4,323,020	3,538,920
Total	\$ 48,390,086	\$ 50,327,669	\$ 50,362,694	\$ 57,018,788	\$ 55,517,420	\$ 54,390,620

The charts below illustrate growth trends in all revenues, service charges, and SDC revenue.



The FY 2020-21 budget for Sanitary Sewer and Surface Water monthly service charge revenues is based upon trend analysis concerning the number of current accounts and a population forecast study completed in 2016 for estimates of new accounts. SDC revenue estimates are based upon population forecasts of growth within the service areas modified for trends in recent development. Proposed increases to both the monthly service charge rates and the SDC rates have been factored in to the revenue estimates.

¹ FY 2016-17 actuals revised for categorization of prior year data

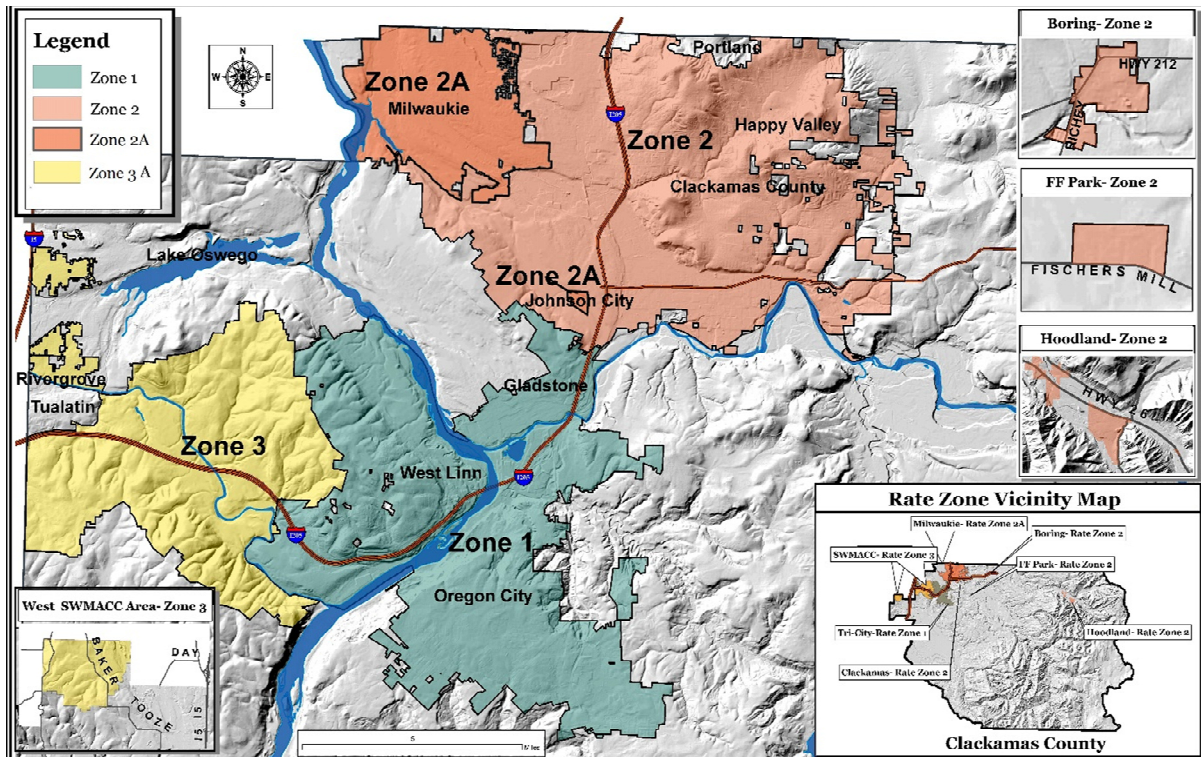
MONTHLY SERVICE CHARGES

Rate increases between 0.13% and 5.35% are proposed for the FY 2020-21 budget year. The table below summarizes the monthly service charge rates by service category and service area and presents the percent increase from the prior year's rates.

	Rate Components	Gladstone	Oregon City	West Linn	Unincorp RZ1	Unincorp RZ2	Happy Valley	Milwaukie	Johnson City	Rate Zone 3
Sanitary Sewer	Wastewater Treatment	24.95	24.95	24.95	24.95	24.95	24.95	24.95	24.95	
	Local Collection				13.30	13.30	13.30			
	Legacy Debt Svc Fee					13.00	13.00	13.00	13.00	
	Subtotal – Sanitary Sewer	24.95	24.95	24.95	38.25	51.25	51.25	37.95	37.95	-
Surface Water	Surface Water Service					7.65	7.65			4.65
	On-Site Maintenance					3.00	3.00			
	Subtotal – Surface Water	-	-	-	-	10.65	10.65	-	-	4.65
	City Right-of-Way Fees ¹¹	1.25	1.65	-	-	-	3.10	-	-	-
Est. Total Monthly Bill	FY 2020-21	\$ 26.20	\$ 26.60	\$ 24.95	\$ 38.25	\$ 61.90	\$ 65.00	\$ 37.95	\$ 37.95	\$ 4.65
	% Δ from FY 2019-20	5.01%	5.35%	5.05%	5.08%	1.73%	1.74%	0.13%	0.13%	4.49%
	FY 2019-20	\$ 24.95	\$ 25.25	\$ 23.75	\$ 36.40	\$ 60.85	\$ 63.89	\$ 37.90	\$ 37.90	\$ 4.45
	% Δ from FY 2018-19	3.31%	3.48%	3.26%	9.47%	4.73%	4.72%	4.99%	4.99%	4.71%
	FY 2018-19	\$ 24.15	\$ 24.40	\$ 23.00	\$ 33.25	\$ 58.10	\$ 61.01	\$ 36.10	\$ 36.10	\$ 4.25
		Rate Zone 1				Rate Zone 2 (and 2A)				Rate Zone 3

MAP OF WES RATE ZONES

A larger version of the rate zone map below is provided on page 24 in the About the Department section.



¹ City Right-of-Way Fees in the Monthly Service Charge table are an estimate based on proposed rates.

SYSTEM DEVELOPMENT CHARGES



\$6.7 M

Inflationary adjustments of approximately 1.98% are proposed for FY 2020-21 for Sanitary Sewer and Surface Water System Development Charges. These adjustments are based on the calendar year 2019 construction cost index.

The table below summarizes the SDC rates and percent increases from the prior year's rates for the last four fiscal years and the proposed rates for FY 2020-21.

Service Category	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21 Proposed	
	SDC Rate	% Increase	SDC Rate	% Increase	SDC Rate	% Increase	SDC Rate	% Increase	SDC Rate	% Increase
Sanitary Sewer ¹	\$ 7,140	2.7%	\$ 7,330	2.7%	\$ 7,615	~3.9%	\$ 7,850	~3.0%	\$8,005	~1.98%
Surface Water	\$ 205	0%	\$ 205	0%	\$ 205	0%	\$ 211	~2.8%	\$ 215	~1.98%

FULL TIME EQUIVALENT POSITIONS



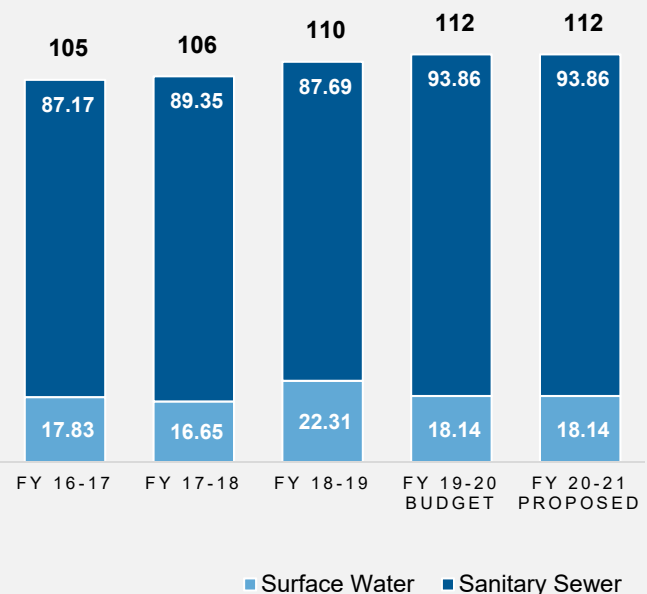
112 FTE

The FY 2020-21 budget proposes 112 FTE, the same number as the FY 2019-20 budget. The allocation of FTE by service category for the last four fiscal years and the proposed budget is detailed in the chart to the right.

Full time equivalent positions increased by 1 FTE in FY 2017-18, by 4 FTE in FY 2018-19, and by 2 FTE in FY 2019-20. The new positions added in FYs 2017-18 through 2019-20 were needed to provide maintenance to existing infrastructure, support in constructing new treatment capacity, and for operations of the same.

Although no new FTE are proposed for FY 2020-21, the budget does reflect reclassifications of two existing positions to support WES' operations and initiatives for the upcoming fiscal year. Additional information on the allocation of positions among WES' programs and work divisions is contained in the Performance Clackamas section and in Appendix B.

**FTEs by Service Category
FY 2016-17 through FY 2020-21 Proposed**



¹ FYs 2017-18 through 2018-19 show the historic Sanitary Sewer SDC fee for Rate Zone 2 retail only. This fee was harmonized in FY 2019-20 resulting in one unified Sanitary Sewer SDC fee for all rate zones.

About the Department



Carli Creek Treatment Wetland, September 2019

ORGANIZATIONAL INFORMATION

WATER ENVIRONMENT SERVICES

Water Environment Services was created in 2016 under Oregon Revised Statute 190 as a governmental partnership between Clackamas County Service District No. 1 (CCSD No.1) and Tri-City Service District (TCSD) in order to provide long-term certainty and stability for customers in both districts. The Surface Water Management Agency of Clackamas County (SWMACC) joined the partnership in June 2017.

The enabling legislation establishes the partnership as an independent municipal corporation authorized to provide specific services within specified boundaries in the county. The legislation also designates the Board of County Commissioners as the governing body.

On July 1, 2017, Water Environment Services began providing wastewater treatment services at the Tri-City Water Resource Recovery Facility, located in Oregon City, Oregon, to the cities of Gladstone, Oregon City and West Linn, and to a small number of retail customers. These services were provided by TCSD in prior years.

On July 1, 2017, Water Environment Services began providing surface water management services to the City of Rivergrove and portions of unincorporated Clackamas County draining into the Tualatin River. These services were formerly provided by SWMACC.

On July 1, 2018, Water Environment Services began providing wastewater collection and treatment services to the unincorporated areas of Clackamas County, the City of Happy Valley, the western edges of Damascus, and communities of Hoodland, Boring, and Fischer's Forest Park. In addition, Water Environment Services provides wastewater treatment services to the City of Milwaukie and Johnson City under wholesale contract agreements. These services were formerly provided by CCSD No. 1.

On July 1, 2018, Water Environment Services began providing surface water management services within the City of Happy Valley and unincorporated Clackamas County. These services were provided by CCSD No. 1 in prior years.

Water Environment Services is managed by the County Department of the same name in a coordinated effort within the overall county organization. The Director of Water Environment Services is a member of the county administrator's staff. Actions of the Board of County Commissioners, essential for WES' operation, pass through the administrator for scheduling. The partnership also receive services from other county departments such as Finance, Employee Services and Technology Services.

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

Clackamas County Service District No. 1 (CCSD No. 1) was formed in 1967 to construct and operate a sanitary sewer system within Clackamas County. On July 1, 2018, CCSD No. 1's operations were transferred to the Water Environment Services partnership. CCSD No. 1 continues to exist as the Rate Zone 2 service area within WES.

TRI-CITY SERVICE DISTRICT

The Tri-City Service District (TCSD) was formed in 1980 to carry out a sewage improvement program for the Willamette and Clackamas Rivers. On July 1, 2017, TCSD's operations were transferred to the Water Environment Services partnership. TCSD continues to exist as the Rate Zone 1 service area within WES.

SURFACE WATER MANAGEMENT AGENCY OF CLACKAMAS COUNTY

The Surface Water Management Agency of Clackamas County (SWMACC) was created in 1992 to address the Oregon Department of Environmental Quality (DEQ) regulations applied to the Tualatin River as a result of the topography of the basin and density of development. On July 1, 2017, SWMACC's operations were transferred to the Water Environment Services partnership. SWMACC continues to exist as the Rate Zone 3 service area within WES.

RATE ZONE 1

Rate Zone 1 includes the cities of Gladstone, Oregon City, and West Linn, and a small number of retail customers.

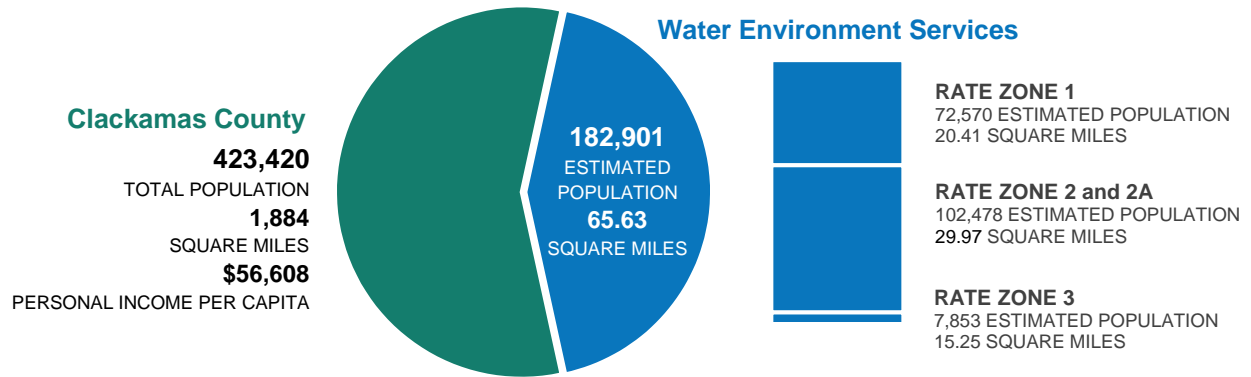
RATE ZONE 2

Rate Zone 2 includes four separate, noncontiguous sewer service areas encompassing the unincorporated areas of Clackamas County, the City of Happy Valley, the western edges of Damascus, and communities of Hoodland, Boring, and Fischer's Forest Park as well as a surface water management service area within the City of Happy Valley and in unincorporated Clackamas County. Rate Zone 2A includes the City of Milwaukie and Johnson City as wholesale customers.

RATE ZONE 3

Rate Zone 3 includes the City of Rivergrove and portions of unincorporated Clackamas County draining into the Tualatin River.

Population and Service Area



Operating Statistics

4 Water Resource Recovery Facilities



22.949 MILLION GALLONS PER DAY
 TOTAL DRY-WEATHER TREATMENT CAPACITY

21 Pump Stations



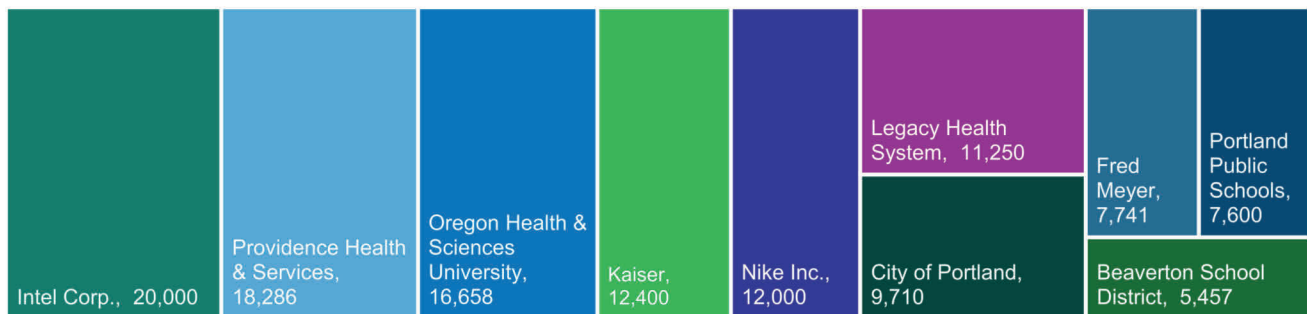
MILES OF SANITARY SEWER PIPE

19,499

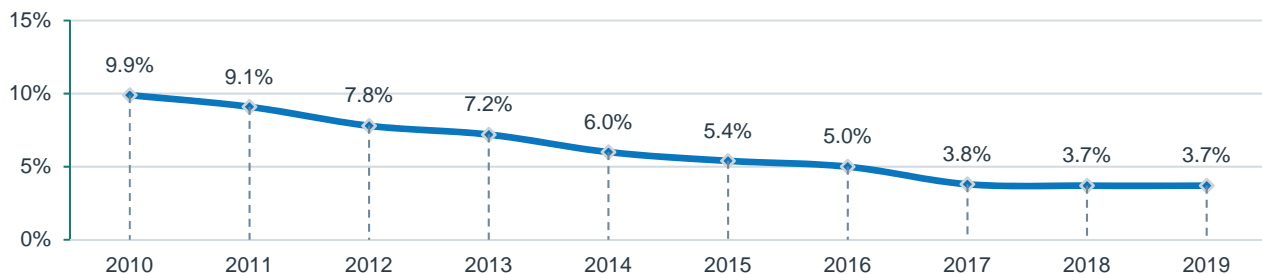
SURFACE WATER INLETS/
 MANHOLES/
 CONTROL STRUCTURES



Major Employers by Number of Employees

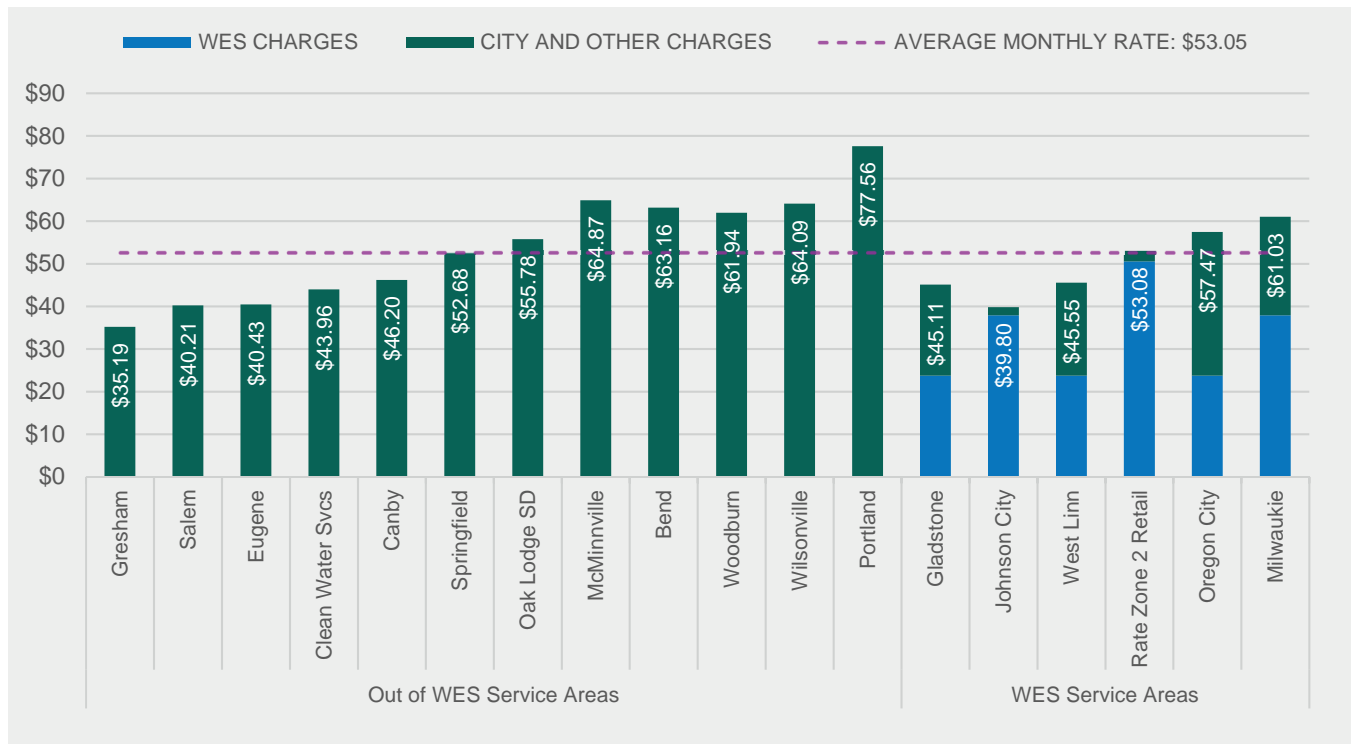


Clackamas County Unemployment Rates by Calendar Year



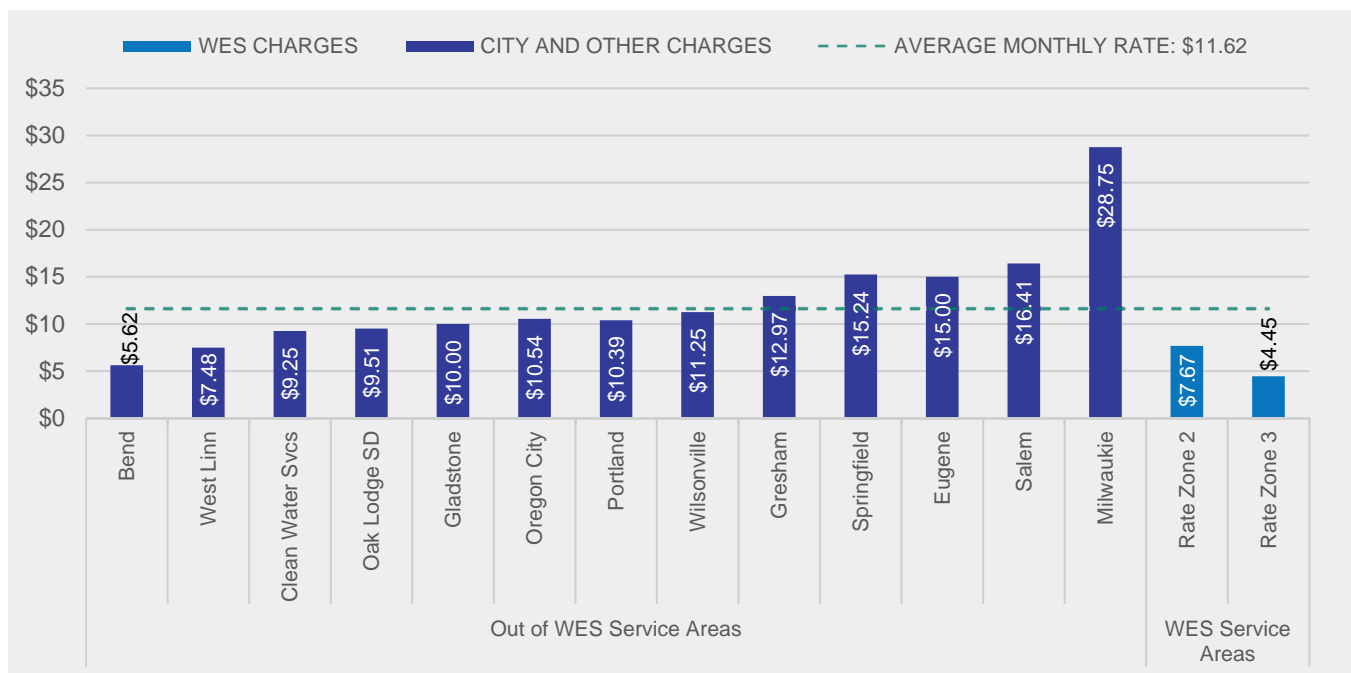
SOURCES: WES Records, Census Bureau, Bureau of Labor and Statistics, State of Oregon Employment Department, Center for Population and Research, Portland Business Journal *Book of Lists 2019*

Monthly Sanitary Sewer Rate Survey, FY 2019-20



Sanitary sewer rates in the above chart are based on rates for single family dwellings; in those cities where consumption charges apply, totals are calculated based on a monthly consumption of 7 CCF. City and other charges includes ROW fees, where applicable.

Monthly Surface Water Rate Survey, FY 2019-20



City and other charges includes ROW fees, where applicable.

DEPARTMENT MILESTONES

1967		Clackamas County Service District No. 1 (CCSD No. 1) organized to construct and operate a sanitary sewer system.
1971		CCSD No. 1's Fischer's Forest Park Water Resource Recovery Facility begins service to 26 single family residences.
1974		CCSD No. 1's Kellogg Creek Water Resource Recovery Facility completed; service begins to North Clackamas Service Area. Design capacity 10.0 million gallons per day (dry weather flow).
1980		Cities of Oregon City, West Linn, and Gladstone, in conjunction with Clackamas County form Tri-City Service District (TCSD) to provide wastewater transmission and treatment services.
1982		CCSD No. 1's Hoodland Water Recovery Facility begins service to Hoodland, Welches, and the Wemme Recreational Corridor. Design capacity 0.9 million gallons per day.
1984		Clackamas County Water Environment Services Department created to administer County service districts CCSD No. 1 and Tri-City formed within Clackamas County, Oregon under the provisions of ORS Chapter 451.
1986		CCSD No. 1's Boring Water Resource Recovery Facility completed, providing service to 60 commercial and residential connections. Design Capacity 0.020 million gallons per day.
1987		TCSD's Tri-City Water Resource Recovery Facility completed; service begins to the Cities of Oregon City, Gladstone, and West Linn. Design capacity 8.4 million gallons per day (dry weather flow).
1992		Surface Water Management Agency of Clackamas County (SWMACC) formed to improve the water quality of the Tualatin River.
1993		CCSD No. 1 initiates service to North Clackamas Surface Water Service Area.
1996		CCSD No. 1 and TCSD construct the shared Water Quality Lab Facility.
1999		Tri-City facility begins providing growth-related capacity for CCSD No. 1.
2010		Tri-City WRRF expansion completed; increases facility's capacity to 11.9 million gallons per day to support area growth.
2012		CCSD No. 1 and TCSD jointly purchase former Blue Heron property in West Linn, Oregon.
2015		The Department embarks on a strategic planning effort focused on providing positive results for its customers and stakeholders.
2016		The Department implements the Performance Clackamas Strategic Plan. CCSD No. 1 and TCSD form ORS 190 partnership Water Environment Services.
2017		SWMACC joins Water Environment Services partnership. Water Environment Services begins providing service to the Rate Zone 1 and 3 service areas.
2018		Water Environment Services begins providing service to the Rate Zone 2 service area. Groundbreaking ceremony for construction of a new digester at Tri-City WRRF. Carli Creek Treatment Wetland completed; begins treating surface water runoff from Clackamas Industrial Area.
March, 2019		Tri-City WRRF chlorine gas tanks removed for replacement with sodium hypochlorite disinfection system.
December, 2019		Initial rebranding effort completed: Clackamas Water Environment Services new brand and logo announced.



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Water Environment Services, Oregon, for its Annual Budget for the fiscal year beginning July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

DEPARTMENT ORGANIZATION

The Department is proposed to contain 112 full time equivalent (FTE) positions for FY 2020-21, the same number as the FY 2019-20 budget.

From an operational and strategic management perspective, Water Environment Services is organized into four lines of business and eleven programs under the Performance Clackamas structure. Each program has a distinct operating budget containing the costs associated with carrying out that program's functions. FTEs are allocated to programs based upon budgeted needs and the program's objectives for the coming fiscal year.

During FY 2017-18, the Department revised its organizational chart and personnel structure to more closely align with the Performance Clackamas structure. From a human resources perspective, the Department is organized into six main divisional workgroups, three of which parallel their corresponding Performance Clackamas Lines of Business (Capital Program, Operations, and Environmental Services) and three divisional workgroups that fall under the Business Services Line of Business (Director, Financial Management, and Administrative Services).

CAPITAL PROGRAM

14 FTE

Staff in this workgroup provide services including: asset management, capital projects and fleet management, capital improvement program administration, information technology, and technical services.

OPERATIONS

52 FTE

Staff in this workgroup provide services including: sanitary sewer treatment, biosolids management and distribution, collection system maintenance, treatment plant maintenance, mechanical and electrical equipment maintenance, and storm system maintenance.

ENVIRONMENTAL SERVICES

20 FTE

Staff in this workgroup provide services including: development review and permitting, riparian restoration and erosion control, laboratory operations, program field monitoring, source control, and water quality monitoring.

DIRECTOR

4 FTE

Staff in this workgroup provides services including: department oversight, district governance, public information and outreach, risk management, strategic planning, regulatory compliance, and policy administration.

FINANCIAL MANAGEMENT

8 FTE

Staff in this workgroup provide services including: financial analysis and reporting, accounting, budgeting, rate projections, and utility billing.

ADMINISTRATIVE SERVICES

14 FTE

Staff in this workgroup provide services including customer service and administration, human resources, records and contract administration, and administrative support.

CLACKAMAS COUNTY IMBEDDED STAFF

WES contracts with other County departments for personnel to provide legal, risk, and public communications services. As these specialized positions are employees of the departments that WES contracts with, they are funded in the Other County Services line item in the budget and not included in WES' Personnel Services budget. These positions are listed on the organizational chart on the following page as imbedded staff and identified with a dashed box. Imbedded staff generally operate within the Director workgroup under the direction of Department Management.

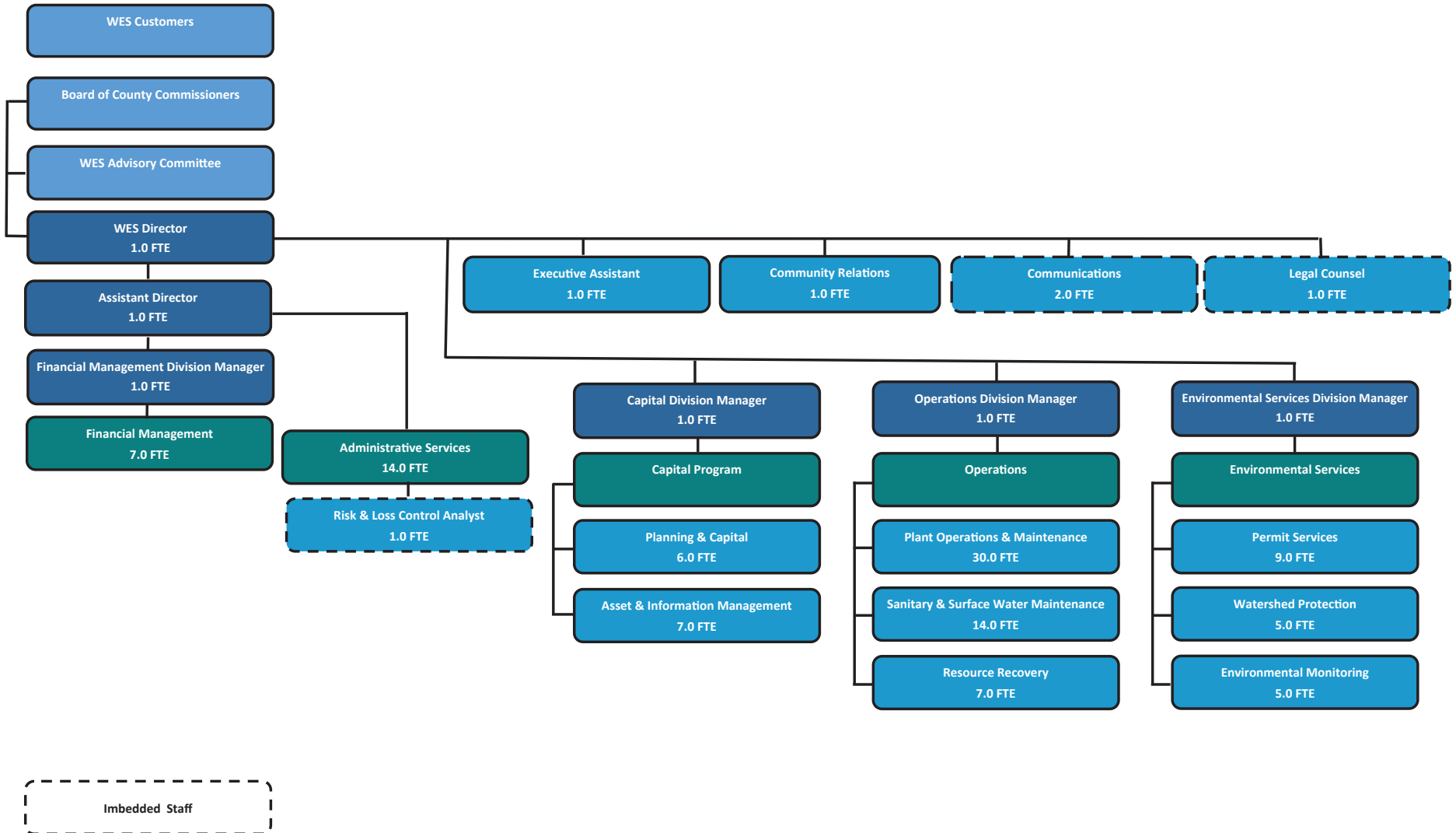
WES ADVISORY COMMITTEE

WES' Advisory Committee is an 18-person committee consisting of customers, stakeholders and city representatives. The Committee's purpose is to provide input and make recommendations on wastewater and surface water issues to WES and the BCC

The organizational chart on the following page illustrates the allocation of staff among the divisional workgroups for the 2020-21 fiscal year.

The Performance Clackamas section of this document contains details on the Department's 11 programs which establish the structure for the operating budget.

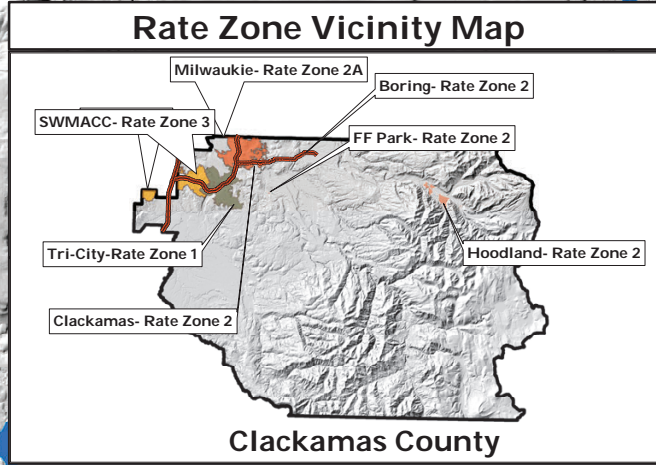
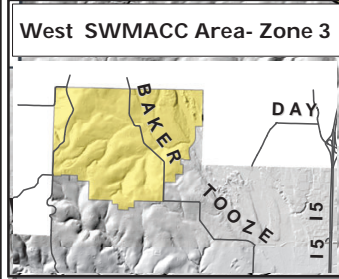
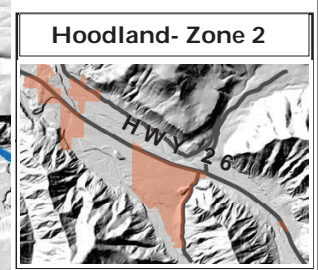
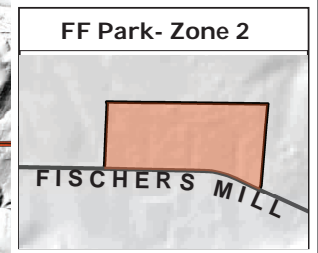
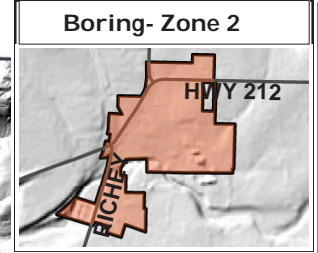
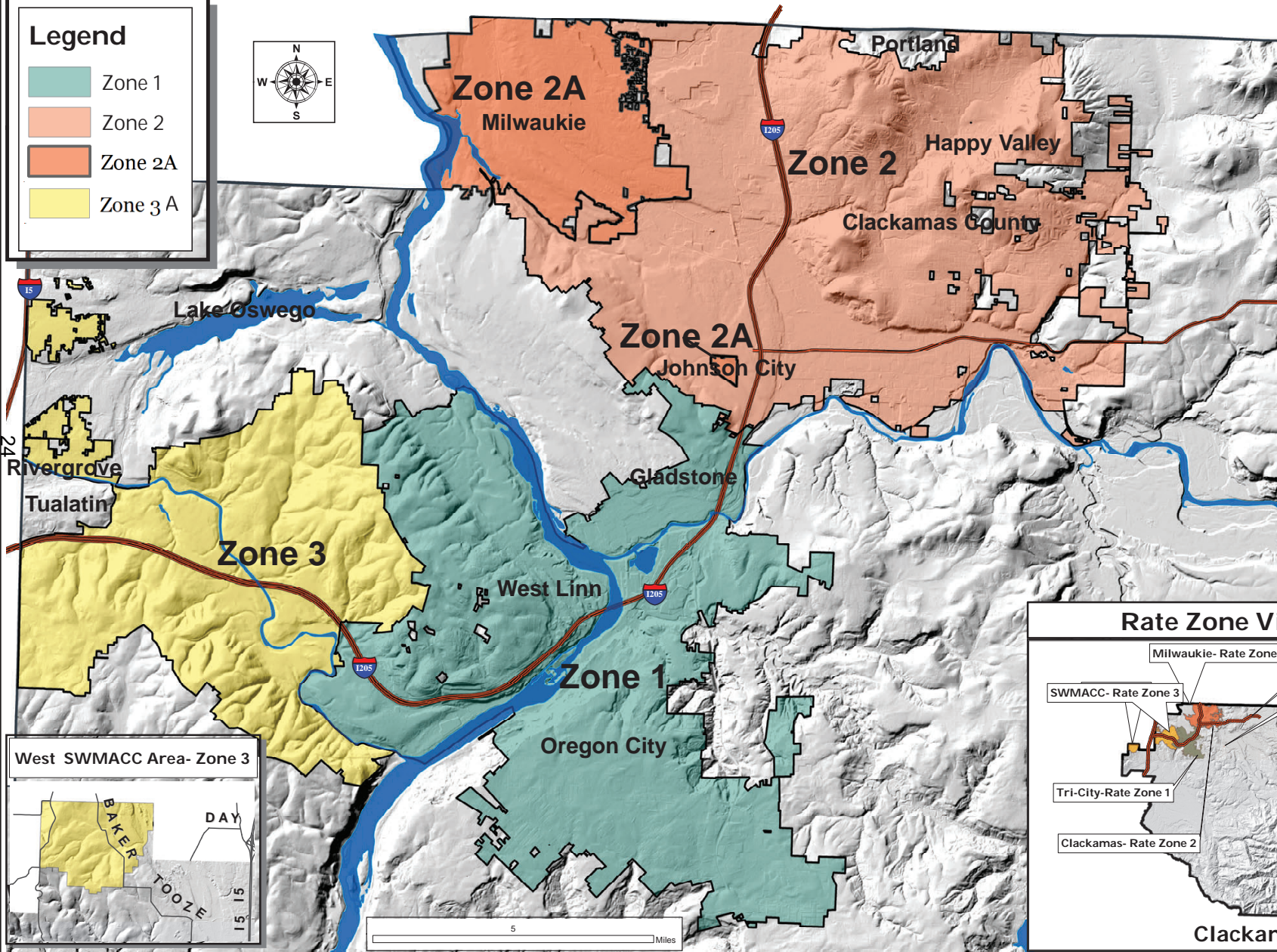
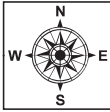
CLACKAMAS WATER ENVIRONMENT SERVICES FUNCTIONAL ORGANIZATION CHART, FY 2020-21



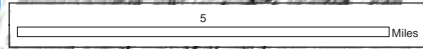
Clackamas Water Environment Services Rate Zones

Legend

- Zone 1
- Zone 2
- Zone 2A
- Zone 3 A



Data: 3/17/2020 Author: Bill Kite, of WEES Document Name: BudgetCoverWEESBoroughZone_2020



Guide to the Budget

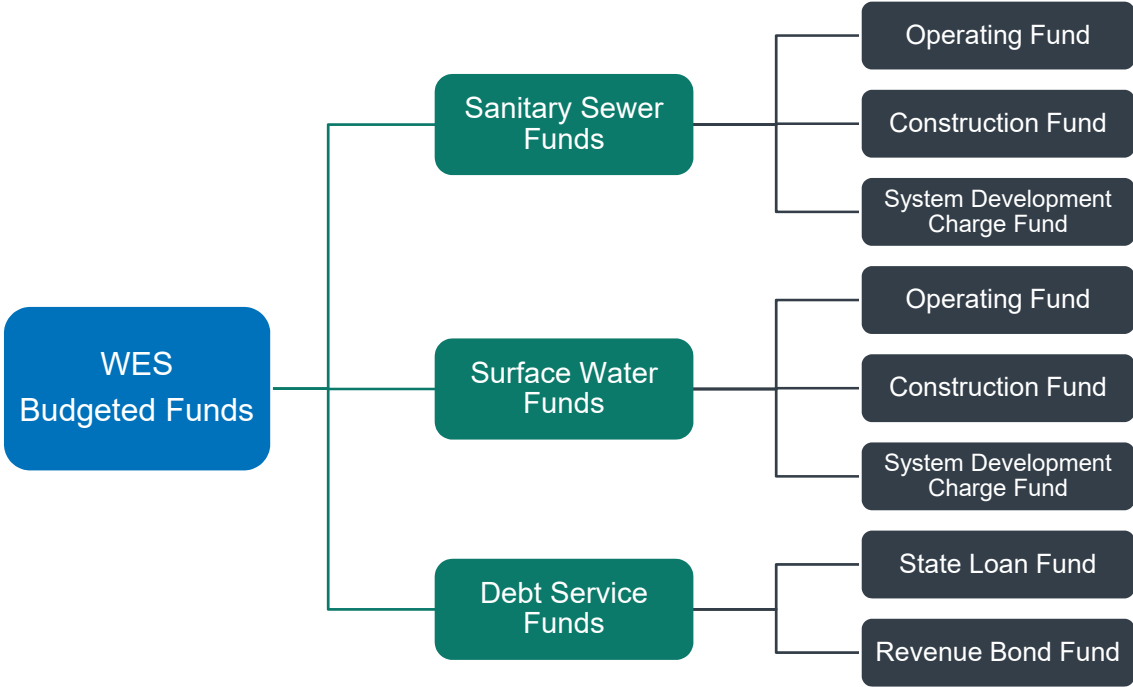


Students visiting WES' booth at a water education event

FINANCIAL STRUCTURE

Per Oregon Budget Law requirements, WES’ budget is prepared and adopted by individual funds. A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives. Oregon Administrative Rules require that each fund’s budget is balanced, which means that the resources must equal the requirements each fiscal year. The fund accounting structure below outlines the organization of the various funds within WES.

BUDGET FUND STRUCTURE CHART



SOURCES AND USES OF FUNDS

An overview of WES’ primary sources and uses of funds by fund type is outlined in the table below.

	Operating Funds	Construction Funds	System Development Charge Funds	Debt Service Funds
Sources of Funds	<ul style="list-style-type: none"> • Service charges • Interest • Other income 	<ul style="list-style-type: none"> • Transfers from Operating Funds • Project participation • Interest 	<ul style="list-style-type: none"> • System Development Charges (SDCs) for new connections • Interest 	<ul style="list-style-type: none"> • Transfers from Operating Funds • New debt issuances • Interest
Uses of Funds	<ul style="list-style-type: none"> • Operating and maintenance expenditures • Transfers to Construction and Debt Service Funds 	<ul style="list-style-type: none"> • Capital project expenditures 	<ul style="list-style-type: none"> • Capacity-enhancing capital project expenditures 	<ul style="list-style-type: none"> • Principal and interest on long-term debt

BASIS OF ACCOUNTING / FINANCIAL REPORTING

The audited financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) as applicable to governmental proprietary fund types (enterprise funds).

BASIS OF BUDGETING

In accordance with budgetary accounting principles, all funds are budgeted on the accrual basis of accounting under which revenues are recognized at the time they are earned and expenses are recognized when they are incurred, regardless of the timing of the related cash flow.

Differences between the budget basis and accounting basis are reconciled at year-end as shown in the Comprehensive Annual Financial Report (CAFR). In particular, these differences include: depreciation is accrued for GAAP purposes but is not a budgeted expense item as it does not require an expenditure of funds; principal payments on long term debt are expended on a budgetary basis but are applied to the outstanding liability on a GAAP basis, and capital outlay are treated as expenditures on a budgetary basis but are capitalized on a GAAP basis.

BUDGET PROCESS

WES' budget process follows the overall framework for budget development as established by Oregon Budget Law (ORS 294.305 to 294.565 and ORS 294.900 to 294.930):

1. Planning & Preliminary Budget Development

The budget process begins in January of each year and requires program managers to estimate their current fiscal year expenses and project their operating budget requirements for the next fiscal year. During this phase, managers review their programs and craft their budgets to support WES' strategic initiatives and their program's goals.

The capital budget for the upcoming year is prepared based on the Capital Improvement Plan which details capital projects over a rolling five year planning horizon.

Managers submit their operating and capital budgets to Department Finance where they are consolidated on a fund level and assembled into a preliminary budget which is used to update WES' long-range plan and forecast revenue requirements.

2. Review, Proposed Budget Development, and Approval

The preliminary budgets are evaluated and revised as necessary by management. The revised version is then presented to the County Administrator for review. After the County Administrator's review, the proposed budget is published and distributed to the members of the WES Budget Committee and presented at an Advisory Committee Meeting.

A "Notice of Budget Committee Meeting" is published and a meeting is held in which the WES Budget Committee hears the budget message, hears and considers public comments, discusses and revises the budget as needed, and approves the budget.

3. Adoption and Implementation

Once the WES Budget Committee has approved the budget, a budget summary and a notice of public budget hearing is published. This hearing provides another opportunity for public comment from interested citizens and other interested parties. Following the public hearing, the budget is adopted and appropriations are made by the Board of County Commissioners (BCC), which serves as the governing body for WES.

The budget must be adopted by June 30th of each year.

4. Budget Amendment after Adoption

The level of control is the level at which spending cannot exceed budgeted amount without formal governing board authorization. The budget is adopted at the fund level with appropriations made at the principal object level in the categories of Materials and Services, Interfund Transfers, Capital Outlay, Debt Service, Reserve, Special Payments, and Contingency. Management may make transfers of appropriations within these object levels, however, transfers of appropriations among object levels require approval by the BCC.

Unexpected additional resources may be added to the budget through the use of a supplemental budget. The BCC, at a regular Board meeting, may adopt a supplemental budget less than 10% of the fund's original budget. A supplemental budget greater than 10% of the fund's original budget requires a hearing before the public, publication, and approval by the BCC.

STAKEHOLDER INPUT

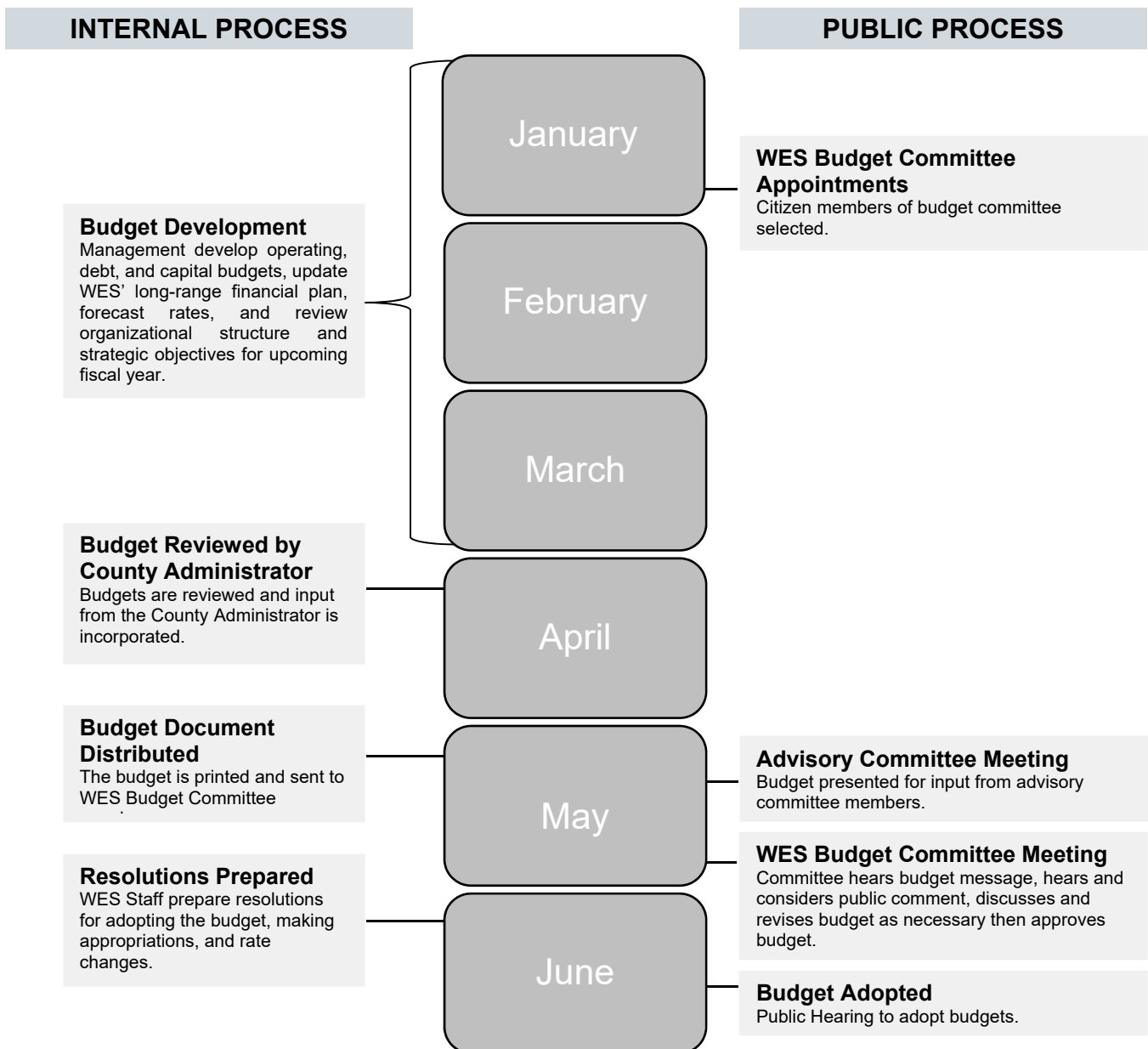
WES Advisory Committee

WES has established the Water Environment Services Advisory Committee (WESAC) which meets regularly at publicly held meetings to provide input and discuss significant affairs of WES, including operations, capital improvements, regulatory compliance, and the development of the annual budget. Members of the advisory committee have experience and/or background in wastewater management, watershed health and restoration, economic development, and surface water. Members must reside or work within the WES service area.

WES Budget Committee

The WES Budget Committee is composed of the BCC and a five-member subcommittee of the WESAC. The role of the WES Budget Committee is to perform duties consistent with County practices and Oregon Budget Law as outlined in the narrative overview of the budget process on the preceding page and the timeline below.

OVERVIEW OF BUDGET DEVELOPMENT: INTERNAL AND PUBLIC PROCESSES



BUDGET CALENDAR

The following calendar reflects the milestones met to develop the FY 2020-21 budget.

Date	Activity
January 1, 2020	Management begins review of Organization Structure and Performance Clackamas Lines of Business and Programs
January 30, 2020	WES Budget Committee appointments
February 20, 2020	Program Operating Budgets prepared by Managers and submitted to Department Finance
February 24, 2020	Capital Budget requests submitted to Department Finance
February 27, 2020	Preliminary Budgets reviewed by Department Leadership
March 18, 2020	Management Team review of Consolidated Operating Budgets, budgetary trends, and significant changes
March 23, 2020	Long-Range Financial Plan drafted to incorporate preliminary budgets; rates projected
March 26, 2020	Final Operating Budget review by Department Leadership; all changes submitted to Department Finance
April 1, 2020	Budgets presented to the County Administrator
April 6, 2020	Long-Range Financial Plan and rates updated with final budget numbers
May 7, 2020	Proposed Budgets distributed to WES Budget Committee
May 12, 2020	First notice of Budget Committee meeting published online
May 15, 2020	Second notice of Budget Committee meetings published in The Oregonian
May 21, 2020	WES Advisory Committee Budget Review Meeting
May 26, 2020	WES Budget Committee Meeting held
May 30, 2020	Summary of budget as approved by the Budget Committee and Notice of Budget Hearing published
June 2, 2020	Resolutions prepared for adopting the budget, making appropriations, and rate changes
June 11, 2020	Public Hearing Budgets Adopted
July 1, 2020	Begin Fiscal Year 2020-21



The Clackamas County Board of Commissioners has adopted resolutions which establish policies to provide direction and framework for the County and each component unit's operations. As the Department is considered a component unit of Clackamas County, the Department adheres to the County's policies as applicable to enterprise funds. Financial policies are reviewed periodically to incorporate minor changes to existing policy or major shifts in financial priorities at the discretion of the Board of Commissioners.

As of the date of publication of this budget document, the Department was in compliance with all financial policies.

Budgeting and Financial Planning

The Department will comply with Oregon Administrative Rules 150-294.388(1) and develop a balanced budget within each fund. A balanced budget is achieved when budgeted expenditures plus contingencies and reserves, if required, will be met by an equal amount of budgeted resources.

The Department shall legally adopt its budgets on a fund basis with appropriations made at the principal object level in the categories of Materials and Services, Interfund Transfers, Capital Outlay, Debt Service, Special Payments, Reserve, and Contingency.

The Department shall plan annual budgets for each fiscal year which accurately reflect the service priorities and needs of the citizens as directed by the Board of County Commissioners.

The Department will maintain a budgetary control system to monitor expenditures and revenues on an ongoing basis to ensure adherence to the budget.

The Department shall budget a contingency account in each Operating, System Development Charge, and Capital fund for circumstances which may arise which could not have been reasonably anticipated and which may require a change in the annually adopted plan.

The Department will manage funds with the objective of the Ending Fund Balance exceeding the original Contingency appropriation for the fiscal year.

Revenue

The Department will maintain to the greatest extent possible a diversified base of revenue sources, limiting reliance on any single source.

The Department shall establish fees and charges which support the total direct and indirect costs of providing services. Fees and charges will be in compliance with state statutes and County ordinances.

The Department will aggressively pursue collection of delinquent accounts.

Debt

The Department will issue debt to finance capital construction and capital acquisitions as recommended by the Director and authorized by the Board of County Commissioners.

The instruments chosen for financing will match the types and useful lives of the assets to be acquired. Financing methods chosen will be issued in compliance with all state, federal and local laws and regulations.

The Department will issue debt in amounts authorized by law, sufficient to provide financing for the project or projects, as well as any required reserves and the costs of issuance.

The Department will maintain their creditworthiness through sound financial, management, and accounting practices. Additionally, as evidence of these practices, WES will strive each year to maintain its GFOA certification of award for Excellence in Financial Reporting.

The Department will consider refunding bonds when it is possible to reduce interest costs significantly, when it is desirable to restructure the debt service schedule, or to eliminate unnecessary or excessively restrictive covenants on existing debt.

The Department will comply with all disclosure requirements for debt issues (e.g. Securities and Exchange Commission Rule 15(c) 2-12, and any other disclosure requirements).

Capital Improvement Plan (CIP) and Capital Budget

The Department will prepare a prioritized five-year Capital Improvement Plan addressing large-scale investments. The plan will be updated annually and all changes will be reviewed for approval by the Board of County Commissioners.

Capital Outlay budgets will include all anticipated expenditures for individual items with a useful life of more than one year and cost of more than \$5,000 individually. Purchases that do not fit this description are not considered Capital Outlay items but are supplies or maintenance.

Each year's budget for capital expenditures will be in conformance with the Capital Improvement Plan and in compliance with requirements of Oregon Revised Statutes.

Investments

The Department's cash and investments are invested by the Clackamas County Treasurer on behalf of the Department with the primary objectives of safety, liquidity, and yield.

The Department will monitor the activities of the Clackamas County Treasurer regarding the Department's cash and investments held by the County to ensure that liquidity and working capital needs are met and that investments are in compliance with the County's Investment Policy.

Performance Clackamas



WES' lab staff at work in the TCWRRF Water Quality Lab

PERFORMANCE CLACKAMAS

Budget by Program

MISSION

The mission of Clackamas Water Environment Services is to provide resource recovery and watershed protection services to our community so we can live, work, and play in a healthy environment.

VISION

WES is regionally known as a premier wastewater and surface water utility.

WES' Strategic Performance Clackamas Business Plan was developed over the course of the 2015-16 fiscal year and implemented at the start of FY 2016-17. Performance Clackamas is based on a Managing for Results approach which is a comprehensive and integrated management system focused on achieving results for the customer.

Under the Performance Clackamas structure, WES is organized into 4 broad lines of business and 11 more specific programs for sets of services that have a common purpose or result. As detailed on the following pages, each program determines customer-centric performance goals and creates a distinct operating budget containing the costs associated with carrying out that program's functions. FTEs are allocated to programs based upon the program's budgeted needs and objectives for the coming fiscal year.

In December 2018, WES management completed an update of the strategic plan, WES' updated plan, which spans the years 2018 to 2021 utilizes a balanced focus approach. This approach reforms the Performance Clackamas model to align more specifically with the clean water industry by drawing upon the collective guidance of regulators, water sector associations, and other water and wastewater agencies. Through this dual framework approach WES developed a unifying strategic context allowing us to align with Clackamas County as a whole and concurrently other utilities within our sector as we pursue our goal to be known regionally as a premier utility for surface water management and collecting and treating wastewater.

WES' updated plan focuses on five strategic initiatives as key to the achievement of our mission and realization of our vision:

Enterprise Resiliency

Wastewater and stormwater utilities are facing challenges including workforce turnover and its associated loss of institutional knowledge; aging infrastructure and increasingly capital intensive repairs and replacements during times of uncertainty around federal funding sources; and shifting community growth patterns. WES will focus on Resiliency to proactively address these challenges while increasing our base system reliability and lowering our risk levels across the broad spectrum we operate within.

Infrastructure Strategy and Performance

Our infrastructure is more than just pipes in the ground and treatment facilities, it's a complex system of physical assets operating within growing communities with evolving service needs and priorities. A focus on infrastructure strategy and performance ensures that we'll take all of those factors into account when we develop capital plans that include current asset conditions, system reliability goals, life cycle costs and stakeholder needs so that WES can maintain the system we have for today and build the system we need for tomorrow.

Product Quality

In the Effective Utility Management Primer, Product Quality is described as, "Produces 'fit for purpose' water and other recovered resources (e.g., energy, nutrients, biosolids) that meet or exceed full compliance with regulatory and reliability requirements and consistent with customer, public health, ecological, and economic needs." In practice, this means that WES is committed to fulfilling our core mission to recover the resources from the wastestream and protect the watershed so that we can live, work, and play in a healthy environment.

Employee and Leadership Development

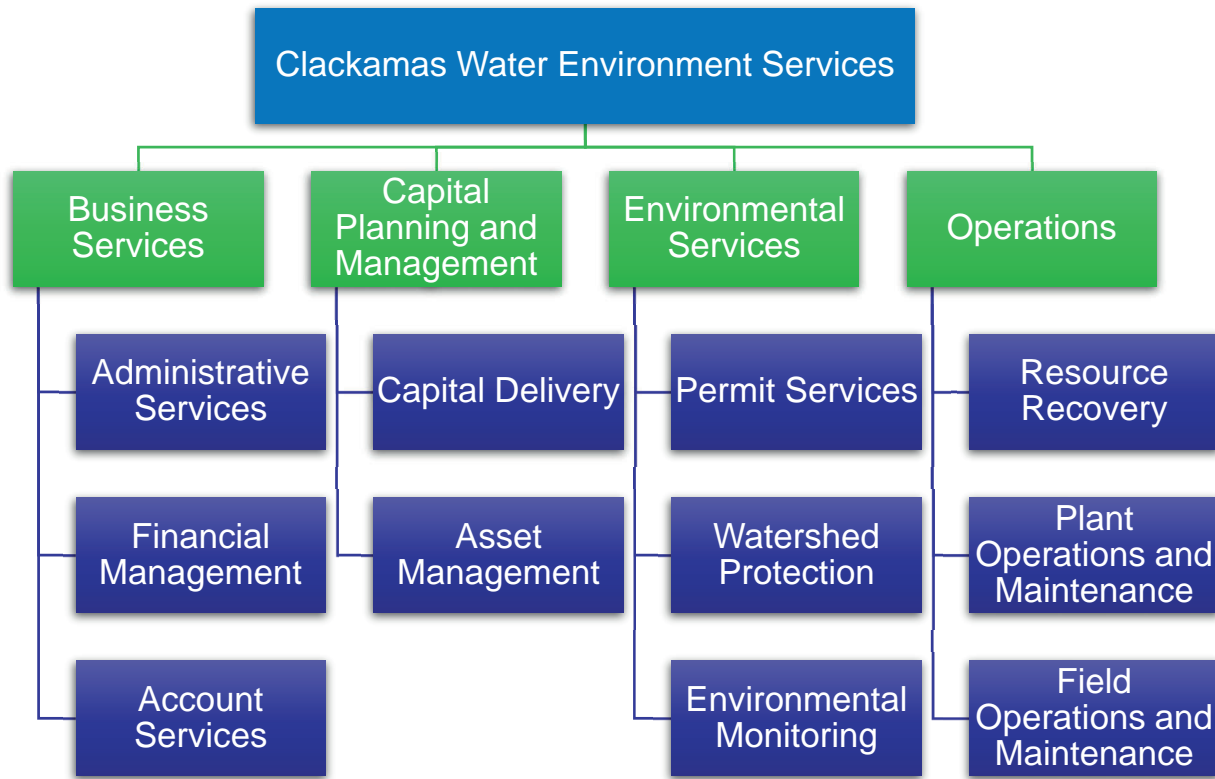
Across the nation, businesses and utilities are facing multiple impacts to our ability to attract and retain our highly skilled workforce including generational turn-over, increasing automation and other technological advances, compensation competitiveness and shifting societal views of public service. These impacts create both opportunities and challenges. In today's competitive employment market, our goal is to become an Employer of Choice through a focus on recruiting, developing and retaining a diverse, highly skilled and resilient workforce.

Operational Optimization

Sustainability is more than a buzz word. It's a way of operating with a focus on continuous improvement, data-driven decision making, and reduction of waste in all its forms. A focus on operational optimization is our commitment to continually seek ways to increase our positive (and reduce our negative) impact; we will work to maximize our effectiveness and reduce our resource demands in order to optimize our operations and expand our sustainability.

WES' Strategic Initiatives and connection to Performance Clackamas Program Goals	Alignment with the County's overall Plan
<p>Enterprise Resiliency</p> <p>Key Initiative: By January, 2021, WES will have completed the TC WRRF Solids Handling Improvements Project to support the expected 20-year growth horizon. Program(s) focused on achieving result: Capital Delivery</p> <p>Key Initiative: WES will utilize a Risk-based Asset Management Plan so that asset refurbishment and replacement decisions for assets will be made based on a risk-to-cost decision matrix. Program(s) focused on achieving result: Asset Management</p>	<p>Build strong infrastructure</p>
<p>Infrastructure Strategy and Performance</p> <p>Key Result: 75% of all WES Maintenance activities will be planned efforts to address performance deficiencies or enhancements. Program(s) focused on achieving result: Plant Operations and Maintenance, Field Operations and Maintenance</p> <p>Key Initiative: By December 31, 2020, Clackamas County will adopt a Master Plan for surface water management that will enhance the quality of surface water. Program(s) focused on achieving result: Watershed Protection</p>	<p>Build strong infrastructure</p> <p>Honor, Utilize, Promote and Invest in our Natural Resources</p>
<p>Product Quality</p> <p>Key Result: Camera inspect, clean and provide preventative maintenance to 16.7% (approximately 54 miles of pipe) of the sanitary collection system each year, such that the entire system is inspected and maintained every six years. Program(s) focused on achieving result: Field Operations and Maintenance</p> <p>Key Result: 50% of inspected businesses comply with stormwater standards upon initial inspection, as evidenced by adequate pollution controls and storm system maintenance. Program(s) focused on achieving result: Watershed Protection</p>	<p>Build strong infrastructure</p> <p>Honor, Utilize, Promote and Invest in our Natural Resources</p>
<p>Employee and Leadership Development</p> <p>Key Initiative: By December 31, 2020, WES will utilize a strategic workforce planning model to address staff recruitment and retention, succession planning, training and development and future needs analysis. Program(s) focused on achieving result: Administrative Services</p>	<p>Build Public Trust through Good Government</p>
<p>Operational Optimization</p> <p>Key Result: WES will beneficially reuse 85% of recovered solids. Program(s) focused on achieving result: Resource Recovery</p> <p>Key Result: WES will consistently achieve a "wastewater treatment effectiveness rate" of 85% in addition to 100% regulatory permit compliance. Program(s) focused on achieving result: Plant Operations and Maintenance</p> <p>Key Result: 500 additional accounts added to paperless billing each year. Program(s) focused on achieving result: Account Services</p>	<p>Honor, Utilize, Promote and Invest in our Natural Resources</p> <p>Build strong infrastructure</p> <p>Build Public Trust through Good Government</p>

Performance Clackamas Structure and Program Descriptions



Business Services
Line of Business

Provide administrative, human resources, and budgetary services to department employees, and advisory and budget committee members, so they can provide effective, well managed services and information to members of communities served by WES.

Administrative Services
Program

Provide efficient and effective administrative, human resources, and communication services to department employees so they can provide well managed services and information to customers and stakeholders.

Financial Management
Program

Provide accurate and timely financial support, budget, audits, analysis, projection, and rate proposal services to WES employees, decision makers, advisory committees and the public so they have the necessary resources to achieve strategic results and provide input on how WES' resources are generated, allocated and used.

Account Services
Program

Provide utility billing account management and personalized service to customers so they can pay for the services they receive.

<p>Capital Planning and Management Line of Business</p>	<p>Provide strategy, analysis, projection, and new infrastructure services to WES ratepayers and decision makers so they can make well-informed decisions leading to timely and cost-effective infrastructure.</p>
<p>Capital Delivery Program</p>	<p>Provide wastewater planning, engineering, and construction services to provide WES ratepayers with reliable wastewater treatment and collection and conveyance infrastructure and support anticipated growth.</p>
<p>Asset Management Program</p>	<p>Provide strategies, technology and asset tracking services to WES employees so they can make proactive, data-driven decisions that align with WES' strategic business plan and budget.</p>
<p>Environmental Services Line of Business</p>	<p>Provide monitoring and assessment and pollution prevention services to WES staff, and permitting services to permit applicants, and the broader community so they can access and appropriately use WES' infrastructure and understand their potential impact on water quality.</p>
<p>Permit Services Program</p>	<p>Provide permit consultation, review, and approval services to developers, businesses, and industrial users so they can gain access to WES' systems in a timely fashion and appropriately discharge wastewater and stormwater.</p>
<p>Watershed Protection Program</p>	<p>Provide surface water protection and restoration services to residents of WES' service areas so they can benefit from healthy and clean streams.</p>
<p>Environmental Monitoring Program</p>	<p>Provide sample collection, analysis and reporting services to WES Programs so they can operate the treatment plants and collection systems effectively and comply with regulatory permit requirements.</p>
<p>Operations Line of Business</p>	<p>Provide collection and conveyance, treatment, and resource recovery services to ratepayers so they can have properly functioning infrastructure that supports healthy waterways and a vibrant economy.</p>
<p>Resource Recovery Program</p>	<p>Provide coordination and support for resource recovery and conservation services to WES programs, rate payers, and local communities so they can save money and live in sustainable communities.</p>
<p>Plant Operations and Maintenance Program</p>	<p>Provide treated wastewater effluent, recycled water, and recovered resources to the community so they can experience healthy and sustainable living.</p>
<p>Field Operations and Maintenance Program</p>	<p>Provide collection and conveyance system maintenance services to homes and businesses within WES' service areas so they can benefit from properly functioning infrastructure that supports water quality and reduces sewage backups and storm related flooding.</p>



Clackamas Water Environment Services

Operating Budget Summary by Program and Fund

Line of Business	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21
Program	FTE	WES Sanitary Sewer Operating Fund 631	WES Surface Water Operating Fund 641	Total Proposed Operating Budget
Business Services				
Administrative Services	12.01	\$ 2,985,205	\$ 780,253	\$ 3,765,458
Financial Management	5.82	1,131,424	167,236	1,298,660
Account Services	3.97	523,396	108,623	632,019
Business Services Total	21.80	4,640,025	1,056,112	5,696,137
Capital Planning and Management				
Capital Delivery	9.83	1,664,752	-	1,664,752
Asset Management	7.60	1,306,845	282,677	1,589,522
Capital Planning and Management Total	17.43	2,971,597	282,677	3,254,274
Environmental Services				
Permit Services	8.99	981,382	629,094	1,610,476
Watershed Protection	4.55	-	1,825,350	1,825,350
Environmental Monitoring	5.86	1,157,979	452,469	1,610,448
Environmental Services Total	19.40	2,139,361	2,906,913	5,046,274
Operations				
Resource Recovery	8.09	2,289,247	-	2,289,247
Plant Operations and Maintenance	30.78	10,036,459	-	10,036,459
Field Operations and Maintenance	14.50	3,362,545	843,327	4,205,872
Operations Total	53.37	15,688,251	843,327	16,531,578
Non-Program Equipment Pool				
Contra-Expense		(423,718)		(423,718)
TOTAL	112.00	\$ 25,015,516	\$ 5,089,029	\$ 30,104,545
FY 19/20 Budget				
	112.00	24,723,633	5,435,236	30,158,869
\$ Increase (Decrease)	0.00	291,883	-346,207	-54,324
% Increase (Decrease)	0.0%	1.2%	-6.4%	-0.2%

Clackamas Water Environment Services



Department Mission

The mission of Clackamas Water Environment Services is to provide resource recovery and watershed protection services to our community so we can live, work, and play in a healthy environment.

Clackamas Water Environment Services

Greg Geist - Director

FTE 112

Total Request \$30,104,545*

<p>Business Services Chris Storey - Assistant Director Total Request \$5,696,137</p>	<p>Capital Planning and Management Lynne Chicoine - Mgr Total Request \$3,254,274</p>	<p>Environmental Services Ron Wierenga - Mgr Total Request \$5,046,274</p>	<p>Operations Greg Eyerly - Mgr Total Request \$16,531,578</p>
<p>Administrative Services Chris Storey - Assistant Director FTE 12.01 Total Request \$3,765,458</p>	<p>Capital Delivery Lynne Chicoine - Mgr FTE 9.83 Total Request \$1,664,752</p>	<p>Permit Services Ron Wierenga - Mgr FTE 8.99 Total Request \$1,610,476</p>	<p>Resource Recovery Greg Eyerly - Mgr FTE 8.09 Total Request \$2,289,247</p>
<p>Financial Management Doug Waugh - Mgr FTE 5.82 Total Request \$1,298,660</p>	<p>Asset Management Lynne Chicoine - Mgr FTE 7.60 Total Request \$1,589,522</p>	<p>Watershed Protection Ron Wierenga - Mgr FTE 4.55 Total Request \$1,825,350</p>	<p>Plant Operations and Maintenance Greg Eyerly - Mgr FTE 30.78 Total Request \$10,036,459</p>
<p>Account Services Doug Waugh - Mgr FTE 3.97 Total Request \$632,019</p>		<p>Environmental Monitoring Ron Wierenga - Mgr FTE 5.86 Total Request \$1,610,448</p>	<p>Field Operations and Maintenance Greg Eyerly - Mgr FTE 14.50 Total Request \$4,205,872</p>

*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$423,718)

Business Services



Line of Business Purpose Statement

The purpose of the Business Services Line of Business is to provide administrative, human resources, and budgetary services to department employees, and advisory and budget committee members, so they can provide effective, well managed services and information to members of communities served by WES.

Clackamas Water Environment Services

Greg Geist - Director
FTE 112.00
Total Request \$30,104,545*

Business Services

Chris Storey - Assistant
Director
Total Request
\$5,696,137

Administrative Services

Chris Storey - Assistant
Director
FTE 12.01
Total Request
\$3,765,458

Financial Management

Doug Waugh - Mgr
FTE 5.82
Total Request
\$1,298,660

Account Services

Doug Waugh - Mgr
FTE 3.97
Total Request
\$632,019

*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$423,718)



Purpose Statement

The purpose of the Administrative Services program is to provide efficient and effective administrative, human resources, and communication services to department employees so they can provide well managed services and information to customers and stakeholders.

Performance Narrative Statement

The Administrative Services Program proposes a \$3,765,458 operating budget, representing a 7% increase from the prior year.

HR goals: Annual review counts remain below our overall target of 100% of annual reviews completed on time. Completion of reviews continues to rise. We have increased our completion rate by 10% over last fiscal year and anticipate achieving 100% by end of this fiscal year. It is a topic of discussion at every management team meeting.

Safety goals: Once again, plant evacuation trainings were completed successfully and without incident. Two concurrent efforts are underway to update our overall safety plan for our operations teams as well as finalize an Emergency Operations Plan. Engagement is high and incident rates remain low.

Customer Service: Customer service scores remain high and we continue our efforts to increase pathways for our customers to provide us with feedback. New online surveys have been added to our email signature lines and a new survey is being developed for our website that will allow us to combine our data more readily. We have also added a hyperlink survey to emails to allow external customers to provide separate feedback on the services they are receiving.

Key Performance Measures

		FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Actuals as of 12/31/19	FY 20-21 Target
Efficiency	Percent of annual reviews completed (Plan efficiency reads "Number of reviews completed on time / number of employees" this efficiency includes the data for the previously listed output "100 annual reviews completed" while accounting for shifting FTE counts)	42%	49%	75%	56%	100%
Output	# Plant Evacuation Drills (one per plant) per year ¹	3	3	3	3	3
Result	95% of surveyed WES customers are satisfied with the service they receive ¹ (This measure is an update of the customer satisfaction measure included in the previous plan)	98%	98%	95%	97%	97%
Result	% of WES employees surveyed have a clear understanding of WES priorities ²	Survey based - not measured				
Output	# annual work plans provided/expected ²	Data not collected	Discontinued			
Output	% of customer service requests that are closed in the same month ²	21	Discontinued			
<i>Key Performance Measures continued on next page</i>						

¹ WES completed a periodic plan review in FY 2018-19. This measure was added to the plan.

² WES completed a periodic plan review in FY 2018-19. This measure was removed from the plan.

Program includes:

Mandated Services

Shared Services

Grant Funding

Explanation

The Administrative Services program provides services as required by the Public Utility Commission in Oregon Administrative Rules, Chapter 860, Division 37 and organizes and administrates the advisory committees that review and provide policy recommendations to the governing body of the districts, in compliance with Oregon Public Meetings Law (ORS 192.610 to 192.690).

Key Performance Measures - Continued from previous page

		FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Actuals as of 12/31/19	FY 20-21 Target
Output	18 stakeholder presentations provided/expected ²	19	Discontinued			
Output	# public tour participants served/expected ²	404	Discontinued			
Result	% of reporting requirements met ²	100%	Discontinued			
Result	100% of Advisory and Budget Committee Members say they receive the information they need to make recommendations and decisions on substantive issues. ³	Survey based - not measured	Discontinued			
Output	Public outreach conducted for all WES events ³	Proposed but not adopted	Discontinued			

² WES completed a periodic plan review in FY 2018-19. This measure was removed from the plan.

³ WES completed a periodic plan review in FY 2018-19. This measure was proposed in FY 2018-19's budget book but not adopted.

Budget Summary

	FY 17-18 Actual*	FY 18-19 Actual**	FY 19-20 Budget	FY 19-20 Projected Year End	FY 20-21 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	1,609,560	1,806,655	1,867,159	2,091,848	1,952,718	85,559	5%
Materials & Services	1,514,417	1,378,582	1,380,132	1,289,097	1,535,413	155,281	11%
Indirect Costs (Internal Dept Chgs)	47,943	50,912	49,599	53,615	55,530	5,931	12%
Cost Allocation Charges	171,389	180,629	219,898	219,470	221,797	1,899	1%
Operating Expenditure	3,343,309	3,416,778	3,516,788	3,654,030	3,765,458	248,670	7%
							0%
Total Exp - Including Special Categories	3,343,309	3,416,778	3,516,788	3,654,030	3,765,458	248,670	7%
General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	14.02	12.43	12.64	12.64	12.01	-0.63	-5%
Full Time Equiv Pos (FTE) Filled at Yr End	13.14	12.60	12.64	13.37			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.88	-0.17	0.00	-0.73			

Significant Issues and Changes

This Administrative Services program budget is requesting a 7% increase to implement two material changes. The first is the addition of a new position in WES, the Strategic Engagement Coordinator. This position was a repurposed FTE arising from efficiencies in the Account Services and Financial Management Programs resulting from the WES consolidation. This position was recruited and Shelly Parini-Runge joined WES as a full time employee in April 2020 in that role. The increase in Materials and Services reflects expenditures regarding two major initiatives. The first is in support of the Climate Action Plan in partnership with other elements of Clackamas County. The second is funding for implementation of the new brand developed in FY 2019-20. No other significant issues or changes are projected for FY 2020-21.

** FY 2017-18 and FY 2018-19 figures reflect the combined expenditures and budget for the Office of the Director Program and the Administrative Services Program.



Purpose Statement

The purpose of the Financial Management Program is to provide accurate and timely financial support, budget, audits, analysis, projection, and rate proposal services to WES employees, decision makers, advisory committees and the public so they have the necessary resources to achieve strategic results and provide input on how WES' resources are generated, allocated and used.

Performance Narrative Statement

The Financial Management Program provides financial support, analysis, financial projections, budget development and reporting, debt management, and monthly service fee calculations to internal and external stakeholders.

This program's initiative to obtain the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the new entity WES was achieved with WES' first Comprehensive Annual Financial Report (CAFR) for the 2017-18 fiscal year (FY). WES' FY 2018-19 CAFR was submitted to the GFOA in December 2019 for consideration. This program believes the FY 2018-19 CAFR continues to meet the requirements for the award and anticipates achieving this initiative again.

The result for annual operating expenditures to vary from budgeted operating expenditures by less than 10% was not met for FY 2018-19. In prior years, the largest variances have been in Engineering and Labor, which combined, accounted for 52% of the variance in FY 2018-19. For FY 2019-20 through December, actual operating expenditures are at a variance of 5% with budgeted, which is a slight improvement over the 6% variance measured in December of 2018. This improvement is primarily due to an increase in Engineering spending related to master planning and a reduction in vacancies. We expect the reduced variances in these two major line items, coupled with this program's efforts to continually refine our budgeting process and improve expenditure monitoring through timely reporting will result in achieving the goal of less than a 10% variance in the current FY and in FY 2020-21.

Proposed rate increases for FY 2020-21 **are approximately 5%** and within the limits specified by the result for rate increases to fall between a floor determined by an annually-updated inflation index and a ceiling of 10%. This result has been consistently achieved for the last 3 FY.

The result to distribute quarterly budget to actual reports within three weeks of quarter's close has been accomplished since the 2nd quarter of FY 2018-19. This improvement in performance is due to a revision in our reporting methodology to include estimates for expenses for which data has not yet been received. As estimates can introduce a margin of error into the budget to actual reports, the program has been comparing estimates against actual expenditures to improve the reports' accuracy over time. Estimated expenditures each of the last 2 fiscal quarters have been accurate to approximately 5% of actual expenses.

Key Performance Measures

		FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Actuals as of 12/31/19	FY 20-21 Target
Output	Annual operating expenditures will vary from budgeted operating expenditures by less than 15%	15.4%	15.5%	10%	5.0%	10%
Result	Maintain current bond rating of AAA ¹	NEW	AAA	AAA	AAA	AAA
Result	Rates will not increase more than 10% in any year nor less than the adopted index stating the current rate of inflation. ¹	NEW	3.7% - 3.9%	≥3.0%, ≤10%	3.3% - 9.5%	≥1.98%, ≤10%
Result	Annual rate increases will fall between a floor set by ENR's Construction Cost Index and a ceiling of 10% ²	3.00%	Discontinued			
Result	Quarterly budget to actual reports are distributed within three weeks of quarter's close	25%	75%	100%	50%	100%

¹ WES completed a periodic plan review in FY 2018-19. This measure was added to the plan.

² WES completed a periodic plan review in FY 2018-19. This measure was removed from the plan and replaced with the measure above.

Program includes:

- Mandated Services Y
- Shared Services N
- Grant Funding N

Explanation

The Financial Management Program provides financial reporting and audit-related services as required by ORS 297.405 to 297.740 and 297.990 and prepares and administrates the annual budget in compliance with ORS 294.305 to 294.565 and 294.900 to 294.930.



Budget Summary

	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Budget	FY 19-20 Projected Year End	FY 20-21 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	667,404	726,990	853,623	765,083	765,151	(88,472)	-10%
Materials & Services	544,398	375,191	396,196	374,202	432,030	35,834	9%
Indirect Costs (Internal Dept Chgs)	16,559	18,716	19,904	17,828	18,680	(1,224)	-6%
Cost Allocation Charges	71,429	80,610	98,134	81,930	82,799	(15,335)	-16%
Operating Expenditure	1,299,790	1,201,507	1,367,857	1,239,043	1,298,660	(69,197)	-5%
Total Exp - Including Special Categories	1,299,790	1,201,507	1,367,857	1,239,043	1,298,660	(69,197)	-5%
General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	6.14	5.39	6.78	6.78	5.82	-0.96	-14%
Full Time Equiv Pos (FTE) Filled at Yr End	5.92	6.03	6.78	5.74			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.22	-0.64	0.00	1.04			

Significant Issues and Changes

The FY 2020-21 budget represents a 5% decrease from the FY 2019-20 budget. The decrease of \$88 thousand in Personnel Services, the single largest shift, is due to the shift of staff time from the Financial Management program to the Account Services program, tracking the increased time of staff on upgrading our InCode software to provide a better customer experience with online payment. The projected actuals of FY 2019-20 represent a close approximation of the level of effort expected in FY 2020-21. This overall programmatic decrease is concomitantly related to increases in the Account Services program. However, some overall savings pull through both programs due to continued savings in Accounting and Auditing services due to the consolidation of the districts into WES. Between the Financial Management and Account Services programs, FTE support needed has reduced by one. We are planning on utilizing 2020 Census data and an outside consultant to revisit and update our growth projections, which form the basis of our rate modeling and CIP forecasting efforts.



The purpose of the Account Services program is to provide utility billing account management and personalized service to customers so they can pay for the services they receive.

Performance Narrative Statement

On an annual basis, the Account Services program issues more than 270,000 bills and is responsible for billing and collecting all retail sanitary sewer and surface water monthly service charges, which constitute approximately 67% of WES' \$44.2 million of budgeted service charge revenue for FY 2020-21. This program is also responsible for assessment and miscellaneous billing, receiving service payments from our partner cities, processing account payments, adjustments and refunds, account openings and closings, and other account management services.

The result to add 500 new accounts to paperless billing each year, which is linked to WES' larger Operational Optimization initiative to minimize resource use, was not achieved for FY 2018-19. Fiscal year to date (FYTD) actuals through March 2019 indicate this result is not on track for FY 2019-20. Throughout the current fiscal year, this program has been working on the implementation of several new systems, including a new online account management system featuring added functionality for the customer, including the ability to auto-adjust withdrawals to match current amounts due and a smoother customer interface. This new system will be launched at the end of this FY and we expect the increased functionality will contribute to a higher number of customers electing to manage their accounts online and receive paperless bills in FY 2020-21.

The result of achieving fewer than 5% of accounts certified annually was not achieved for FY 2018-19. Strategies to reduce delinquency in the current fiscal year include pro-active ownership updates to ensure new accounts are set up and billed before the balances qualify for certification, new customer outreach for customers in Rate Zone 3 who are only billed every six months, and more frequent communication with customers whose accounts are in past-due status. These refinements have already contributed to improved performance in this measure. The percent of accounts in certification status as of December 2019 is 7.9%, a reduction from the 9% account certification rate observed in December 2018. Although the percentage is currently above the program's goal of 5%, collection efforts scheduled for March through June are predicted to bring the annual number below 5%. This result will be impacted by the COVID-19 challenge. WES is providing relief options for customers impacted by the crisis and these customer relief efforts will change certifications.

Key Performance Measures

		FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Actuals as of 12/31/19	FY 20-21 Target
Result	500 additional accounts added to paperless billing each year ¹	NEW	389	500	199	500
Result	Fewer than 5% of accounts certified annually ¹	NEW	5.7%	< 5.0%	7.9%	< 5.0%
Result	% of customers who pay their bill on time ² (replaced with the measure above)	94.8%	Discontinued			
Result	% of customers who are billed appropriately ² (Due to a successful billing software system upgrade, this result was consistently achieved and has been discontinued.)	99%	Discontinued			
Output	# telephone payment receipts provided/expected ²	6,520	Discontinued			
Output	# callers assisted	18,836	19,100	16,000	9,471	19,000
Output	# customer bills issued annually	268,563	272,626	270,000	138,348	275,000

¹ WES completed a periodic plan review in FY 2018-19. This measure was added to the plan.

² WES completed a periodic plan review in FY 2018-19. This measure was removed from the plan.

Program includes:

- Mandated Services Y
- Shared Services N
- Grant Funding N

Explanation

The Account Services program provides billing services to customers as required by the Public Utilities Commission in Oregon Administrative Rules, Chapter 860, Division 37.

Business Services

Account Services

Budget Summary



	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Budget	FY 19-20 Projected Year End	FY 20-21 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	393,642	263,316	291,674	292,301	398,376	106,702	37%
Materials & Services	238,360	161,288	252,860	169,655	194,810	(58,050)	-23%
Indirect Costs (Internal Dept Chgs)	11,958	7,458	7,310	7,517	7,345	35	0%
Cost Allocation Charges	52,523	26,843	32,677	31,157	31,488	(1,189)	-4%
Operating Expenditure	696,483	458,905	584,521	500,630	632,019	47,498	8%
Total Exp - Including Special Categories	696,483	458,905	584,521	500,630	632,019	47,498	8%
General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	3.37	4.79	2.83	2.83	3.97	1.14	40%
Full Time Equiv Pos (FTE) Filled at Yr End	4.17	2.68	2.83	2.66			
Full Time Equiv Pos (FTE) Vacant at Yr End	-0.80	2.11	0.00	0.17			

Significant Issues and Changes

The FY 2019-20 budget represented a 30% decrease from FY 2018-19's budget, and the FY 2020-21 budget represents an 8% increase from the reduced number, which is still lower than FY 17-18 budgeted numbers. This increase is primarily driven by an increase in effort related to implementation of new online payment software systems. A new assessment billing software system was created through County Technology Services and has been successfully implemented, which is improving efficiencies by saving funds that had been budgeted with an outside service provider for the effort. Increased costs in Personnel Services, representing increased staff effort to improve customer experience in this area, are partially offset by decreases in Materials and Services.



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Capital Planning and Management



Line of Business Purpose Statement

The purpose of the Capital Planning and Management Line of Business is to provide strategy, analysis, projection, and new infrastructure services to WES ratepayers and decision makers so they can make well-informed decisions leading to timely and cost-effective infrastructure.

Clackamas Water Environment Services

Greg Geist - Director
FTE 112.00
Total Request \$30,104,545*

Capital Planning and Management

Lynne Chicoine - Mgr
Total Request
\$3,254,274

Capital Delivery

Lynne Chicoine - Mgr
FTE 9.83
Total Request
\$1,664,752

Asset Management

Lynne Chicoine - Mgr
FTE 7.60
Total Request
\$1,589,522

*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$423,718)



Capital Planning and Management

Capital Delivery

Purpose Statement

The purpose of the Capital Delivery Program is to provide wastewater planning, engineering and construction services to provide WES ratepayers with reliable wastewater treatment and conveyance infrastructure and support anticipated growth.

Performance Narrative Statement

The Capital Delivery program plans all capital expenditures which range from \$5,000 to several tens of millions of dollars. We are a staff of a program manager, three engineers, a half-time intern and a construction inspector. Our five-year plan includes over \$200M in required project expenditures. We are actively managing over a dozen projects worth \$65M of facilities in design/construction. Status of our Performance Clackamas initiatives is as follows:

Initiative: By January 2021, WES will have completed the TC WRRF Solids Handling Improvements Project to support the expected 20-year growth horizon.

The project is under construction, on budget and expected to be complete in early 2021.

Initiative: By June 30, 2020, develop a 20-year Capital Improvement Plan that will estimate cost and schedule for all major investments necessary for that time period.

The WES Collection System Master Plan was completed in January 2019 and provided a recommended plan and implementation schedule for improvements required to provide a reliable collection and conveyance system with capacity sufficient for projected growth in the service area. A similar plan for the Hoodland service area was completed in 2017 and a plan for the Boring service area will be complete in FY 19/20. In FY 19/20 WES embarked on the Willamette Facilities Plan. This project is scheduled to be complete in spring 2021 and will provide a recommended plan and implementation schedule for facilities required at the Tri-City and Kellogg WRRFs. Cumulatively, these four planning efforts will provide a 20-year CIP for WES.

Key Performance Measures

		FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Actuals as of 12/31/19	FY 20-21 Target
Output	Annual 5-year CIP	1	1	1	1	1
Result	90% of capital projects started will be completed on time and on budget ¹	NEW	91%	90%	91%	90%

¹ WES completed a periodic plan review in FY 2018-19. This measure was added to the plan.

Program includes:

Mandated Services

Shared Services

Grant Funding

Explanation

The Capital Delivery Program provides services which are mandated by state and federal public procurement laws and the requirements regarding the construction and maintenance of facilities subject to the Clean Water Act and OAR 340, Division 45.



Capital Delivery

Budget Summary

	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Budget	FY 19-20 Projected Year End	FY 20-21 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	402,661	320,659	502,701	437,709	520,060	17,359	3%
Materials & Services	341,267	367,468	1,674,438	783,156	1,080,966	(593,472)	-35%
Indirect Costs (Internal Dept Chgs)	13,697	14,235	17,809	19,572	16,451	(1,358)	-8%
Cost Allocation Charges	31,156	34,062	41,467	46,778	47,275	5,808	14%
Operating Expenditure	788,781	736,424	2,236,415	1,287,215	1,664,752	(571,663)	-26%
Total Exp - Including Special Categories	788,781	736,424	2,236,415	1,287,215	1,664,752	(571,663)	-26%
General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted O&M	1.68	2.05	2.58	2.58	2.56	-0.02	-1%
Full Time Equiv Pos (FTE) Filled at Yr End	2.19	1.94	2.58	2.74			
Full Time Equiv Pos (FTE) Vacant at Yr End	-0.51	0.11	0.00	-0.16			
Capitalized Labor FTE	4.19	4.04	6.12	4.44	7.27	1.15	19%
Total Program FTE	6.38	5.98	8.70	7.18	9.83	1.13	13%

Significant Issues and Changes

The Capital Delivery budget shows a decrease in one area:

Materials & Services: We have completed a portion of the work on the Willamette Master Plan. FY 20/21 professional services budget includes the completion of that project. No further planning projects are anticipated for FY 20/21. Further, we converted residual funds from the Collection System Master Plan previously in this category to our capital budget as those funds were/are being used for conceptual designs for ongoing collection system work.

The capital delivery budget shows an increase in one area:

Capitalized Labor FTE: The capital delivery program continues to look to fill two engineering positions in FY 20/21, a process engineer and a senior civil engineer, to assist in implementing our CIP. Both positions are partially capitalized.



Capital Planning and Management

Asset Management

Purpose Statement

The purpose of the Asset Management Program is to provide strategies, technology and asset tracking services to WES employees so they can make proactive, data-driven decisions that align with WES' strategic plan and budget.

Performance Narrative Statement

The Asset Management Program tracks WES owned and operated assets including their condition, manages information systems and mapping, provides software licensing, support and training, develops asset renewal and replacement plans, and implements utility management best practices.

During FY's 17-18 and 18-19 the program focused on building an improved inventory of water resource recovery, sanitary and stormwater collection/conveyance system, fleet and information technology assets. The program implemented a new condition inspection program for sanitary sewer collection system assets, including training staff on a standardized procedure for evaluating condition. Condition assessments have been completed for critical pipelines, pump stations and some water resource recovery facility (WRRF) assets.

During FY 18-19, the program completed a significant data migration for improved tracking of spatial assets via the Geographic Information System and invested in improvements to the organization's computerized maintenance management system that tracks asset and work management. Now that the migration is complete and the systems are in place, the priority for the second half of FY 19-20 and FY 20-21 has shifted to mapping new assets and improving efficiencies.

The organization completed a strategic plan review during FY 18-19 and added an updated initiative to absorb the discontinued strategic results. The new initiative targets developing a risk-based asset management plan so that asset renewal replacement decisions for assets are based on a risk-to-cost decision matrix. This advances previous efforts, and focuses on additional asset condition assessments, remaining life estimates, business risk and levels of service.

During FY 19-20, WES kicked off the Willamette Facility Plan project that supports filling data gaps to successfully build the risk-to-cost decision matrix. We have acquired missing equipment age and established baseline condition data for our assets at the Tri-City and Kellogg WRRFs. We are working with staff to update our business exposure risk evaluation tools that assess the likelihood and consequence of asset failure. The enhancement of our data, coupled with capital budget estimates, will allow WES to progress to even more rigorous data-driven asset management plans during the second half of FY 20-21.

Key Performance Measures

		FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Actuals as of 12/31/19	FY 20-21 Target
Output	# asset inventories completed/expected ¹	34	20	35	18	35
Result	100% of new assets mapped and entered into the maintenance management system within six months of construction acceptance. ¹	NEW	42%	100%	36%	100%
Output	# asset renewal/replacement plans provided/expected	3	3	3	0.5	3
Output	# asset condition assessments completed/expected ¹	NEW	725	500	475	750
Output	# asset condition reports provided ²	818	Discontinued			
Result	Decision makers will have available an inventory, condition assessment and risk-based strategy for the Districts' Wastewater Infrastructure ²	74%	Discontinued			
Result	% of critical treatment plant assets attributed with a quantified risk score ³	Proposed but not adopted	Discontinued			

¹ WES completed a periodic plan review in FY 2018-19. This measure was added to the plan.

² WES completed a periodic plan review in FY 2018-19. This measure was removed from the plan.

³ WES completed a periodic plan review in FY 2018-19. This measure was proposed in FY 2018-19's budget book but not adopted.

Program includes:

Mandated Services

Shared Services

Grant Funding

Explanation

The Asset Management program provides services which are mandated by state and federal public procurement laws and are subject to the requirements of the Clean Water Act and OAR 340, Division 45.



Budget Summary

	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Budget	FY 19-20 Projected Year End	FY 20-21 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	774,371	840,816	1,088,719	855,656	997,012	(91,707)	-8%
Materials & Services	239,875	293,009	493,346	477,224	479,616	(13,730)	-3%
Indirect Costs (Internal Dept Chgs)	21,871	21,098	20,715	20,197	20,851	136	1%
Cost Allocation Charges	95,565	82,675	100,648	91,077	92,043	(8,605)	-9%
Operating Expenditure	1,131,682	1,237,598	1,703,428	1,444,154	1,589,522	(113,906)	-7%
Total Exp - Including Special Categories	1,131,682	1,237,598	1,703,428	1,444,154	1,589,522	(113,906)	-7%
General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	7.93	8.35	8.28	8.28	7.60	-0.68	-8%
Full Time Equiv Pos (FTE) Filled at Yr End	7.04	7.27	8.28	6.47			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.89	1.08	0.00	1.81			

Significant Issues and Changes

During FY 19-20, we successfully reallocated one of our vacant FTEs for high priority work in another program, while maintaining our current levels of service. During FY 20-21, the Asset Management Program budget is expected to decrease by 7%, due to the repurposed FTE, additional organizational consolidation of software, hardware and supporting professional services budgets. We are continuing our improvements to optimize the systems and ensure we have the staffing capacity to support them.



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Environmental Services



Line of Business Purpose Statement

The purpose of the Environmental Services Line of Business is to provide monitoring and assessment and pollution prevention services to WES staff, and permitting services to permit applicants, and the broader community so they can access and appropriately use WES' infrastructure and understand their potential impact on water quality.

<p align="center">Clackamas Water Environment Services Greg Geist - Director FTE 112.00 Total Request \$30,104,545*</p>
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<p align="center">Environmental Services Ron Wierenga - Mgr Total Request \$5,046,274</p>
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<p align="center">Permit Services Ron Wierenga - Mgr FTE 8.99 Total Request \$1,610,476</p>
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<p align="center">Watershed Protection Ron Wierenga - Mgr FTE 4.55 Total Request \$1,825,350</p>

<p align="center">Environmental Monitoring Ron Wierenga - Mgr FTE 5.86 Total Request \$1,610,448</p>

*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$423,718)



Environmental Services

Permit Services

Purpose Statement

The purpose of the Permit Services program is to provide permit consultation, review, and approval services to developers, businesses, and industrial users so they can gain access to WES's systems in a timely fashion and appropriately discharge wastewater and stormwater.

Performance Narrative Statement

Strategic results for the Permits program center on 1) efficient and timely permitting for customers seeking to access WES's infrastructure, and 2) compliance with WES's rules for use of the infrastructure.

Year-to-date program performance is very good, with all results exceeding the strategic targets. Nearly all plans submitted for review are turned around in 3 weeks or less. The program's major initiative to update WES's rules and standards is intended to provide greater clarity about WES requirements and application process thus should reduce the number of overall project submittals. Lastly, 93% of permitted industrial waste dischargers are in compliance with their permits at any given time, indicating a high compliance rate.

Additional program performance highlights include:

- Continued increase in on-the-ground inspections and a higher compliance rate with WES's rules and standards. Staff are doing more inspections of non-permitted industries than usual so the number of industrial inspections is higher than previous years. The number of erosion control inspections of construction projects have also increased significantly this year.
- The current rate of permitted equivalent dwelling units (EDUs) is high, projected to be near 800 new units by end of the FY. Q2 saw a significant increase in single family and apartment permit reviews. Large multi-family projects in review will add over 300 EDUs this year. The program also permitted over \$6.75M of donated capital built by private parties through December.
- The initiative to update WES's rules and regulations, design standards, and administrative procedures continued this year. WES staff and contractors continued focused efforts on soliciting internal and external input on policies, rules, and standards for the update. Public review of draft rules and standards documents is expected in March 2020. Adoption hearings are planned for summer 2020. Implementation of the new rules and standards is a significant program focus for the upcoming FY.

Key Performance Measures

		FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Actuals as of 12/31/19	FY 20-21 Target
Output	# industry compliance inspections	36	31	35	37	45
Output	# permitted Equivalent Dwelling Units (EDUs) ¹	NEW	629	450	406	500
Result	80% of sanitary and storm plan reviews are completed within three weeks of submittal. ¹	NEW	99%	80%	95%	80%
Output	# sanitary and storm plan reviews ¹	NEW	473	150	121	150
Result	90% of permitted industrial customers are in compliance with wastewater discharge rules. ¹	NEW	92.83%	90%	93%	90%
Result	% of inspected businesses in compliance with discharge rules ²	93%	Discontinued			
Result	% of single family dwelling permits in subdivisions approved within 3 business days ²	100%	Discontinued			

¹ WES completed a periodic plan review in FY 2018-19. This measure was added to the plan.

² WES completed a periodic plan review in FY 2018-19. This measure was removed from the plan.

Program includes:

- Mandated Services
- Shared Services
- Grant Funding

Explanation

The review of sanitary sewer and stormwater plans and specifications are authorized by District Rules and Regulations, and are required by state law, including ORS 468B, Water Quality, and by rule, including OAR 340 Division 52.

The discharge of industrial wastes to sanitary sewer are authorized by District Rules and Regulations, and are permitted by state law, including ORS 468B, Water Quality, and by rule, including OAR 340 Division 45.

Environmental Services

Permit Services

Budget Summary



	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Budget	FY 19-20 Projected Year End	FY 20-21 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	862,716	1,035,528	1,230,126	1,215,793	1,288,661	58,535	5%
Materials & Services	169,194	230,129	212,004	212,702	164,365	(47,639)	-22%
Indirect Costs (Internal Dept Chgs)	23,174	25,683	25,776	25,214	26,050	274	1%
Cost Allocation Charges	101,189	114,765	139,714	130,021	131,400	(8,314)	-6%
Operating Expenditure	1,156,273	1,406,105	1,607,620	1,583,730	1,610,476	2,856	0.2%
Total Exp - Including Special Categories	1,156,273	1,406,105	1,607,620	1,583,730	1,610,476	2,856	0.2%
General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	8.16	8.97	8.61	8.61	8.99	0.38	4%
Full Time Equiv Pos (FTE) Filled at Yr End	6.98	8.21	8.61	8.27			
Full Time Equiv Pos (FTE) Vacant at Yr End	1.18	0.76	0.00	0.34			

Significant Issues and Changes

The Permit Services Program proposes a \$1.61M operating budget to support land development and industrial permits for WES's sanitary sewer and surface water systems. These resources allow for permit consultations, reviews, approvals, and inspection services to residential and business property owners, including industrial dischargers. The FY 2020-21 budget represents a 0.2% increase from the previous FY budget. Overall, discretionary materials and services line items were reduced in FY 2020-21 due to the reduced need for contracted services to support the rules and standards update. Additionally the budget for certain materials and services is down following trends in previous FY expenditures. The program is fully staffed with no current vacancies. Labor allocations among WES programs were adjusted this year to reflect previous FY trends in staff charges to programs, which resulted in a slight increase of 0.38 FTE and a 5% increase in the program's labor budget. This roughly matched the reduction in the materials and services budget, resulting in no significant change to the program's budget.



Environmental Services

Watershed Protection

Purpose Statement

The purpose of the Watershed Protection Program is to provide surface water protection and restoration services to residents of WES' service areas so they can benefit from healthy and clean streams.

Performance Narrative Statement

Strategic results for the Watersheds program focus on long-term outcomes realized by the implementation of a broad range of services, including assessments and plans to target water quality improvement activities, watershed health education that informs the public how they can help protect water quality, pollution prevention activities including inspection and enforcement, and on-the-ground restoration.

WES staff inspected 18 businesses to date this FY and the percentage complying with WES's water quality rules is only 12%, determined as having adequate pollution controls and exhibiting proper maintenance of their storm systems. This result will remain below target until more inspections are done on private sites, the rules and standards are updated to be clearer about expectations, and more watershed health education is done to make business owners aware of their obligations and their impact on water quality. Another performance challenge is completing the targeted number of business inspections, impacted by how much follow-up and enforcement is required on initial inspections.

Another long-term and core result is that streams in WES's service area meet Oregon water quality criteria. Of the 9 streams routinely monitored by WES nearly all of them fail to meet two or more water quality criteria and as a result only 11% meet the quality goal, reflecting the difficulty of this particular challenge to improve water quality after decades of degradation. Only through ongoing, collaborative implementation of pollution prevention measures, along with targeted restoration projects, will this result improve.

Watershed Health education events are on target to meet annual goal. While the number of acres planted through December 2019 are zero, this program is on-track to meet the target of 15 acres. About 16 acres of restoration planting, supported primarily through RiverHealth grants, will be completed spring of 2020 when bare-root plants are available.

WES initiated a comprehensive storm system master plan in FY 2019-20, scheduled for completion in late 2020. Restoration planning of WES's 3 Creeks Natural Area was also initiated, which will entail intensive site analyses and inventory, community engagement, and restoration planning to improve water quality, stream health, and flooding.

In January 2020, the County updated its strategic plan, in which it reduced the number of strategic results and initiatives to 12 from 28, and as a result removed the initiative for a county water quality management plan. Further work on a county water quality management plan is pending direction from county administration and department leadership. Prior to that, as part of a first assessment this FY, WES staff researched and compiled watershed planning docs, data, stakeholder information, etc.

Key Performance Measures

		FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Actuals as of 12/31/19	FY 20-21 Target
Result	30% of streams within WES' jurisdiction meet or exceed water quality standards. ¹	NEW	22%	30%	11%	30%
Result	50% of inspected businesses comply with stormwater standards upon initial inspection, as evidenced by adequate pollution controls and storm system maintenance. ¹	NEW	42%	50%	12%	50%
Output	# commercial/industrial site pollution prevention visits ¹	NEW	58	125	18	75
Output	Acres of ponds and streamside planted ¹	NEW	39.3	15	0	15
Result	% of scheduled maintenance that is completed on time ²	100%	Discontinued			
Output	# stormwater ponds maintained ²	218	Discontinued			
Result	% confirmed illicit discharges eliminated within 2 business days ²	100%	Discontinued			
Result	% of district streams that are healthy (stream health index) ³	Proposed but not adopted	Discontinued			

¹ WES completed a periodic plan review in FY 2018-19. This measure was added to the plan.

² WES completed a periodic plan review in FY 2018-19. This measure was removed from the plan.

³ WES completed a periodic plan review in FY 2018-19. This measure was proposed in FY 2018-19's budget book but not adopted.

Program includes:

Mandated Services Y
 Shared Services N
 Grant Funding Y

Explanation

Program activities support compliance with Municipal Stormwater and WPCF UIC permits, and TMDL orders, through Oregon DEQ's statutory authority in ORS468B and by Rule in OAR 340-4 and 340-44, and 340-42, respectively.

Environmental Services

Watershed Protection



Budget Summary

	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Budget	FY 19-20 Projected Year End	FY 20-21 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	654,823	710,362	767,255	808,730	722,566	(44,689)	-6%
Materials & Services	865,262	583,575	1,540,148	1,160,380	991,801	(548,347)	-36%
Indirect Costs (Internal Dept Chgs)	26,910	22,042	25,638	26,663	23,856	(1,782)	-7%
Cost Allocation Charges	73,660	74,804	91,066	86,212	87,127	(3,939)	-4%
Operating Expenditure	1,620,655	1,390,783	2,424,107	2,081,985	1,825,350	(598,757)	-25%
Total Exp - Including Special Categories	1,620,655	1,390,783	2,424,107	2,081,985	1,825,350	(598,757)	-25%

General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	6.97	4.56	5.10	5.10	4.55	-0.55	-11%
Full Time Equiv Pos (FTE) Filled at Yr End	5.70	5.43	5.10	5.33			
Full Time Equiv Pos (FTE) Vacant at Yr End	1.27	-0.87	0.00	-0.23			

Significant Issues and Changes

The Watershed Protection Program proposes a \$1.825M operating budget to support surface water protection and restoration services in WES's service area. The program is fully staffed with no current vacancies. The labor budget is down 6% or about one-half FTE because of adjusted labor allocations among WES programs to reflect previous FY trends in staff charges to programs. The FY 2020-21 budget represents about a 25% decrease from the FY 2019-20 budget. Most of this reduction is in contract services, mainly due to several key, one-time initiatives like the storm system master plan, nearing completion. Additionally, ongoing contract services, such as for O&M of WES stream flow monitoring network, were moved to the Environmental Monitoring program in alignment with the program purpose and services.

In this upcoming FY, storm system inspection and pollution prevention assistance will continue to be a core focus. Watershed health education will increase so that customers understand their impact on water quality and will know how to help improve it. RiverHealth grants will continue to be provided to grass-roots organizations to do restoration and watershed health education in the community. The requested professional services budget will also support pre-design for a water quality improvement project on WES's 3-Creeks property, as required by the pending Oregon Department of Environmental Quality's SRF Sponsor Project loan agreement.

Budget was carried over from FY 2019-20 to support a county-level water quality management plan. During much of 2019 WES and DTD staff engaged in the development of the Willamette River Mercury Total Maximum Daily Load (TMDL) by Oregon DEQ. A potential outcome of the TMDL and associated Water Quality Management Plan is an order by the state for WES and Clackamas County departments to update mandated implementation plans to improve water quality, which will have direct bearing on this initiative. The TMDL is pending public comment and final approval in March 2020, at which point the county and WES and Clackamas County departments will know requirements and next steps.



Environmental Services

Environmental Monitoring

Purpose Statement

The purpose of the Environmental Monitoring Program is to provide sample collection, analysis and reporting services to WES Programs so they can operate the treatment plants and collection systems effectively and comply with regulatory permit requirements.

Performance Narrative Statement

WES's sample collection and analyses efforts are internally focused, thus performance is measured by getting data in the hands of people who need it as quickly as possible. Strategic results for this program focus on turn-around time in the laboratory, a common measure of performance for commercial analytical labs, which is having 80% of lab analyses ready to report to customers within 15 days of receiving a sample. Currently the program's performance is tracking on target, which is continued improved performance in FY 2019-20 compared to previous years. Staff continue to focus on improvements to WES's analytical database, Labworks, which is a critical tool for getting data and reports to customers. Improvements to database configuration will allow for much-needed upgrades that will offer data entry, automation, data querying, and reporting efficiencies. For the second consecutive year, the number of analyses provided is higher than target, which will be adjusted to 30,000 tests a year. This shows continued high demand for lab services within the organization.

Additional program performance highlights include:

- Successfully screened wastewater for Per- and polyfluoroalkyl substances (PFAS) chemicals this year that required new sample collection procedures and a contract with an east-coast lab to test for very low levels of the chemicals in samples.
- Successfully gathered all data required for WES's Tri City Outfall Project that included samples and measurements from May thru November in the Willamette River for mixing zone analysis.
- The program also continued to implement the water quality-monitoring program in streams and stormwater outfalls in WES's service area, which provides for assessment of compliance with water quality criteria and stream health, as well as complies with regulatory requirements.

Key Performance Measures

		FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Actuals as of 12/31/19	FY 20-21 Target
Output	# surface water and wastewater samples analyzed ¹	NEW	31,659	20,000	15,488	30,000
Result	80% of analyses are ready to report within 15 days of receiving a sample ¹	NEW	74.33%	80%	80.30%	80%
Output	Laboratory maintains ORELAP accredited status ¹	NEW	Accredited	Accredited	Accredited	Accredited
Result	% of samples collected, analyzed, interpreted and reported on schedule ²	56%	Discontinued			
Result	% of quality control samples meeting industry standards ²	Data not collected	Discontinued			
Result	# laboratory analyses expected ²	29,368	Discontinued			

¹ WES completed a periodic plan review in FY 2018-19. This measure was added to the plan.

² WES completed a periodic plan review in FY 2018-19. This measure was removed from the plan.

Program includes:

Mandated Services

Shared Services

Grant Funding

Explanation

The Environmental Monitoring Program is mandated by the State of Oregon for sampling and collection services following the water quality permit (ORS 468B.050) issued by the DEQ, the Federal Clean Water Act, the Code of Federal Regulations (40 CFR Part 136 and Part 503) for sampling and collections, EPA Methods, Standard Methods and Industrial pre-treatment (40 CFR Part 403).

Environmental Services

Environmental Monitoring



Budget Summary

	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Budget	FY 19-20 Projected Year End	FY 20-21 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	1,018,858	772,076	775,615	808,009	807,203	31,588	4%
Materials & Services	450,433	328,161	489,549	418,859	692,524	202,975	41%
Contra Accounts (for Lab Services)	(660,503)	-	-	-	-	-	0%
Indirect Costs (Internal Dept Chgs)	34,441	20,572	22,155	20,804	22,934	779	4%
Cost Allocation Charges	125,439	81,372	99,062	86,865	87,787	(11,275)	-11%
Operating Expenditure	968,668	1,202,181	1,386,381	1,334,537	1,610,448	224,067	16%
Total Exp - Including Special Categories	968,668	1,202,181	1,386,381	1,334,537	1,610,448	224,067	16%
General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	8.28	6.07	5.71	5.71	5.86	0.15	3%
Full Time Equiv Pos (FTE) Filled at Yr End	8.88	6.29	5.71	5.85			
Full Time Equiv Pos (FTE) Vacant at Yr End	-0.60	-0.22	0.00	-0.14			

Significant Issues and Changes

The Environmental Monitoring Program proposes a \$1.610M operating budget to provide sample collection, analysis and reporting services to WES Programs so they can operate the treatment plants and collection systems effectively, and comply with regulatory permit requirements. The FY 2020-21 budget represents a 16% increase from the previous FY budget. Materials and services increased by about 41%, reflecting adjustments in contract services for new monitoring projects. In FY 2020-21, the program will conduct a macroinvertebrate and geomorphic evaluation of streams in WES's service area, which occurs every three years in an effort to track stream health. There is also a new plan to rehab WES's rainfall monitoring network that provides important data for wastewater and storm system O&M.

A slight increase in staff resources for the program of about 0.15 FTE or 3% reflects proportioning staff time from programs for planned studies. WES's Engineering Program continues to deploy wastewater flow monitoring stations in an effort to evaluate wastewater collection system capacity and opportunities to reduce Inflow and Infiltration (I/I), so program staff have increased the time dedicated to operate the continuous flow-gauging network.



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Line of Business Purpose Statement

The purpose of the Operations Line of Business is to provide collection and conveyance, treatment, and resource recovery services to ratepayers so they can have properly functioning infrastructure that supports healthy waterways and a vibrant economy.

Clackamas Water Environment Services

Greg Geist - Director
FTE 112.00
Total Request \$30,104,545*

Operations

Greg Eyerly - Mgr
Total Request
\$16,531,578

Resource Recovery

Greg Eyerly - Mgr
FTE 8.09
Total Request
\$2,289,247

Plant Operations and Maintenance

Greg Eyerly - Mgr
FTE 30.78
Total Request
\$10,036,459

Field Operations and Maintenance

Greg Eyerly - Mgr
FTE 14.50
Total Request
\$4,205,872

*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$423,718)



Purpose Statement

The purpose of the Resource Recovery Program is to provide coordination and support for resource recovery and conservation services to WES programs, rate payers, and local communities so they can save money and live in sustainable communities.

Performance Narrative Statement

ENERGY: The Strategic Energy Management (SEM) Program was successful in reducing WES electricity consumption at Tri-Cities treatment by over 4.6 million kilowatts between 2016-2019. In 2020, the Kellogg refurbishment will be complete and we will begin to enroll in the SEM program for the Kellogg Plant. In addition, with approval from the BCC, WES will be pursuing green energy credits helping to offset great house gas emission. With the start-up of the new engine generator at Tri-Cities as part of the Solids Handling Upgrades, we hope to hit our energy target of \$145 per million gallons processed.

SOLIDS REUSE: Damage to land application equipment, weather, complications with regulatory issues on fields and the digester cleaning at TC impaired the ability to meet the 85% target for beneficial reuse. Offsetting this negative impact recent procurement of a new tractor and biosolids spreader this fiscal year, this program expects to meet the goal of 85% overall.

WATER REUSE: TC Operations continues to use plant effluent for in-plant needs. This reduces potable water costs. We expect to increase this usage with the new W3 process.

Key Performance Measures

		FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Actuals as of 12/31/19	FY 20-21 Target
Output	Metric tons of solids produced	2,171	3,298	2,158	1,134	2,158
Efficiencies	Energy cost / volume processed (MG) ¹	NEW	\$253	\$145	\$226	\$145
Output	Gallons of recycled water used	286.95	296.16	450	150.65	450
Demand	Gallons of recycled water needed	311	325.48	450	159.26	450
Result	WES will beneficially reuse 85% of recovered solids	88%	54%	85%	98%	85%
Result	% of treatment plants' water needs met by recycled water ²	100%	Discontinued			

¹ WES completed a periodic plan review in FY 2018-19. This measure was added to the plan.

² WES completed a periodic plan review in FY 2018-19. This measure was removed from the plan.

Program includes:

- Mandated Services
- Shared Services
- Grant Funding

Explanation

The Resource Recovery Program provides solids disposals which meet all requirements set forth in Oregon Administrative Rules (OAR) Chapter 340, Division 50 and Title 40 Code of Federal Regulations Part 503.



Budget Summary

	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Budget	FY 19-20 Projected Year End	FY 20-21 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	891,944	882,908	1,111,128	1,019,381	1,133,612	22,484	2%
Materials & Services	1,124,679	775,916	1,072,454	582,084	1,016,979	(55,475)	-5%
Indirect Costs (Internal Dept Chgs)	30,361	26,644	26,723	27,066	27,998	1,275	5%
Cost Allocation Charges	116,135	93,743	114,122	109,498	110,658	(3,464)	-3%
Operating Expenditure	2,163,119	1,779,211	2,324,427	1,738,029	2,289,247	(35,180)	-2%
Total Exp - Including Special Categories	2,163,119	1,779,211	2,324,427	1,738,029	2,289,247	(35,180)	-2%
General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	8.66	7.52	7.90	7.18	8.09	0.19	2%
Full Time Equiv Pos (FTE) Filled at Yr End	9.53	8.68	7.90	7.79			
Full Time Equiv Pos (FTE) Vacant at Yr End	-0.87	-1.16	0.00	-0.61			

Significant Issues and Changes

The Resource Recovery program proposes a \$2,289,247 operating budget, this is a 2% decrease from FY 19-20 and the second fiscal year in a row that the budget has decreased. The Resource Recovery program will need to continue to utilize a third party on occasion to conduct hauling of biosolids to Sherman County to cover driver shortages as we experience a number of retirements in the department. The solids hauling program is under financial evaluation at this time. Performance metrics for Resource Recovery are being closely monitored to improve our overall department efficiency. Though not reflected in the budget or Performance Clackamas, the Strategic Energy Management Plan at the Tri-City plant has saved over 4.6 million kilowatt hours in energy savings, which has reduced energy costs at the plant by over \$250,000 in the past 3 years.



Plant Operations and Maintenance

Purpose Statement

The purpose of the Plant Operations and Maintenance program is to provide treated wastewater effluent, recycled water, and recovered resources to the community so they can experience healthy communities.

Performance Narrative

This year was the second year for the key operating metrics of wastewater treatment effectiveness rate and planned maintenance activities. The Boring treatment plant continues to be out of compliance in winter months requiring supplemental hauling to avoid a discharge violation. Wastewater Treatment Effectiveness rate has dropped over 3% from the previous year. Until the Boring Treatment plant is brought into compliance with additional Capital outlay, it will remain a constant treatment challenge.

The percentage of planned maintenance activities year-to-date is 77% up from 62% the previous year. Over the past two quarters, the goal of 75% maintenance activities is setting a baseline that can be measured and potentially improved upon in the coming years to 80%.

Total plant flows WES wide were down in 2019 due to drier than normal weather. January 2020 was the wettest January on record and likely -- we will see an upward trend in 2020.

Key Performance Measures

		FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Actuals as of 12/31/19	FY 20-21 Target
Result	WES will continually achieve a "wastewater treatment effectiveness rate" of 85% in addition to 100% permit compliance. ¹ (Treatment effectiveness rate is calculated on a daily basis for all facilities. The number of compliance samples that are outside of internal control limits divided by the total number of compliance samples. Internal control limits are set well within compliance limits to decrease violations through early detection of system failures.)	NEW	93.75%	100%	90.01%	100%
Result	75% of all WES Maintenance activities will be planned efforts to address performance deficiencies or enhancements. ¹	NEW	65.38%	75%	77%	75%
Output	Billion gallons of treated wastewater	6.43	5.37	7.00	4.40	7.00
Result	NACWA Peak Performance Gold Award Recognition ²	20 violations	Discontinued			
Demand	Treatment of 7 billion gallons of wastewater with no permit violations ² (This was combined with the Treatment Effectiveness Result Measure)	Not Achieved	Discontinued			
Result	# maintenance sessions performed annually ²	467	Discontinued			

¹ WES completed a periodic plan review in FY 2018-19. This measure was added to the plan.

² WES completed a periodic plan review in FY 2018-19. This measure was removed from the plan.

Program includes:

- Mandated Services
- Shared Services
- Grant Funding

Explanation

Wastewater treatment is mandated under the Clean Water Act (CWA 33 U.S.C. §1251et seq 1972.) The Oregon Department of Environment Quality issues a NPDES permit for treatment systems to discharge directly to surface waters.

Plant Operations and Maintenance



Budget Summary

	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Budget	FY 19-20 Projected Year End	FY 20-21 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	1,952,511	3,622,864	4,281,996	4,157,472	4,225,141	(56,855)	-1%
Materials & Services	3,855,123	4,232,239	4,452,961	4,577,019	4,941,652	488,691	11%
Indirect Costs (Internal Dept Chgs)	291,558	334,962	358,331	363,720	420,078	61,747	17%
Cost Allocation Charges	201,519	395,816	481,864	444,869	449,588	(32,276)	-7%
Operating Expenditure	6,300,711	8,585,881	9,575,152	9,543,080	10,036,459	461,307	5%
Total Exp - Including Special Categories	6,300,711	8,585,881	9,575,152	9,543,080	10,036,459	461,307	5%
General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	14.86	31.22	32.06	32.06	30.78	-1.28	-4%
Full Time Equiv Pos (FTE) Filled at Yr End	16.63	32.56	32.06	32.10			
Full Time Equiv Pos (FTE) Vacant at Yr End	-1.77	-1.34	0.00	-0.04			

Significant Issues and Changes

The Plant Operations and Maintenance Program proposes a \$10,036,459 operating budget which is a \$461,307 or 5% increase from last fiscal year. Increases in the budget are primarily due to increase in Repairs & Maintenance Supplies by \$200,000, Electrical Power costs increase of \$107,500, Engineering expenses of \$70,000 and increase in insurance of \$53,583 to cover the increase in asset values related to the new Solids Handling equipment and digester constructed at Tri-City which is expected to be completed the summer of 2020. The Kellogg Treatment plant rehabilitation was expected to be completed Spring of 2020, however, issues related to the new influent pumps will delay the completion of the Kellogg plant project. This delay may have a financial impact in addition to some influence on our Performance Clackamas metrics related to energy. Plant Maintenance has reached the goal of 75% of all maintenance activities being performed are planned preventative maintenance activities; the maintenance department for the past 2 years has been investing heavily in repairing and getting the plants operating fully. This explains the heavy spending in Repairs & Maintenance and increase of \$200,000 for the FY20-21 budget.

*FY 17-18 figures reflect the expenditures for the Wastewater Treatment Program - a periodic plan review completed in FY 2018-19 resulted in changes to the program structure responsible for the large differences in both expenditures and FTE from FY 17-18 to FY 18-19.



Field Operations and Maintenance

Purpose Statement

The purpose of the Field Operations and Maintenance Program is to provide collection and conveyance system maintenance services to homes and businesses within WES' service areas so they can benefit from properly functioning infrastructure that supports water quality and reduces sewage backups and storm related flooding.

Performance Narrative Statement

Inspection of sanitary pipe has been isolated as a separate activity from cleaning and the goal for next year is 20% or 60 miles. This will eliminate any double counting of pipes that are cleaned multiple times a year. We have also increased the cleaning frequency for catch basins within the surface water system to establish a cleaning cycle of 3 years. These cleanings will establish a level of service that provides best management practices for the storm water collections system and will enable us to adapt our maintenance activities to best utilize our resources. This leaves an output of 33% of catch basins cleaned annually for this measure. We achieved our goal of 33% of basins cleaned in FY18-19, cleaning 39.57%. However, through the first part of this current fiscal year we are finding it harder to meet the goal because the catch basins with easy access have already been cleaned and we are now dealing with a slower cleaning process; however, it is just as important to get to basins that have a lot of residual buildup. Thus far this fiscal year we are doing a better job completing TV inspections and should reach our goal of 16.7%.

Key Performance Measures

		FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Target	FY 19-20 Actuals as of 12/31/19	FY 20-21 Target
Result	Clean 33.3% of all WES-owned or operated catch basins per year, such that the entire system is cleaned every three years. ¹	NEW	39.57%	33.0%	9.76%	33.0%
Result	Camera inspect, clean and provide preventative maintenance to 16.7% (approximately 54 miles of pipe) of the sanitary collection system each year, such that the entire system is inspected and maintained every six years. ¹	NEW	14.18%	16.7%	8.91%	16.7%
Result	Miles of pipe cleaned and inspected annually ² (This measure was rolled into the measure above)	56.7	Discontinued			
Result	75% of all WES Maintenance activities will be planned efforts to address performance deficiencies or enhancements. ¹	NEW	65.38%	75.0%	76.70%	75.0%
Result	% maintenance performed that is preventative rather than corrective ²	95.3%	Discontinued			
Result	# pump stations cleaned and inspected annually ²	21	Discontinued			

¹ WES completed a periodic plan review in FY 2018-19. This measure was added to the plan.

² WES completed a periodic plan review in FY 2018-19. This measure was removed from the plan.

Program includes:

Mandated Services

Shared Services

Grant Funding

Explanation

Utility Locates: The Attorney General's Model Rules of Procedure under the Administrative Procedures Act, which became effective January 1, 2012, are by this reference adopted as rules of administrative procedure of the Board of Directors for the Oregon Utility Notification Center and are controlling except as otherwise required by statute or rule. (Stat. Auth.: ORS 757.552, Stat. Implemented: ORS 183.341, 757.552, Hist.: OUNC 2-2013, f. & cert. ef. 11-14-13)

Field Operations and Maintenance



Budget Summary

	FY 17-18 Actual*	FY 18-19 Actual*	FY 19-20 Budget	FY 19-20 Projected Year End	FY 20-21 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	2,053,792	1,354,768	1,719,174	1,514,363	1,893,248	174,074	10%
Materials & Services	1,757,844	1,730,971	1,873,907	1,917,906	2,062,525	188,618	10%
Indirect Costs (Internal Dept Chgs)	99,466	78,900	80,113	80,733	86,473	6,360	8%
Cost Allocation Charges	274,782	143,654	174,883	161,908	163,626	(11,257)	-6%
Operating Expenditure	4,185,884	3,308,293	3,848,077	3,674,910	4,205,872	357,795	9%
Total Exp - Including Special Categories	4,185,884	3,308,293	3,848,077	3,674,910	4,205,872	357,795	9%
General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	20.23	12.65	13.39	13.39	14.50	1.11	8%
Full Time Equiv Pos (FTE) Filled at Yr End	21.53	12.92	13.39	12.09			
Full Time Equiv Pos (FTE) Vacant at Yr End	-1.30	-0.27	0.00	1.30			

Significant Issues and Changes

The Field Operations and Maintenance Program proposes a \$4,205,872 operating budget for FY 2020-21 which is an increase of \$357,795 or 9% from FY 2019-20.

The increase in Materials and Services of 10% or approximately \$189 thousand reflects a \$40 thousand increase in city right-of-way fees commensurate with the proposed increase in monthly service charges; increased chemical costs and equipment operating costs; and the addition of \$100 thousand for an intergovernmental agreement (IGA) with North Clackamas Parks and Recreation District (NCPRD). NCPRD provides maintenance services for WES natural area properties, including weed control, trash removal, tree removal, volunteer cleanup events, etc. This maintenance activity, previously budgeted for in Watershed Protection, was moved to Field Operations for FY 2020-21 to better align with program services.

The increase in Personnel Services of 10% reflects the allocation of an additional Sanitary Sewer & Surface Water Technician to help meet Performance Clackamas targets for cleaning and inspecting Sanitary Sewer Collections systems and Surface Water Maintenance.

*FY 17-18 figures reflect the expenditures for the Sanitary and Surface Water Maintenance Program - a periodic plan review completed in FY 18-19 resulted in changes to the program structure responsible for the large differences in both expenditures and FTE from FY 17-18 to FY 18-19.



CLACKAMAS

WATER
ENVIRONMENT
SERVICES

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Budget Detail



Tri-City Water Resource Recovery Facility

INTRODUCTION

In November of 2016, the Board of County Commissioners for Clackamas County, Oregon (BCC) unanimously adopted an ORS 190 agreement (the "Agreement") creating Water Environment Services (WES), a separate legal entity in the form of a municipal partnership, on behalf of and including Clackamas County Service District No. 1 (CCSD No. 1) and Tri-City Service District (TCSD). The Surface Water Management Agency of Clackamas County (SWMACC) joined the WES 190 partnership in June of 2017. The three service districts continue to exist, and their boundaries continue to change and define the scope of WES. Pursuant to the Agreement, the direction of the BCC is that the management, operations, regulatory affairs, and financial affairs (excepting previously existing debt) of the partner districts be integrated to achieve financial, governance, and operational efficiency benefits for the stakeholders of each member district.

On July 1, 2017, TCSD's and SWMACC's operations were fully transferred to WES. The revenue and expenditure data for FY 2017-18 on each of WES' fund detail sheets reflects this transfer which was actuated through the contribution of TCSD's and SWMACC's end of FY 2016-17 reserves to the WES partnership. The total funds contributed by TCSD and SWMACC were approximately \$15.7 million, with TCSD contributing approximately \$15.2 million and SWMACC contributing approximately \$0.5 million.

The full and complete integration of CCSD No. 1's operations into WES took place on July 1, 2018 via the contribution of CCSD No. 1's end of FY 2017-18 reserves to WES. The total amount of this contribution was \$78.8 million, including approximately \$63.8 million from the Sanitary Sewer and Surface Water Construction and SDC funds, approximately \$1.1 million from the Debt Service funds, and approximately \$13.9 million from the Sanitary Sewer and Surface Water Operating funds.

The complete transfer of all three service districts' operations into WES enables the use of the three service districts' combined prior year actual revenue and expenditure data for comparison with WES' FY 2019-20 budget and FY 2018-19 actuals. All references and comparisons to pre-FY 2018-19 prior year sanitary sewer information for WES, including the data in charts and graphs, are in relation to CCSD No. 1's and TCSD's combined prior year sanitary data; all references and comparisons to prior year surface water information for WES, including the data in charts and graphs, are in relation to CCSD No. 1's and SWMACC's combined prior year surface water data. Consolidated and fund financial schedules showing FY 2017-18 financial history for CCSD No. 1 are included in Appendix A.

BUDGET SUMMARY BY FISCAL YEAR – ALL FUNDS

	2017-18 ACTUAL	2018-19 ACTUAL ¹	2019-20 BUDGET ²	2019-20 ESTIMATE	2020-21 BUDGET
RESOURCES					
Beginning Fund Balance	\$ 15,664,794	\$96,035,261	\$ 100,266,428	\$ 100,392,976	\$ 102,558,017
Sales and Services					
Service Charges	419,095	27,898,923	29,978,200	29,701,500	29,556,000
City Payments	7,997,522	13,472,565	14,200,000	14,098,400	14,638,100
System Development Charges	827,629	5,220,707	8,574,400	7,394,500	6,657,600
City Right-of-Way Fees ³	311,418	588,177	619,000	636,000	647,000
Assessment Principal	-	500,658	157,200	459,000	133,500
Assessment Interest	-	199,864	145,000	136,700	145,000
Intergovernmental Revenue	-	-	244,300	244,300	244,300
Interest Income	171,915	1,581,688	2,005,300	1,606,300	1,640,900
Miscellaneous	806,035	900,112	1,095,388	1,240,720	728,220
Subtotal - Revenues	10,533,614	50,362,694	57,018,788	55,517,420	54,390,620
State Revolving Fund Contributions		8,882,051	13,900,000	14,000,000	9,100,000
Transfers IN	2,000,000	17,873,981	24,295,406	24,295,406	21,468,056
TOTAL RESOURCES	\$ 28,198,408	\$ 173,153,987	\$ 195,480,622	194,205,802	\$ 187,516,693
REQUIREMENTS					
WES Labor	\$ 2,639,532	\$12,337,188	\$ 14,489,170	\$ 13,966,345	\$14,703,748
Laboratory Services	247,851	31,724	55,000	73,000	78,000
Other County Services	595,158	2,882,260	3,277,230	3,155,724	3,392,628
Professional Services	482,227	1,466,621	4,090,500	2,560,457	3,125,400
Miscellaneous Services	51,652	314,191	449,360	379,933	482,710
Supplies	890,632	2,266,411	2,147,630	2,241,436	2,325,740
Utilities	648,309	1,585,142	1,614,250	1,610,920	1,729,585
Repairs and Maintenance	84,000	879,451	834,050	648,873	808,550
Interagency Coordination	523,575	918,836	1,212,000	1,398,650	1,296,000
Miscellaneous Expenses	586,502	1,654,281	1,989,679	1,634,857	2,162,184
Subtotal - Expenditures	6,749,438	24,336,105	30,158,869	27,670,195	30,104,545
Capital Outlay	2,199,936	23,563,301	43,668,000	32,773,666	39,989,500
Debt Service - Principal	-	3,821,208	3,891,208	3,891,208	4,041,208
Debt Service - Interest	-	3,166,416	3,367,310	3,017,310	3,339,429
Contingency	-	-	15,762,450	-	15,014,375
Ending Fund Balance	17,249,034	100,392,976	74,337,079	102,558,017	73,559,580
Transfers OUT	2,000,000	17,873,981	24,295,406	24,295,406	21,468,056
TOTAL REQUIREMENTS	\$ 28,198,408	\$ 173,153,987	\$ 195,480,622	\$ 194,205,802	\$ 187,516,693

¹ FY 2018-19 Beginning Fund Balance includes a contribution of CCSD1's FY 2017-18 end-of-year reserves of \$78,786,227.

² FY 2019-20 Budget includes a transfer of \$145,300 from Contingency to Capital Outlay.

³ City Right-of-Way fees are fees collected by WES and then remitted to the cities. These fees are offset in their entirety by a portion of the Interagency Coordination line item within Operating & Maintenance Expenditures.

Clackamas Water Environment Services
CONSOLIDATED FINANCIAL SCHEDULE - ALL FUNDS
2020-21 FISCAL YEAR BUDGET

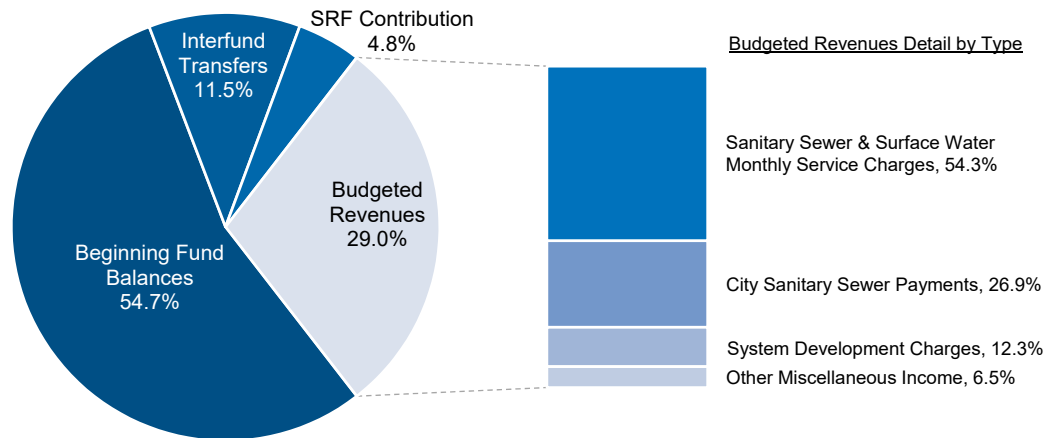
SERVICE CATEGORY	Sanitary Sewer			Surface Water			Debt Service		CLACKAMAS WATER ENVIRONMENT SERVICES TOTAL
	Operating Fund	System Development Charge Fund	Construction Fund	Operating Fund	System Development Charge Fund	Construction Fund	State Loan Fund	Revenue Bond Fund	
RESOURCES									
Estimated Beginning Fund Balance 7/1/2020	\$ 7,978,040	\$ 36,086,891	\$ 43,746,421	\$ 7,932,702	\$ 2,281,946	\$ 3,297,331	\$ 841,979	\$ 392,707	\$ 102,558,017
Sales and Services									
Service Charges	24,244,600			5,311,400					29,556,000
City Payments	14,638,100								14,638,100
System Development Charges	255,000	6,284,300			118,300				6,657,600
City Right-of-Way Fees ¹	647,000								647,000
Assessment Principal							133,500		133,500
Assessment Interest	10,000						120,000	15,000	145,000
Intergovernmental Revenue	244,300								244,300
Interest Income	127,600	577,400	699,900	126,900	36,500	52,800	13,500	6,300	1,640,900
Miscellaneous	465,720			262,500					728,220
Subtotal	40,632,320	6,861,700	699,900	5,700,800	154,800	52,800	267,000	21,300	54,390,620
State Revolving Fund Contribution			9,100,000						9,100,000
Transfers IN			11,000,000			3,000,000	500,000	6,968,056	21,468,056
TOTAL RESOURCES	\$ 48,610,360	\$ 42,948,591	\$ 64,546,321	\$ 13,633,502	\$ 2,436,746	\$ 6,350,131	\$ 1,608,979	\$ 7,382,063	\$ 187,516,693
REQUIREMENTS									
WES Labor	\$ 12,229,243			\$ 2,474,505					\$ 14,703,748
Laboratory Services	63,000			15,000					78,000
Other County Services	2,624,350			768,278					3,392,628
Professional Services	2,280,866			844,534					3,125,400
Miscellaneous Services	387,800			94,910					482,710
Supplies	2,206,065			119,675					2,325,740
Utilities	1,722,355			7,230					1,729,585
Repairs and Maintenance	507,550			301,000					808,550
Interagency Coordination	1,078,000			218,000					1,296,000
Miscellaneous Expenses	1,916,287			245,897					2,162,184
Subtotal	25,015,516			5,089,029					30,104,545
Capital Outlay		8,723,500	29,124,500			2,141,500			39,989,500
Debt Service - Principal							106,208	3,935,000	4,041,208
Debt Service - Interest							506,373	2,833,056	3,339,429
Contingency	4,169,000	2,180,875	7,281,125	848,000		535,375			15,014,375
Reserves & Ending Fund Balance	1,157,788	32,044,216	28,140,696	4,696,473	2,436,746	3,673,256	796,398	614,007	73,559,580
Transfers OUT	18,268,056			3,000,000			200,000		21,468,056
TOTAL REQUIREMENTS	\$ 48,610,360	\$ 42,948,591	\$ 64,546,321	\$ 13,633,502	\$ 2,436,746	\$ 6,350,131	\$ 1,608,979	\$ 7,382,063	\$ 187,516,693
FUND BALANCE									
Net Increase (Decrease) in Fund Balance	\$ (6,820,252)	\$ (4,042,675)	\$ (15,605,725)	\$ (3,236,229)	\$ 154,800	\$ 375,925	\$ (45,581)	\$ 221,300	\$ (28,998,437)
% Change	-85%	-11%	-36%	-41%	7%	11%	-5%	56%	-28%

¹ City Right-of-Way fees are fees collected by WES and then remitted to the cities. These fees are offset in their entirety by a portion of the Interagency Coordination line item within Operating & Maintenance Expenditures.

RESOURCES

Total resources are proposed to be \$187,516,693. WES' FY 2020-21 resources are derived from four main sources: beginning fund balances, budgeted revenues, a State Revolving Fund (SRF) contribution, and interfund transfers.

WES SANITARY SEWER AND SURFACE WATER FUNDS RESOURCES, PROPOSED FY 2020-21



TOTAL RESOURCES - \$187,516,693

BEGINNING FUND BALANCES – 54.7% of Resources

Beginning fund balances represent amounts carried forward from prior fiscal years. WES' beginning fund balances consists of the combined beginning fund balances from all funds within WES: Sanitary Sewer and Surface Water Operating Funds, Sanitary Sewer and Surface Water Construction Funds, Sanitary Sewer and Surface Water System Development Charge (SDC) Funds, and the Debt Service Funds.

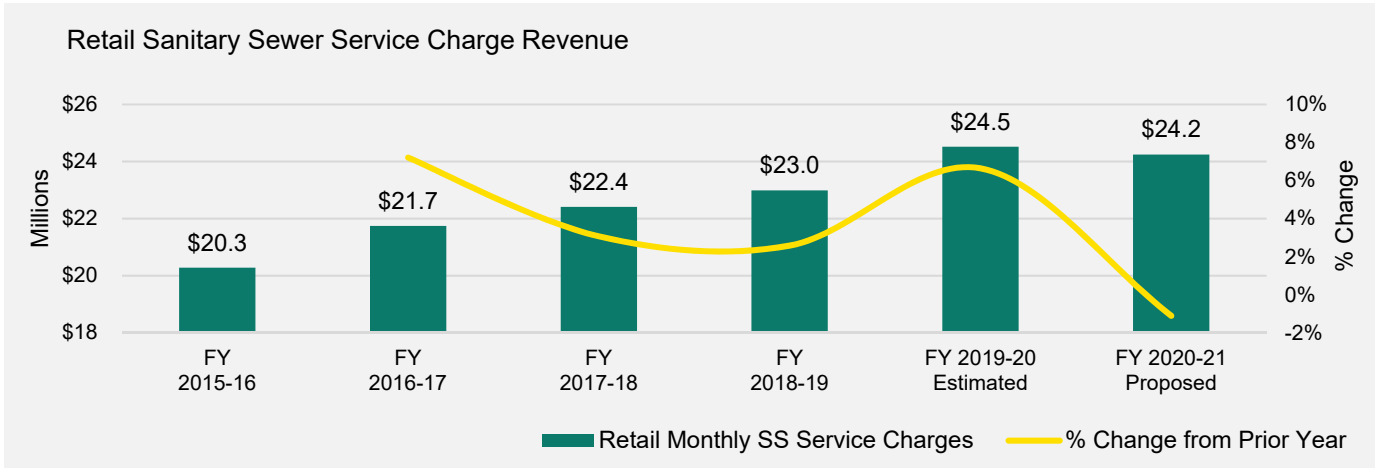
Of the approximately \$102.5 million total in WES' beginning fund balances, \$79.8 million is in the Sanitary Sewer Construction and SDC funds and \$5.6 million is in the Surface Water Construction and SDC Funds. The beginning fund balances in these funds will be used to fund current and future year capital outlay. The beginning balances in the State Loan Fund and Revenue Bond Fund total \$1.2 million; these resources will be used to pay current and future year principal and interest on long term debt. The remaining \$15.9 million is in the Sanitary Sewer and Surface Water Operating Funds where these resources ensure adequate cash flow for operations until current year revenues are received.

BUDGETED REVENUES – 29.0% of Resources

WES' budgeted revenues for FY 2020-21 are projected at \$54.4 million, a decrease of 4.6% from the 2019-20 FY budget due to reduced SDC revenue from lower growth within the service areas, temporary suspension of collection practices related to COVID-19, and modest increases to the monthly user rates for most customers. Total revenues are comprised of Sanitary Sewer revenues of \$48.5 million and Surface Water revenues of \$5.9 million. WES receives 93.5% of its revenues from four primary sources: retail sanitary sewer monthly service charges, retail surface water monthly service charges, city payments for wholesale sanitary sewer service, and system development charges (SDCs). Revenues for the FY 2020-21 budget reflect estimates based upon historic trend analysis, recent development activity, and a population forecast study completed in 2016.

SANITARY SEWER RETAIL MONTHLY SERVICE CHARGES – 44.6% of Budgeted Revenues

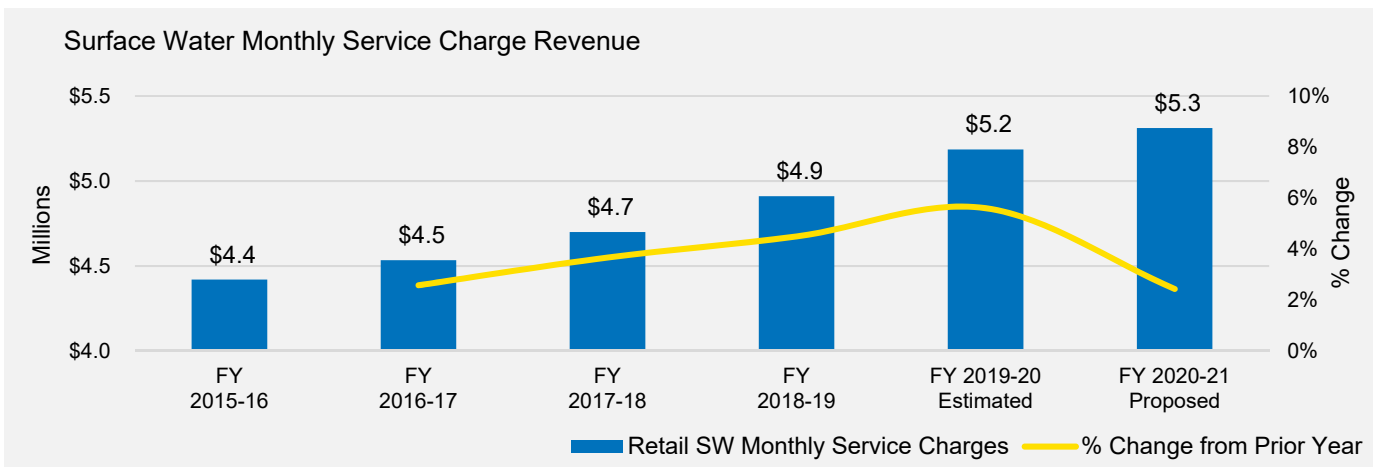
WES provides retail sanitary sewer service to the Rate Zone 2 service area and to a small number of customers in the Rate Zone 1 service area. Sanitary Sewer Monthly Service Charges are expected to generate \$24.2 million for FY 2020-21, a decrease of \$0.5 million or 2.0% from WES' FY 2019-20 budget and a decrease of \$0.3 million or 1.1% from FY 2019-20's estimated revenue. The reduction in revenues is driven by the suspension of collection practices related to COVID-19 customer support efforts. Under normal circumstances, WES annually certifies past-due account balances to the County Assessor for collection with property taxes. However, in order to provide relief to customers financially impacted by COVID-19, the BCC suspended the certification process for calendar year 2020 which will result in the delayed collection of an estimated \$1.16 million of retail service charge revenues.



The monthly Rate Zone 2 retail service fee of \$50.55 per Equivalent Dwelling Unit (EDU) per month for FY 2019-20 is proposed to increase 1.38% to \$51.25 per EDU per month in FY 2020-21. The monthly Rate Zone 1 retail rate of \$36.40 per EDU per month is proposed to increase to \$37.95. The monthly rate for customers in Happy Valley is proposed to be approximately \$53.81 per EDU per month in order to cover the City's 5% Right-of-Way fee. Retail growth in the district for FY 2020-21 is projected to be 550 EDUs, the same number that were projected for FY 2019-20. This growth estimate is based on an analysis of recent development activity, historic trends, and on a population forecast by EcoNorthwest completed in FY 2015-16.

SURFACE WATER MONTHLY SERVICE CHARGES – 9.8% of Budgeted Revenues

WES provides surface water services to the North Clackamas Service Area of Rate Zone 2 and the Rate Zone 3 service area. Surface Water Monthly Service Charges are expected to produce revenues of \$5.3 million, an increase of approximately \$0.1 million or 1.5% over the FY 2019-20 budget and an increase of approximately \$0.13 million or 2.4 % over the FY 2019-20 estimate.



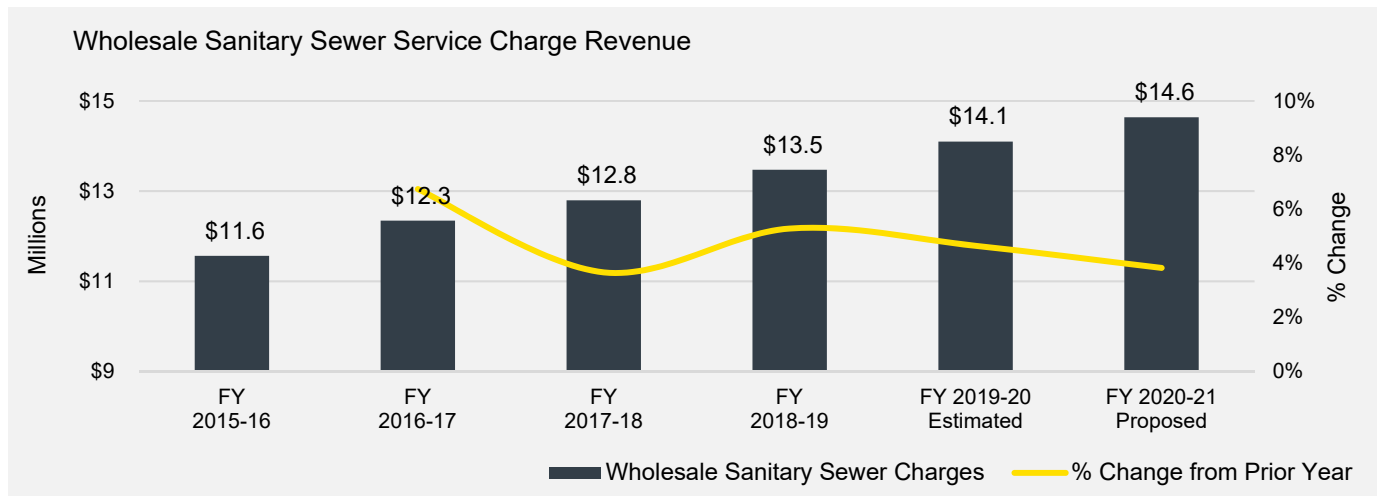
FY 2020-21's budget is based on providing service to 53,661 Equivalent Service Units (ESUs) in Rate Zone 2, 550 more than the FY 2019-20 estimate and 3,810 ESUs in Rate Zone 3. Rate increases in both service areas are approximately 5%: the monthly rate in Rate Zone 2 for FY 2020-21 is proposed at \$7.65 per ESU from the FY 2019-20 rate of \$7.30 per ESU and the monthly rate in the Rate Zone 3 service area is proposed at \$4.65 per ESU from \$4.45. The monthly rate for customers within the City of Happy Valley in Rate Zone 2 is proposed to be approximately \$8.03 per ESU per month in order to cover the City's 5% Right-of-Way fee. Business and institutional customers will continue to be charged multiples of the impervious area typical for a single-family home.

Approximately \$0.3 million of the total \$5.3 million in surface water monthly service charges budgeted for FY 2020-21 is expected from surface water maintenance contracts; no change is anticipated to the current rate of \$3.00 per month for this service.

The chart on the preceding page illustrates the revenue trend for surface water monthly service charges for FY's 2015-16 – 2018-19 actuals, and the estimated revenues for FY 2019-20 relative to the proposed budget.

CITY PAYMENTS FOR WHOLESAL SANITARY SEWER SERVICE – 26.9% of Budgeted Revenues

Wholesale sanitary sewer revenues are budgeted at a total of \$14.6 million for FY 2020-21 based on providing service to both Rate Zone 1 and Rate Zone 2 service areas.



WES provides wholesale sanitary sewer service in Rate Zone 1 consisting of transmission, treatment, and disposal to the Cities of Oregon City, West Linn, and Gladstone. Each of the Cities provide their own collection systems.

Approximately \$9.3 million is expected from wholesale service charges to these cities in FY 2020-21, \$0.4 million more than the amount budgeted in FY 2019-20. This increase is the result of moderate growth in the number of customers in the member cities and an adjustment to the monthly wholesale service fee. The proposed rate adjustment for FY 2020-21 is approximately 5.0%, to a fee of \$24.95 per EDU per month from the current rate of \$23.75 per EDU per month.

WES provides wholesale sanitary sewer service to the City of Milwaukie in Rate Zone 2 according to a 25 year wholesale service agreement that was codified in FY 2012-13. WES' budget has been prepared reflecting the general rate terms outlined in the agreement. The wholesale service rate in Rate Zone 2, consisting of the WES-wide wholesale rate and a legacy debt component, is proposed at \$37.95 for FY 2020-21, an increase of 0.13% or \$0.05 from FY 2019-20. The FY 2020-21 budget reflects wholesale revenues of approximately \$5.2 million from the City of Milwaukie based on an estimate of about 11,435 EDUs.

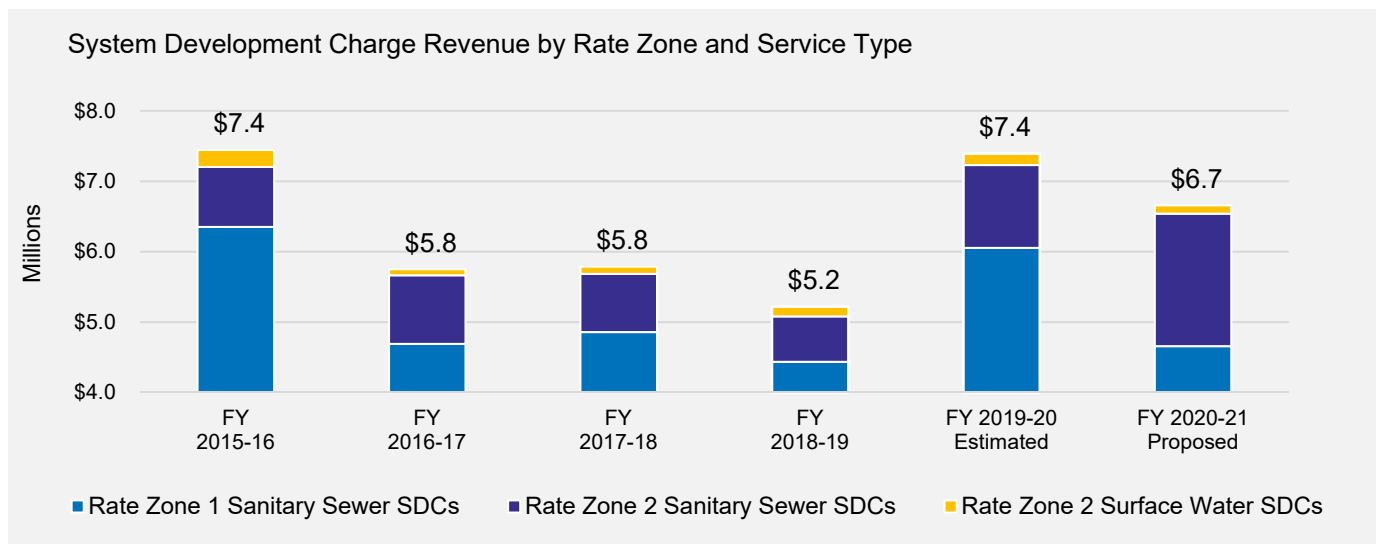
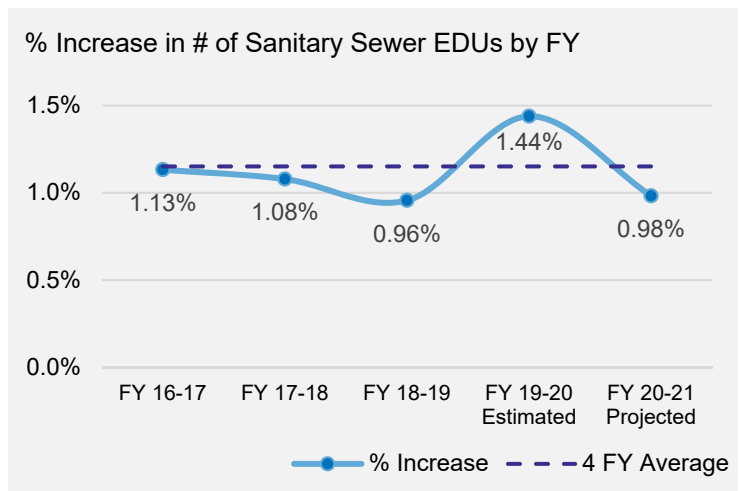
WES provides wholesale service to the City of Johnson City per a long-term wholesale agreement established in FY 2010-11. The signed agreement was for a stepped rate increase over the next several years, at which time the City of Johnson City would then pay the current district-wide wholesale rate. For FY 2020-21, the City of Johnson City will pay the full Rate Zone 2 wholesale rate of \$37.95 per EDU as agreed to in a May 2014 amendment to the IGA. FY 2020-21 budgeted revenues from the City of Johnson City are estimated to be around \$127 thousand.

The funds from sanitary sewer service charges provide for the annual operating program, which includes operations, maintenance, and capital maintenance efforts. The approximate 0.13% - 5% rate increases discussed above are needed to pay for the increased costs of operating WES' treatment facilities and to meet the capital financing needs related to the Tri-City Solids Handling Improvement project, Kellogg Improvements project, as well as other capital outlay requirements.

FY 2019-20's budget included a projection of 495 new EDUs based on a population forecast by EcoNorthwest completed in FY 2015-16 which predicted a 2% average annual growth rate for Rate Zone 1. Growth in the member cities of the Rate Zone 1 service area for 2020-21 is projected to be 240 EDUs, a reduction of approximately 52%. This estimate is based on an analysis of construction trends for the past five fiscal years that have revealed actual growth in the service area to be closer to 1%.

SYSTEM DEVELOPMENT CHARGES – 12.3% of Budgeted Revenues

System Development Charges are one-time charges assessed when customers connect to the system. SDC revenues for new sanitary sewer connections are expected to generate around \$6.5 million for FY 2020-21 and SDC revenues for new surface water connections are expected to generate approximately \$118 thousand. As SDCs result from growth within the service areas, projected SDC revenue is tied closely to population growth projections. There are 805 new connections predicted for FY 2020-21 based on service area population forecasts and Department staff's analysis of recent development trends. The Rate Zone 2 service area is expected to add 550 connections in FY 2020-21 with the majority of growth occurring in the City of Happy Valley. Within Rate Zone 1, the majority of growth is expected to occur in Oregon City which is predicted to add approximately 200 connections this upcoming year.



FY 2020-21's budgeted SDC revenue is based on a harmonized wholesale Sanitary Sewer SDC fee of \$8,005 which will apply to all customer classes in Rate Zones One and Two. This fee represents an increase of 1.98% from FY 2019-20's SDC fee of \$7,850. The proposed retail surface water connection fee for FY 2020-21 is \$215, which is an increase of 1.9% above the current \$211 retail SDC fee. Surface Water SDCs apply to Rate Zone Two only.

OTHER REVENUE SOURCES – 6.5% of Budgeted Revenues

Other sources of revenue include interest income of approximately \$1.6 million, \$0.3 million of assessment principal and interest, and approximately \$1.6 million in a variety of other miscellaneous revenue categories. Other sources of revenue also include city right-of-way payments which are fees collected by WES and then remitted to the cities. These collected fees are offset in their entirety by a portion of the Interagency Coordination line item in the Sanitary Sewer Operating and Maintenance Expenditures budget. Overall, the budget for other revenue sources totals \$3.5 million which is approximately \$0.7 million or 17% lower than the prior year. The decrease from FY 2019-20 is due to reduced capital project participation, decreased interest earnings anticipated from lower interest rates, and temporary billing modifications made to support customers in response to COVID-19 that will lower penalty and certification fee revenue in FY 2020-21.

STATE REVOLVING FUND CONTRIBUTION – 4.8% of Resources

WES' FY 2020-21 resources include a contribution of \$9.1 million from the State of Oregon Clean Water State Revolving Fund to be used for funding the Tri-City Solids Handling Improvement Project. This resource is discussed in greater detail in the separate Debt section and on the State Loan and Sanitary Sewer Construction Fund pages within this section.

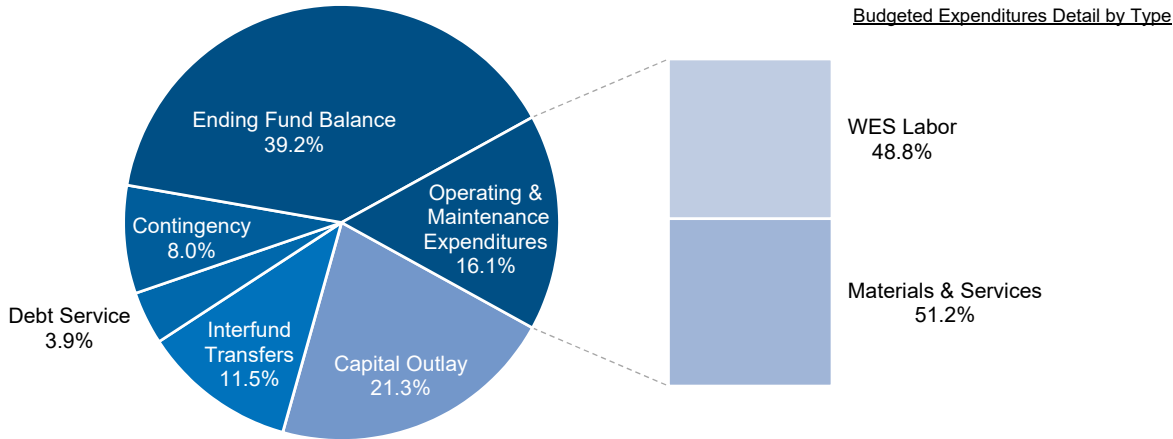
INTERFUND TRANSFERS – 11.5% of Resources

Interfund transfers are made to share resources between funds. For FY 2020-21, interfund transfers total approximately \$21.5 million. This resource includes transfers into the Sanitary Sewer and Surface Water Construction Funds of \$11 million and \$3 million respectively as reserves for current and future capital expenditures and transfers into the Revenue Bond Fund of approximately \$7.0 million and the State Loan Fund of \$0.5 million for payment of FY 2020-21 debt principal and interest.

REQUIREMENTS

Total requirements for WES for FY 2020-21 are proposed to be \$187,516,693. WES’ requirements consist of budgeted expenditures, capital outlay, debt service, interfund transfers, contingency, and unappropriated ending fund balances.

WES SANITARY SEWER AND SURFACE WATER FUNDS REQUIREMENTS, PROPOSED FY 2020-21



TOTAL REQUIREMENTS - \$187,516,693

OPERATING & MAINTENANCE EXPENDITURES –16.1% of Requirements

Budgeted Operating & Maintenance expenditures consist of current year costs incurred to provide service to meet customer needs and maintain WES’ treatment and collection systems. For FY 2020-21, these are proposed at approximately \$30.1 million, a decrease of 0.2% from the 2019-20 FY budget. Of this total, Sanitary Sewer expenditures account for \$25.0 million and Surface Water expenditures account for \$5.1 million.

WES LABOR – 48.8% of Operating & Maintenance Expenditures

WES Labor consists of charges for the personnel of Clackamas County Department of Water Environment Services (the “Department”), who serve the partnership. Personnel expenses include employee-related benefits such as health care and pension contributions. WES expects to spend approximately \$14.7 million on labor in FY 2020-21 which is \$215 thousand or 1.5% more than the FY 2019-20 budget. Although the increases in pension, salary, and health costs range from 3.5% to 4.8% for next FY, the impact of these increases are mitigated in the Operating and Maintenance budget by the allocation of a larger portion of Department labor to Capital projects where those costs are capitalized. Staffing for FY 2020-21 remains at 112 FTE with approximately 94 FTE allocated to providing services related to sanitary sewer operations and 18 FTE allocated to providing services related to surface water operations.

MATERIALS AND SERVICES – 51.2% of Operating & Maintenance Expenditures

Budgeted materials and services expenditures for FY 2020-21 are proposed at approximately \$15.4 million. Of this total, sanitary sewer materials and services account for \$12.8 million, which is approximately equal to the FY 2019-20 materials and services budget. Increases in repair and maintenance supplies, biosolids and sludge removal, and electricity were offset by a decrease in engineering and other professional services.

The FY 2020-21 Materials and Services budget for surface water is \$2.6 million, a decrease of approximately \$330 thousand or 11.3% from WES’ FY 2019-20 surface water materials and services budget. This decrease is the result of lower professional services budgeted for next fiscal year as several one-time initiatives near completion.

CAPITAL OUTLAY – 21.3% of Requirements

Capital expenditures provide for land acquisition, facility modification and expansion, system improvements, and significant equipment for treatment facilities, collection systems, and maintenance operations. The FY 2020-21 budget includes approximately \$40.0 million for capital expenditures, a decrease of 8.4% from FY 2019-20. Of this total, approximately \$37.8 million will be used for sanitary sewer capital projects and approximately \$2.1 million will be used for surface water capital projects.

Additional information on WES' capital outlay, including detailed descriptions of major projects and projected expenditures in the 5-year CIP may be found in the Capital section of this budget document.

DEBT SERVICE – 3.9% of Requirements

Budgeted debt service consists of FY 2020-21 principal and interest payments for outstanding debt. WES had no debt service requirements in FY 2017-18. WES' debt service commencing in FY 2018-19 results primarily from the transfer of CCSD No. 1's obligations accompanying the integration of the district into WES. FY 2020-21's debt service increases 1.7% from FY 2019-20's debt service due to an increase of \$0.15 million in the amount budgeted for prepayment of interest related to the State Revolving Fund Loan for the Tri-City Solids Handling Project. Further details regarding WES' debt service are provided in the fund summaries for the debt service funds within this section and in the separate Debt Service section of this budget document.

INTERFUND TRANSFERS – 11.4% of Requirements

The Interfund Transfers requirement matches the Interfund Transfers resource in terms of absolute dollars. The FY 2020-21 budget is approximately \$21.5 million and consists of a transfer out of the Sanitary Sewer Operating Fund into the Sanitary Sewer Construction Fund of \$11.0 million, a transfer out of the Surface Water Operating Fund into the Surface Water Construction fund of \$3.0 million, transfers out of the Sanitary Sewer Operating Fund into the Revenue Bond Fund and State Loan Fund of \$6.8 million and \$0.5 million, respectively, and a transfer out of the State Loan Fund into the Revenue Bond Fund of \$0.2 million.

CONTINGENCY – 8.0% of Requirements

Contingencies represent funds set aside to provide for unforeseen circumstances which may occur during the year such as increases in costs or reductions in revenue. The FY 2020-21 budget includes contingencies of \$15.0 million with \$5.0 million in the Operating funds and \$10.0 million in the Construction and SDC funds. Contingencies in the operating funds are set based on 2 months' of the fund's budgeted operating expenses. Budgeted construction and SDC fund contingencies are equal to 25% of the fund's budgeted capital outlay. Contingencies are only accessible through a budget transfer to another expenditure category which must be approved by the Board. These amounts are not typically expended during the year and are added to reserves at year end.

ENDING FUND BALANCE – 39.2% of Requirements

Ending fund balances represent amounts which are carried over to the next fiscal year. Approximately \$73.6 million is projected as ending fund balances for FY 2020-21, a decrease of approximately \$29.0 million from the projected beginning fund balances due to planned expenditures of capital reserves. The total includes approximately \$1.2 million in the Sanitary Sewer Operating Fund, \$4.7 million in the Surface Water Operating Fund, approximately \$60.2 million in the Sanitary Sewer SDC and Construction funds, approximately \$6.1 million in the Surface Water SDC and Construction funds, and \$1.4 million in the debt service funds. The ending fund balances in the Construction and SDC funds will be used in future years for capital outlay; the balances in the State Loan and Revenue Bond funds act as a reserve for future year debt service; and ending fund balances in the operating funds represent operating cash flow reserves for future years.

The sanitary sewer funds consolidate all revenues and expenditures that are proposed for each of the separate sanitary sewer service areas within WES.

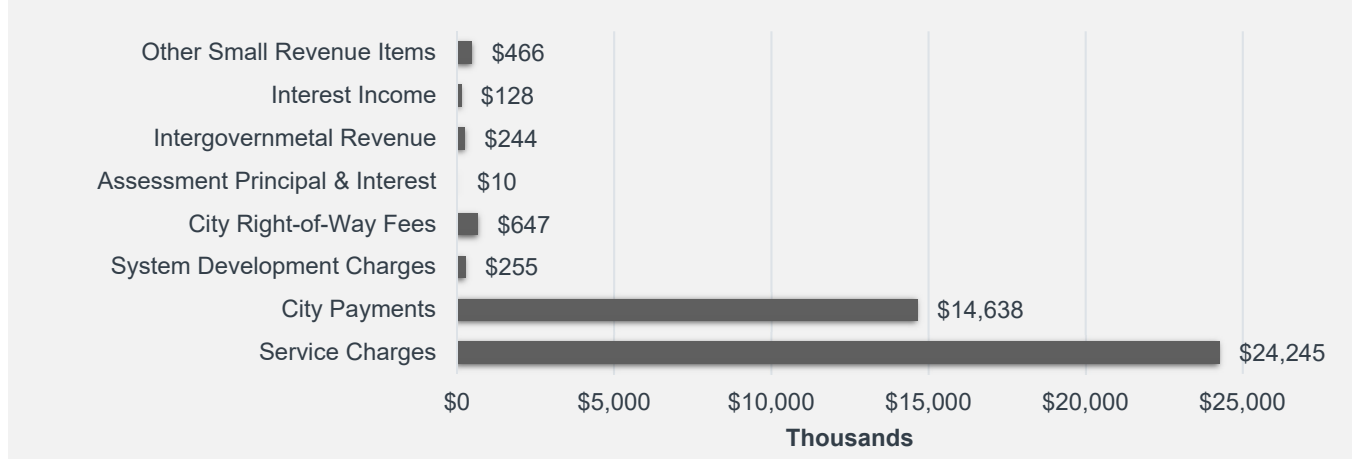
SANITARY SEWER OPERATING FUND 631

Clackamas Water Environment Services' Sanitary Sewer Operating Fund accounts for all operating and maintenance expenses for day-to-day sanitary sewer operations.

FY 2020-21 resources in the Sanitary Sewer Operating Fund are approximately \$48.6 million. Primary resources include Monthly Service Charges of \$24.2 million from retail customers, City Payments of \$14.6 million for wholesale service provided to the Cities of Oregon City, Gladstone, and West Linn in the Rate Zone 1 service area and the Cities of Milwaukie and Johnson City in the Rate Zone 2 service area, other revenues of approximately \$1.8 million, and beginning fund balance carried over from the prior year of approximately \$8.0 million.

WES has established rate zones within its boundaries to reflect the different levels of service provided at the retail and wholesale levels and to differentiate between components of rates that only apply to certain service areas. The primary difference between WES' two sanitary sewer rate zones is the inclusion of a legacy debt service component in the rate for customers in Rate Zone 2 for debt incurred by CCSD No. 1 prior to WES' formation.

SANITARY SEWER OPERATING FUND SOURCES OF REVENUE



Retail Sanitary Sewer Service Charges

WES provides sanitary sewer service to a small number of retail customers within Rate Zone 1 and to four separate retail sanitary sewer service areas in Rate Zone 2: North Clackamas Service Area (NCSA), Hoodland, Fischer's Forest Park, and Boring. The Hoodland, Fischer's Forest Park, and Boring service areas have not traditionally generated service charge revenue sufficient to cover the costs of serving these areas. As a result, any deficiencies have been covered by funds from the North Clackamas Service Area (NCSA). These deficiencies are negligible due to the small size of these service areas.

The Rate Zone 1 retail rate for FY 2020-21 is proposed to increase approximately 5.1% from \$36.40 per EDU per month to \$38.25 per EDU per month. The proposed budget includes a Rate Zone 2 retail rate increase of approximately 1.4% from \$50.55 per EDU per month to \$51.25 per EDU per month. The difference in the Rate Zone 1 and Rate Zone 2 rates is the inclusion of the legacy debt service component in Rate Zone 2's rate, as discussed above.

SANITARY SEWER FUND DETAIL

A summary of WES' FY 2020-21 retail sanitary sewer rates and their rate components is as follows:

	WES Retail Rate Components			WES Retail Total	City Right-of-Way Fee Surcharge*	Estimated Monthly Total	Projected FY 2020-21 EDUs
	Wholesale Monthly Rate	Collection Charge Rate	Legacy Debt Service Component				
Rate Zone 1	\$ 24.95	\$ 13.30	\$ -	\$ 38.25	\$ -	\$ 38.25	540
Rate Zone 2	\$ 24.95	\$ 13.30	\$ 13.00	\$ 51.25	\$ 2.56	\$ 53.81	40,281

**Right-of-Way Fee Surcharge applies only to Rate Zone 2 ratepayers within the City of Happy Valley.*

Wholesale Sanitary Sewer Service Charges

WES provides wholesale service to the Cities of Oregon City, West Linn, and Gladstone in Rate Zone 1 and to the Cities of Milwaukie and Johnson City in Rate Zone 2.

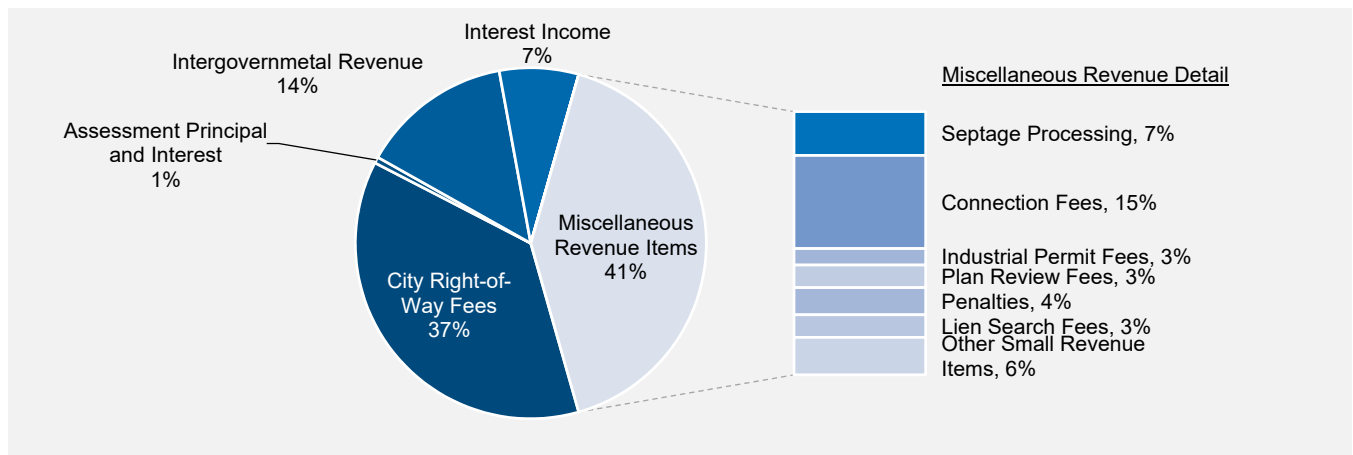
The proposed budget includes a wholesale monthly service charge rate increase of approximately 5.0% from \$23.75 per EDU per month to \$24.95 per EDU per month. The following table combines WES' wholesale rate with the legacy debt service component for Rate Zone 2, applicable city right-of-way fees, and the rate charged by individual cities for their local operating expenses, to arrive at the proposed total user rates for FY 2020-21 that will be charged for a single family unit in each city:

	WES Wholesale Rate Components			WES Wholesale Subtotal	City Retail Monthly Rate ¹	Estimated Monthly Total	Projected FY 2019-20 EDUs
	Wholesale Monthly Rate	Legacy Debt Service Component	City Right-of-Way Fee Surcharge				
Rate Zone 1							
Oregon City	\$ 24.95	\$ -	\$ 1.65	\$ 26.60	\$ 32.22	\$ 58.82	16,490
West Linn	\$ 24.95	\$ -	\$ -	\$ 24.95	\$ 21.80	\$ 46.75	10,459
Gladstone	\$ 24.95	\$ -	\$ 1.25	\$ 26.20	\$ 20.16	\$ 46.36	4,132
Rate Zone 2							
Milwaukie	\$ 24.95	\$ 13.00	\$ -	\$ 37.95	\$ 20.92	\$ 58.87	11,444
Johnson City	\$ 24.95	\$ 13.00	\$ -	\$ 37.95	\$ 1.90	\$ 39.85	278

¹ City Retail Monthly Rates for Oregon City, Gladstone, and Milwaukie reflect FY 2019-20 rates; these are subject to change.

Other Revenue Items

The other revenues of approximately \$1.8 million for FY 2020-21 include interest income, intergovernmental income, city right-of-way fees, and other small revenues such as septage processing fees, permit fees, plan review fees, and lien search fees. Proportions of other revenues are detailed in the chart below:

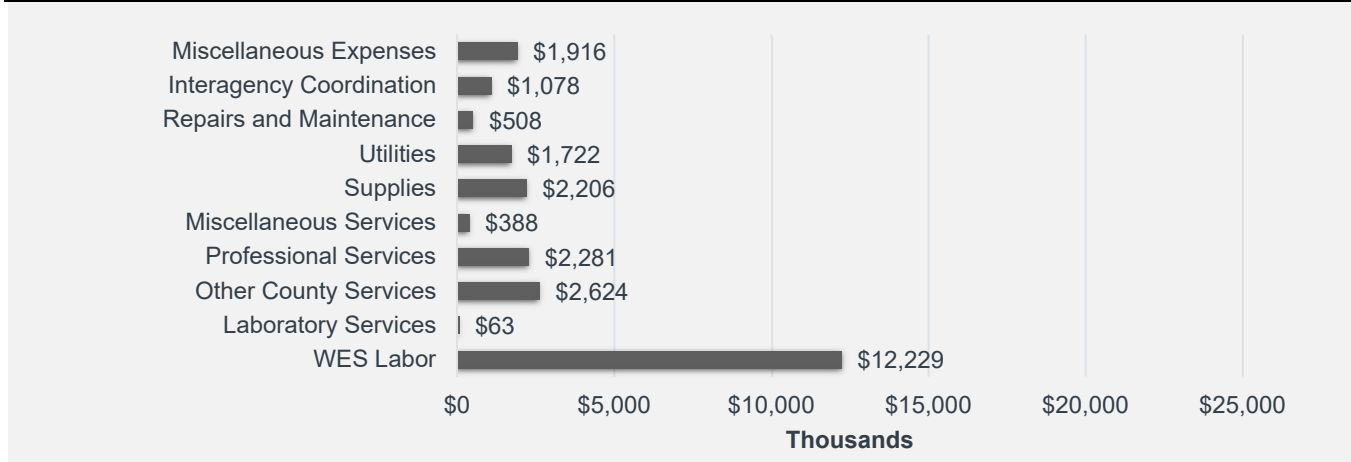


SANITARY SEWER FUND DETAIL

The Sanitary Sewer Operating Fund's budgeted requirements are approximately \$48.6 million and include current year expenditures, transfers, contingency, and reserves.

Budgeted expenditures for FY 2020-21 total approximately \$25 million and include all expenses related to WES' sanitary sewer operations including the costs of: labor, utilities, supplies such as chemicals, professional services, insurance, and repairs and maintenance.

SANITARY SEWER OPERATING FUND EXPENDITURES



Budgeted transfers for FY 2020-21 include \$11 million to the Sanitary Sewer Construction Fund, approximately \$6.8 million to the Revenue Bond Fund, and \$500 thousand to the State Loan Fund.

The budgeted contingency, based on 2 months' of budgeted operating expenditures, is approximately \$4.2 million and represents funds set aside for unforeseen circumstances which may arise during the year. Contingencies are typically not expended and added to reserves at year end.

Ending fund balance is budgeted at approximately \$1.2 million, a reduction from anticipated FY 2020-21 beginning fund balance of 85% or approximately \$6.8 million. This reduction is the result of transferring all funds not needed to meet operating requirements, debt service requirements, and reserve requirements to the Sanitary Sewer Construction Fund.

SANITARY SEWER OPERATING FUND DETAIL

	2017-18 <u>ACTUAL</u>	2018-19 <u>ACTUAL</u>	2019-20 <u>BUDGET</u>	2019-20 <u>ESTIMATE</u>	2020-21 <u>BUDGET</u>
RESOURCES					
BEGINNING FUND BALANCE	\$ 4,164,847 ¹	\$ 10,040,524 ²	\$ 9,591,333	\$ 10,801,749	\$ 7,978,040
RETAIL MONTHLY SERVICE CHARGES					
RATE ZONE 1	233,449	235,730	260,900	255,400	272,900
RATE ZONE 2	0	22,752,871	24,485,600	24,260,800	23,971,700
WHOLESALE MONTHLY SERVICE CHARGES					
MILWAUKIE & JOHNSON CITY	0	5,033,423	5,298,400	5,308,900	5,334,100
OREGON CITY	4,042,407	4,349,648	4,712,100	4,641,100	4,935,500
WEST LINN	2,827,033	2,945,391	2,964,000	2,973,700	3,131,400
GLADSTONE	1,110,186	1,144,103	1,225,500	1,174,700	1,237,100
CITY RIGHT-OF-WAY FEES ³					
HAPPY VALLEY	0	258,863	275,000	284,000	289,000
OREGON CITY	271,375	271,375	283,000	293,000	296,000
GLADSTONE	57,939	57,939	61,000	59,000	62,000
INTEREST INCOME	55,940	250,852	191,800	172,800	127,600
SYSTEM DEVELOPMENT CHARGE	0	33,793	5,000	5,000	5,000
SPECIAL CONNECTION CHARGE	0	298,390	250,000	302,000	250,000
PRINCIPAL & INT. NON-BONDED INSTALLMENT	0	34,751	10,000	30,000	10,000
INTERGOVERNMENTAL REVENUE	0	0	244,300	244,300	244,300
MISCELLANEOUS INCOME	652,700	592,667	555,220	539,220	465,720
TOTAL RESOURCES	13,415,876	48,300,320	50,413,153	51,345,669	48,610,360
REQUIREMENTS					
MATERIALS AND SERVICES					
421000 OFFICE AND ADMINISTRATIVE SUPPLIES	26,018	112,630	181,765	131,900	142,525
422000 CHEMICALS, UNIFORMS, OTHER SUPPLIES	688,810	1,050,461	1,199,800	1,196,300	1,247,200
424000 REPAIRS AND MAINTENANCE SUPPLIES	152,914	974,564	560,615	742,711	758,840
425000 SMALL TOOLS AND EQUIPMENT	20,923	52,036	42,000	71,700	57,500
427000 BIOSOLIDS AND SLUDGE REMOVAL	60,823	549,332	743,000	481,000	862,180
428000 PERMIT FEES	40,300	129,415	126,500	123,375	126,600
PROFESSIONAL AND TECHNICAL SERVICES					
431100 ACCOUNTING AND AUDITING	11,897	24,475	30,000	26,559	27,500
431200 MANAGEMENT CONSULTANT	15,566	33,081	107,550	86,000	33,306
431340 ENGINEERING	197,798	396,945	1,885,000	863,000	1,335,000
431350 ENVIRONMENTAL	26,713	27	15,000	142	125,000
431400 LEGAL	15,810	24,752	0	0	0
431500 MEDICAL	781	8,716	3,000	3,000	3,500
431600 FINANCIAL SERVICES	69,405	253,637	341,000	263,000	326,200
431700 PROFESSIONAL ADMIN SERVICES	43,454	32,754	69,250	46,750	48,000
431740 INFORMATION SERV (DATA PROC)	62,957	248,417	412,300	385,000	382,360

SANITARY SEWER OPERATING FUND DETAIL

	2017-18	2018-19	2019-20	2019-20	2020-21
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATE</u>	<u>BUDGET</u>
431750 LABORATORY SERVICES	235,888	27,780	45,000	63,000	63,000
431800 BUILDINGS AND GROUNDS	6,546	52,655	30,110	27,241	26,760
431910 WES LABOR	2,600,700	10,425,539	12,001,703	11,769,975	12,229,243
431920 DTD SERVICES	0	203,763	213,450	170,969	223,290
431929 OTHER COUNTY	577,044	2,177,055	2,379,854	2,332,986	2,401,060
432000 COMMUNICATIONS	53,417	208,067	328,320	289,868	361,040
433000 TRAVEL	2,702	5,474	12,000	7,550	9,400
435000 INSURANCE EXPENSE	162,235	390,077	419,328	422,456	479,158
436000 UTILITIES	648,309	1,578,294	1,601,400	1,603,790	1,722,355
437000 REPAIRS AND MAINTENANCE	83,998	602,547	524,050	342,773	507,550
438000 FACILITIES AND EQUIPMENT RENTAL	256,782	1,018,464	1,114,463	1,012,295	1,108,950
439000 MISCELLANEOUS CHARGES	39,440	193,367	268,925	219,575	280,850
439920 INTERAGENCY COORDINATION	513,670	702,739	1,011,500	1,143,000	1,078,000
439990 ALLOCATED COSTS	0	(18,753)	0	0	0
439600 CONTRA ACCOUNTS	0	(833,720)	(943,250)	(853,692)	(950,851)
TOTAL OPERATING & MAINTENANCE	<u>6,614,900</u>	<u>20,624,590</u>	<u>24,723,633</u>	<u>22,972,223</u>	<u>25,015,516</u>
TRANSFERS					
SANITARY SEWER CONSTRUCTION FUND	2,000,000	10,000,000	14,500,000	14,500,000	11,000,000
REVENUE BOND FUND	0	6,873,981	5,895,406	5,895,406	6,768,056
STATE LOAN FUND	0	0	0	0	500,000
TOTAL TRANSFERS	<u>2,000,000</u>	<u>16,873,981</u>	<u>20,395,406</u>	<u>20,395,406</u>	<u>18,268,056</u>
CONTINGENCY	0	0	4,121,000	0	4,169,000
ENDING FUND BALANCE	4,800,976	10,801,749	1,173,114	7,978,040	1,157,788
TOTAL REQUIREMENTS	<u>\$ 13,415,876</u>	<u>\$ 48,300,320</u>	<u>\$ 50,413,153</u>	<u>\$ 51,345,669</u>	<u>\$ 48,610,360</u>
USER CHARGE ANALYSIS					
ACCOUNTS SERVED (EDU'S)					
RATE ZONE 1 - RETAIL	533	539	540	539	540
RATE ZONE 1 - WHOLESALE	30,348	30,843	31,274	30,841	31,081
RATE ZONE 2 - RETAIL		39,557	40,118	39,731	40,281
RATE ZONE 2 - WHOLESALE		11,630	11,650	11,673	11,722
MONTHLY SERVICE CHARGE					
WES-WIDE WHOLESALE			\$ 23.75	\$ 23.75	\$ 24.95
WES-WIDE RETAIL			\$ 12.65	\$ 12.65	\$ 13.30
LEGACY DEBT SERVICE (RATE ZONE 2 ONLY)			\$ 14.15	\$ 14.15	\$ 13.00

¹ FY 2017-18 Beginning fund balance consists of Contribution of TCSD FY 2016-17 Reserves of \$4,164,847

² FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's FY 2017-18 Reserves of \$5,239,548.

³ City Right-of-Way fees are fees collected by WES and then remitted to the cities. These fees are offset in their entirety by a portion of the Interagency Coordination line item within Operating & Maintenance Expenditures.

SANITARY SEWER SYSTEM DEVELOPMENT CHARGE FUND 632

The Sanitary Sewer System Development Charge (SDC) Fund accounts for capital expenditures that are related to growth or capacity increases.

FY 2020-21 budgeted resources total approximately \$42.9 million and include system development charges (SDCs) of \$6.3 million, interest income of approximately \$0.6 million, and beginning fund balance of \$36.0 million.

The primary resources in this fund are SDC revenues for new connections to the system. The largest portion of SDC revenue in FY 2020-21, \$4.4 million, is expected from retail connections within Rate Zone 2. Wholesale SDC revenues of approximately \$1.9 million are anticipated in Rate Zone 1 with \$1.6 million from the City of Oregon City; \$200 thousand from the City of West Linn, and approximately \$80 thousand from the City of Gladstone. These revenues are based on an SDC fee of \$8,005 per EDU with reflects an inflationary adjustment of 1.98% from the \$7,850 fee per EDU effective during FY 2019-20. The SDC fees for Rate Zones 1 and 2 were harmonized in FY 2019-20 as recommended by the Water Environment Services Advisory Committee.

ORS 223 restricts the use of SDC revenues to capacity-increasing capital improvements. Budgeted expenditures for FY 2020-21 in this fund include capital outlay of approximately \$8.7 million with the largest portion of funds directed at the Clackamas Interceptor Capacity Improvements Project, a project to extend the Rock Creek Interceptor, and inflow and infiltration (I/I) reduction.

Contingency is budgeted at approximately \$2.2 million based on 25% of budgeted capital outlay. Contingencies are typically not expended and added to reserves at year end. Ending fund balance is budgeted at approximately \$32.0 million. The \$4.0 million decrease in ending fund balance over the projected FY 2020-21 beginning fund balance is reflective of higher anticipated expenditures than revenues. The \$32.0 million ending fund balance will act as a reserve for future capacity-related capital expenditures.

	2017-18 <u>ACTUAL</u>	2018-19 <u>ACTUAL</u>	2019-20 <u>BUDGET</u>	2019-20 <u>ESTIMATE</u>	2020-21 <u>BUDGET</u>
RESOURCES					
BEGINNING FUND BALANCE	\$ 2,769,220 ¹	\$ 25,993,261 ²	\$ 30,356,431	\$ 31,055,016	\$ 36,086,891
SYSTEM DEVELOPMENT CHARGES					
RATE ZONE 2 - RETAIL	0	4,102,803	4,317,500	5,746,000	4,403,000
RATE ZONE 1 - OREGON CITY	706,712	522,791	3,140,000	981,250	1,601,100
RATE ZONE 1 - WEST LINN	81,012	101,812	588,800	157,000	200,100
RATE ZONE 1 - GLADSTONE	31,250	20,575	157,000	39,250	80,100
OTHER	8,655	0	0	0	0
INTEREST INCOME	34,364	455,759	607,100	469,900	577,400
TOTAL RESOURCES	3,631,213	31,197,001	39,166,831	38,475,416	42,948,591
REQUIREMENTS					
CAPITAL OUTLAY					
CAPITAL CONSTRUCTION	555,818	141,985	4,248,500	2,388,525	8,723,500
TOTAL CAPITAL OUTLAY	555,818	141,985	4,248,500	2,388,525	8,723,500
CONTINGENCY	0	0	1,062,125	0	2,180,875
ENDING FUND BALANCE	3,075,395	31,055,016	33,856,206	36,086,891	32,044,216
TOTAL REQUIREMENTS	\$ 3,631,213	\$ 31,197,001	\$ 39,166,831	\$ 38,475,416	\$ 42,948,591
CAPITAL OUTLAY DETAIL BY CAPITAL CATEGORY					
Tri-City WRRF	555,818	10,693	1,022,500	682,500	1,187,500
Collection System	0	131,292	3,226,000	1,706,025	7,536,000
TOTAL	\$ 555,818	\$ 141,985	\$ 4,248,500	\$ 2,388,525	\$ 8,723,500

¹ FY 2017-18 Beginning fund balance consists of contribution of TCSD FY 2016-17 Reserves of \$2,769,220.

² FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's FY 2017-18 Reserves of \$22,917,866.

SANITARY SEWER CONSTRUCTION FUND 639

The Sanitary Sewer Construction Fund accounts for non-SDC capital expenditures. The primary resources are transfers from the Sanitary Sewer Operating Fund and interest earnings.

Total resources for FY 2020-21 are \$64.5 million and include a transfer from the Sanitary Sewer Operating Fund of \$11 million, interest income of approximately \$700 thousand, a capital project contribution from the State Revolving Fund (SRF) of \$9.1 million, and beginning fund balance of approximately \$43.7 million.

The budgeted resources of \$9.1 million from the State of Oregon Clean Water State Revolving Fund reflects funding for FY 2020-21's capital outlay for the Tri-City Solids Handling Improvement Project. Financing obtained through the Clean Water SRF is project-specific and treated as a loan with repayment occurring over time after the project is complete. The Solids Handling Project is estimated to be completed in January of 2021 and SRF loan repayment is anticipated to begin in FY 2021-22; the FY 2020-21 budget includes a prepayment of interest on this loan which is further discussed in the Debt section.

FY 2020-21 requirements include capital outlay of approximately \$29.1 million. Major projects include the Tri-City WRRF Solids Handling Improvement Project, Clackamas Interceptor Capacity Improvements, the Kellogg Creek WRRF Improvements Project, and upgrades to multiple pump stations. Descriptions of all major projects are provided in detail in the separate Capital section.

The FY 2020-21 budget includes a contingency of approximately \$7.3 million based on 25% of budgeted capital outlay to provide for unforeseen capital expenses. Contingencies are typically not expended and added to reserves at year end. Ending fund balance of approximately \$28.1 million which will provide funding for capital expenditures in future years. The decrease of \$15.6 million from the projected FY 2020-21 beginning fund balance reflects the budgeted use of resources for capital outlay expenditures.

SANITARY SEWER CONSTRUCTION FUND 639 – CONTINUED

	2017-18 <u>ACTUAL</u>	2018-19 <u>ACTUAL</u>	2019-20 <u>BUDGET</u>	2019-20 <u>ESTIMATE</u>	2020-21 <u>BUDGET</u>
RESOURCES					
BEGINNING FUND BALANCE	\$ 8,167,753 ¹	\$ 45,713,146 ²	\$ 46,479,255	\$ 43,848,962	\$ 43,746,421
TRANSFER FROM SEWER OPERATING FUND	2,000,000	10,000,000	14,500,000	14,500,000	11,000,000
INTEREST INCOME	75,705	643,401	929,600	701,600	699,900
MISCELLANEOUS	145,208	86,455	0	283,500	0
STATE REVOLVING FUND PROJECT CONTRIBUTION	0	8,882,051	13,900,000	14,000,000	9,100,000
TOTAL RESOURCES	10,388,666	65,325,053	75,808,855	73,334,062	64,546,321
REQUIREMENTS					
CAPITAL OUTLAY					
CAPITAL CONSTRUCTION	1,644,118	21,261,923	37,459,500	29,114,870	28,134,500
EQUIPMENT	0	214,168	990,000	472,771	990,000
TOTAL CAPITAL OUTLAY	1,644,118	21,476,091	38,449,500	29,587,641	29,124,500
CONTINGENCY	0	0	9,612,375	0	7,281,125
ENDING FUND BALANCE	8,744,548	43,848,962	27,746,980	43,746,421	28,140,696
TOTAL REQUIREMENTS	\$ 10,388,666	\$ 65,325,053	\$ 75,808,855	\$ 73,334,062	\$ 64,546,321
CAPITAL OUTLAY DETAIL BY CAPITAL CATEGORY					
Kellogg WRRF	0	8,056,809	11,250,000	9,018,106	4,800,000
Hoodland WRRF	0	1,685,720	100,000	527,042	0
Boring WRRF	0	56,217	500,000	6,440	1,000,000
Fischer Forest Park WRRF	0	0	0	10,000	200,000
Tri-City WRRF	1,414,781	10,513,252	20,277,500	16,977,500	11,862,500
Pump Station Upgrades	105,126	98,598	450,000	92,529	200,000
Collection System	58,391	628,189	3,784,000	2,136,797	9,294,000
Water Quality Lab	7,981	67,808	178,000	65,350	23,000
Blue Heron	1,002	0	0	100,000	0
Fleet	0	214,168	1,010,000	472,771	845,000
Asset Management - Renewal & Replacement	56,837	157,330	800,000	114,215	800,000
Development Review	0	0	100,000	66,891	100,000
TOTAL	\$ 1,644,118	\$ 21,476,091	\$ 38,449,500	\$ 29,587,641	\$ 29,124,500

¹ FY 2017-18 Beginning fund balance consists of contribution of TCSD FY 2016-17 Reserves of \$8,167,753.

² FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's FY 2017-18 Reserves of \$36,968,598.

Surface water management services provided to the community include the construction and maintenance of infrastructure necessary to improve water quality and/or provide adequate conveyance of stormwater runoff; development plan review; public education related to water quality and stormwater issues; restoration and enhancement of riparian areas and stream channels; and watershed planning.

In recent years, environmental regulations have tightened the standards for water quality and flow control in WES' streams and waterways. These new standards require WES to increase its efforts to improve water quality through its on-going maintenance, plan review and public education activities. As part of this effort, WES is also looking for opportunities to construct regional stormwater treatment facilities that can serve multiple developments more cost-effectively. As a program element of WES, surface water management activities have their own accounting cost centers, budget, and dedicated funding sources.

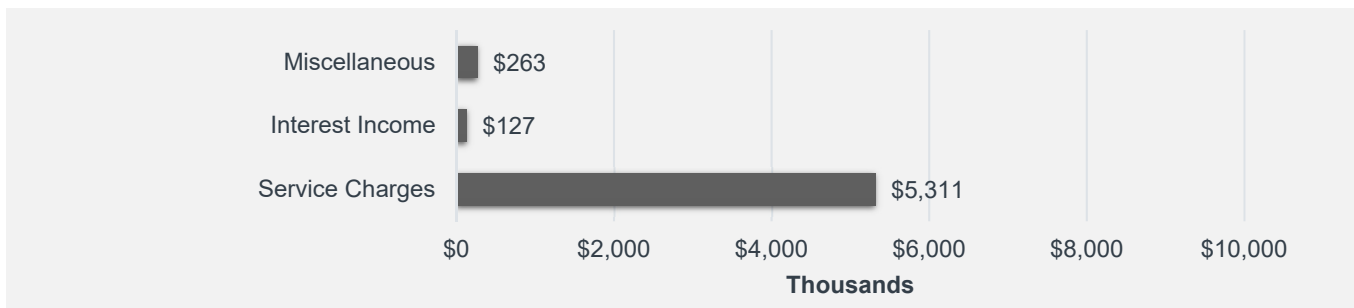
SURFACE WATER OPERATING FUND 641

WES' Surface Water Operating Fund provides for all surface water operating and maintenance activities and a source of financing for future capital improvements.

FY 2020-21 resources in the Surface Water Operating Fund are approximately \$13.6 million. These resources consist of beginning fund balance of \$7.9 million, monthly service charges of approximately \$5.3 million, miscellaneous income of approximately \$263 thousand, and interest earnings of approximately \$127 thousand.

WES has established surface water rate zones to reflect the different levels of service provided to the two distinct surface water service areas within its boundaries. Budgeted service charge revenues for FY 2020-21 amount to approximately \$5.3 million, including \$5.1 million from Rate Zone 2 and \$0.2 million from Rate Zone 3.

SURFACE WATER OPERATING FUND BUDGETED REVENUES



Rate Zone 2

Within Rate Zone 2, \$4.8 million is expected in monthly user fees charged to residents and businesses and approximately \$0.3 million is anticipated from surface water maintenance contracts. Surface water maintenance contract revenues are derived from an on-site facilities maintenance program. A charge of \$3.00 per month for On-Site Maintenance (OSM) is assessed for the annual maintenance and inspection of water quality and quantity facilities. This fee is charged to properties in new subdivisions and to existing subdivisions that contract with WES to provide this maintenance. The revenues generated by the OSM fee are used to pay for personnel and materials necessary to provide this service.

The proposed budget includes a Rate Zone 2 retail monthly service charge rate increase of approximately 5.0% from \$7.30 per ESU per month to \$7.65 per ESU per month. The monthly rate for customers in the City of Happy Valley is proposed to be approximately \$8.03 per ESU per month in order to cover the City's 5% Right-of-Way fee.

Rate Zone 3, SWMACC Service Area

Within Rate Zone 3, approximately \$0.2 million is budgeted for monthly user fees from residents and businesses within the service area boundaries. The base fee of \$4.45 per month per single-family dwelling currently being charged is proposed to increase approximately 5.0% to \$4.65 for FY 2020-21. Business and institutional customers continue to be charged multiples of the impervious area typical for a single-family dwelling. The projected revenue from monthly user fees is based on providing service to 3,810 accounts.

SURFACE WATER FUND DETAIL

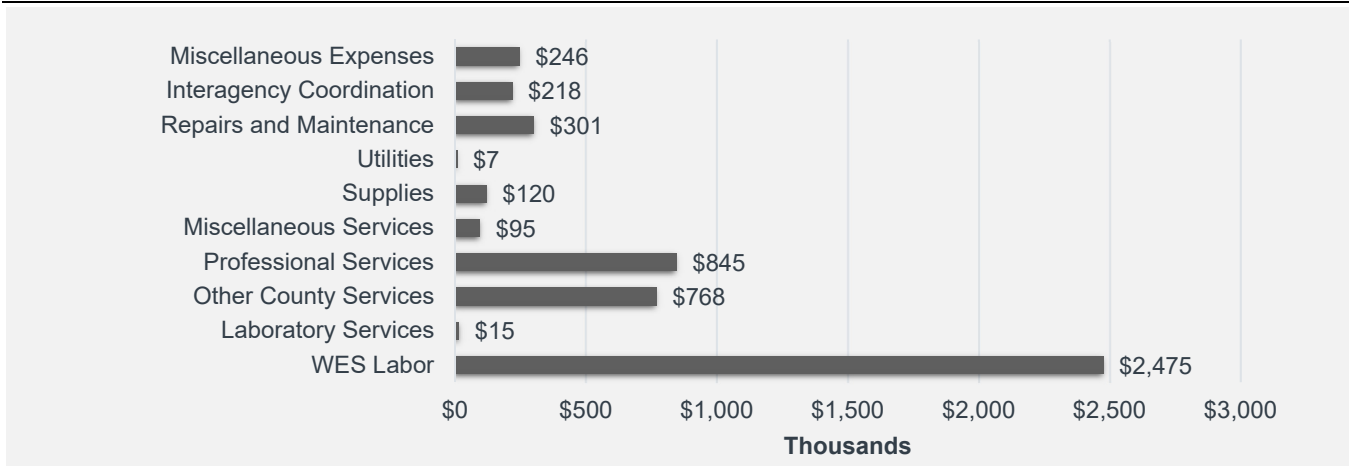
A summary of WES' surface water rates is as follows:

	WES Retail Total	City Right-of-Way Fee Surcharge*	Estimated Monthly Total	Projected FY 2019-20 EDUs
Rate Zone 2	\$ 7.65	\$ 0.38	\$ 8.03	53,661
Rate Zone 3	\$ 4.65	\$ -	\$ 4.65	3,810

**Right-of-Way Fee Surcharge applies only to Rate Zone 2 ratepayers within the City of Happy Valley.*

Requirements for the Surface Water Operating Fund total approximately \$13.6 million and include current year expenditures, contingency, and a transfer to the Surface Water Construction Fund of \$3.0 million.

SURFACE WATER OPERATING FUND BUDGETED EXPENDITURES



Expenditures for FY 2020-21 are budgeted at approximately \$5.1 million and include all expenses related to WES' surface water operations including the costs of: labor, supplies, professional services, insurance, and repairs and maintenance.

The budgeted contingency is approximately \$0.8 million, based on 2 months' of budgeted operating expenditures, and represents funds set aside for unforeseen circumstances which may arise during the year. Contingencies are typically not expended and added to reserves at year end. The ending fund balance of \$4.7 million will act as a reserve for operating and capital expenditures in future years. The decrease in reserves of 41% from the beginning fund balance is a result of the budgeted transfer of \$3.0 million to the Surface Water Construction Fund.

SURFACE WATER OPERATING FUND DETAIL

	2017-18 <u>ACTUAL</u>	2018-19 <u>ACTUAL</u>	2019-20 <u>BUDGET</u>	2019-20 <u>ESTIMATE</u>	2020-21 <u>BUDGET</u>
RESOURCES					
BEGINNING FUND BALANCE	\$ 562,433 ¹	\$ 9,302,907 ²	\$ 9,305,425	\$ 9,869,474	\$ 7,932,702
MONTHLY SERVICE CHARGE					
RATE ZONE 2	0	4,377,427	4,699,700	4,650,900	4,800,800
RATE ZONE 3	185,646	191,091	202,000	203,400	194,700
SURFACE WATER MAINTENANCE CONTRACTS	0	341,804	330,000	331,000	315,900
INTEREST INCOME	5,899	160,304	186,100	157,900	126,900
MISCELLANEOUS INCOME	8,127	207,456	255,000	418,000	262,500
TOTAL RESOURCES	762,105	14,580,989	14,978,225	15,630,674	13,633,502
REQUIREMENTS					
MATERIALS AND SERVICES					
421000 OFFICE AND ADMINISTRATIVE SUPPLIES	1,816	43,998	58,450	37,725	41,975
422000 CHEMICALS, UNIFORMS, OTHER SUPPLIE	151	15,078	31,000	20,650	23,000
424000 REPAIRS AND MAINTENANCE SUPPLIES	0	14,953	58,000	33,950	40,200
425000 SMALL TOOLS AND EQUIPMENT	0	2,691	16,000	6,500	14,500
428000 PERMIT FEES	623	13,129	16,000	15,500	15,500
PROFESSIONAL AND TECHNICAL SERVICES					
431100 ACCOUNTING AND AUDITING	3,442	11,620	8,000	5,056	5,200
431200 MANAGEMENT CONSULTANT	0	3,919	7,450	5,000	6,344
431340 ENGINEERING	45	251,043	695,000	590,000	235,000
431350 ENVIRONMENTAL	36,074	75,672	410,000	175,000	495,000
431400 LEGAL	1,104	406	0	0	0
431500 MEDICAL	20	758	2,500	500	550
431600 FINANCIAL SERVICES	6,260	56,913	42,500	53,000	49,500
431700 PROFESSIONAL ADMIN SERVICES	162	7,259	10,750	11,450	4,300
431740 INFORMATION SERV (DATA PROC)	1,639	36,227	51,200	47,000	48,640
431750 LABORATORY SERVICES	11,963	3,944	10,000	10,000	15,000
431800 BUILDINGS AND GROUNDS	0	28,003	16,000	2,256	6,550
431910 WES LABOR	38,832	1,911,649	2,487,467	2,196,370	2,474,505
431920 DTD	231	7,187	65,000	22,000	15,000
431929 OTHER COUNTY	17,883	494,255	618,926	629,769	753,278
432000 COMMUNICATIONS	471	25,466	74,930	60,568	88,360
433000 TRAVEL	24	1,748	3,650	1,665	1,850
435000 INSURANCE EXPENSE	1,245	14,842	17,732	17,521	16,635
436000 UTILITIES	0	6,848	12,850	7,130	7,230
437000 REPAIRS AND MAINTENANCE	2	276,904	310,000	306,100	301,000
438000 FACILITIES AND EQUIPMENT RENTAL	1,352	157,905	151,031	150,062	166,232
439000 MISCELLANEOUS CHARGES	1,294	33,001	60,300	37,550	45,680
439920 INTERAGENCY COORDINATION	9,905	216,097	200,500	255,650	218,000
TOTAL OPERATING & MAINTENANCE	134,538	3,711,515	5,435,236	4,697,972	5,089,029
TRANSFERS					
SURFACE WATER CONSTRUCTION FUND	0	1,000,000	3,000,000	3,000,000	3,000,000
TOTAL TRANSFERS	0	1,000,000	3,000,000	3,000,000	3,000,000
CONTINGENCY	0	0	906,000	0	848,000
ENDING FUND BALANCE	627,567	9,869,474	5,636,989	7,932,702	4,696,473
TOTAL REQUIREMENTS	\$ 762,105	\$ 14,580,989	\$ 14,978,225	\$ 15,630,674	\$ 13,633,502
USER CHARGE ANALYSIS					
ACCOUNTS SERVED (ESU'S)					
RATE ZONE 2		53,162	53,668	53,111	53,661
RATE ZONE 3	3,813	3,788	3,782	3,809	3,810
MONTHLY SERVICE CHARGE					
RATE ZONE 2		\$ 6.95	\$ 7.30	\$ 7.30	\$ 7.65
RATE ZONE 3	\$ 4.10	\$ 4.25	\$ 4.45	\$ 4.45	\$ 4.65
MONTHLY O&M COST/ESU	\$ 5.30	\$ 5.43	\$ 7.88	\$ 6.88	\$ 7.38

¹ FY 2017-18 Beginning fund balance consists of Contribution of SWMACC's FY 2016-17 Reserves of \$562,433

² FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's FY 2017-18 Reserves of \$8,675,340.

SURFACE WATER SYSTEM DEVELOPMENT CHARGE FUND 642

The Surface Water System Development Charge (SDC) Fund accounts for surface water capital expenditures that are related to growth or capacity increases. Currently, all surface water capital projects are in Rate Zone 2 and are consequently funded exclusively with Rate Zone 2 SDC revenues.

The FY 2020-21 budget includes resources of approximately \$2.4 million consisting of system development charges, interest income, and beginning fund balance.

The primary revenue source is SDC charges for new connections to the system; these charges are budgeted at approximately \$118 thousand for FY 2020-21. The current surface water SDC of \$211 per ESU is proposed to increase by an inflationary index of approximately 1.98% to \$215 per ESU for FY 2020-21.

Requirements total approximately \$2.4 million and are comprised solely of ending fund balance for FY 2020-21. Expenditures of SDC funds are restricted to capacity-improving capital outlay by Oregon Revised Statutes and there are currently no planned surface water capacity-improving projects thus budgeted capital outlay for FY 2020-21 is \$0.

From a reserve perspective, the ending fund balance is an increase of \$155 thousand from the projected beginning fund balance. This increase is due to budgeted revenues exceeding budgeted expenditures.

	2017-18 <u>ACTUAL</u>	2018-19 <u>ACTUAL</u>	2019-20 <u>BUDGET</u>	2019-20 <u>ESTIMATE</u>	2020-21 <u>BUDGET</u>
RESOURCES					
BEGINNING FUND BALANCE	\$ 0	\$ 1,912,064 ¹	\$ 1,923,464	\$ 2,084,546	\$ 2,281,946
SYSTEM DEVELOPMENT CHARGES	0	140,543	116,100	164,000	118,300
INTEREST INCOME	0	31,939	38,500	33,400	36,500
TOTAL RESOURCES	0	2,084,546	2,078,064	2,281,946	2,436,746
REQUIREMENTS					
CAPITAL OUTLAY					
CAPITAL CONSTRUCTION	0	0	50,000	0	0
TOTAL CAPITAL OUTLAY	0	0	50,000	0	0
CONTINGENCY	0	0	12,500	0	0
ENDING FUND BALANCE	0	2,084,546	2,015,564	2,281,946	2,436,746
TOTAL REQUIREMENTS	\$ 0	\$ 2,084,546	\$ 2,078,064	\$ 2,281,946	\$ 2,436,746
CAPITAL OUTLAY DETAIL					
Surface Water					
Decant Facility	0	0	50,000	0	0
TOTAL	\$ 0	\$ 0	\$ 50,000	\$ 0	\$ 0

¹ FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's FY 2017-18 reserves of \$1,912,064.

SURFACE WATER CONSTRUCTION FUND 649

WES' Surface Water Construction Fund accounts for non-SDC surface water capital expenditures. The primary resources are transfers from the Surface Water Operating Fund, interest earnings and capital project participation. Currently, all surface water capital projects are in Rate Zone 2 and are consequently funded exclusively with Rate Zone 2 revenues.

Budgeted resources for FY 2020-21 total approximately \$6.3 million and include interest income on fund balance of approximately \$53 thousand, a transfer from the Surface Water Operating Fund of \$3.0 million, and beginning fund balance of approximately \$3.3 million.

Requirements for FY 2020-21 include contingency of approximately \$0.5 million, based on 25% of budgeted capital outlay, for unforeseen capital expenditures, ending fund balance of approximately \$3.7 million, and capital outlay of \$2.1 million, \$1.2 million of which is for the Red Rose Valley Detention Pipe Repair project. Detailed descriptions of all major capital projects and their funding sources may be found in the separate Capital section.

The increase in fund balance of approximately \$0.4 million or 11% is due to the transfer from the Surface Water Operating Fund exceeding current year capital outlay.

	2017-18 <u>ACTUAL</u>	2018-19 <u>ACTUAL</u>	2019-20 <u>BUDGET</u> ²	2019-20 <u>ESTIMATE</u>	2020-21 <u>BUDGET</u>
RESOURCES					
BEGINNING FUND BALANCE	\$ 0	\$ 1,991,876 ¹	\$ 1,066,180	\$ 1,077,631	\$ 3,297,331
TRANSFER FROM SURFACE WATER OPERATING FUND	0	1,000,000	3,000,000	3,000,000	3,000,000
CAPITAL PROJECT PARTICIPATION	0	0	285,168	0	0
MISCELLANEOUS	0	13,534	0	0	0
INTEREST INCOME	0	17,446	21,300	17,200	52,800
TOTAL RESOURCES	0	3,022,856	4,372,648	4,094,831	6,350,131
REQUIREMENTS					
CAPITAL OUTLAY					
CAPITAL CONSTRUCTION	0	1,945,225	920,300	797,500	2,141,500
TOTAL CAPITAL OUTLAY	0		920,300	797,500	2,141,500
CONTINGENCY	0	0	48,500	0	535,375
ENDING FUND BALANCE	0	1,077,631	3,403,898	3,297,331	3,673,256
TOTAL REQUIREMENTS	\$ 0	\$ 3,022,856	\$ 4,372,648	\$ 4,094,831	\$ 6,350,131
CAPITAL OUTLAY DETAIL					
Surface Water					
3-Creeks Water Quality Project	0	0	50,000	0	500,000
90th Ave Water Quality Retrofit	0	0	0	0	150,000
Carli Property Water Quality Project	0	1,115,542	75,000	200,000	91,500
Detention Pond Repair / Rehab	0	142,863	100,000	0	100,000
Mt. Scott Oak Bluff Reach Restoration	0	14,017	450,000	2,500	0
Red Rose Valley Detention Pipe Repair	0	0	0	25,000	1,200,000
Rock Creek Restoration	0	22,544	0	0	0
SE 106th Ave Storm Outfall	0	0	145,300	550,000	0
Small Projects - Drainage Sys Mods	0	650,259	100,000	20,000	100,000
TOTAL	\$ 0	\$ 1,945,225	\$ 920,300	\$ 797,500	\$ 2,141,500

¹ FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's FY 2018-19 Reserves of \$1,991,876.

² FY 2019-20 Budget includes a Transfer of \$145,300 from Contingency to Capital Construction.

STATE LOAN FUND 635

The State Loan Debt Service Fund provides for the repayment of WES' Department of Environmental Quality loans. These loans financed the NCRA assessment district in Rate Zone 2 and are financing the Tri-City Solids Handling Project. The primary resources are transfers from the Sanitary Sewer Operating Fund and the interest and principal payments associated with the NCRA loans received from beneficiaries in that assessment district.

The proposed budget for FY 2020-21 includes resources of approximately \$1.6 million, consisting of beginning fund balance of approximately \$0.8 million, a transfer in from the Sanitary Sewer Operating Fund of \$0.5 million, assessment principal and interest payments of approximately \$254 thousand, and interest income of \$13 thousand.

Requirements include debt service payments of \$0.6 million, reserves of approximately \$53 thousand, and a transfer to the Revenue Bond Fund of \$0.2 million which will be directed towards the Revenue Bond Fund's required debt service on the portion of the 2016 refunding bond that was used to pay off state loan R22403.

FY 2020-21 debt service in this fund consists of \$113 thousand for existing state loan payments and \$500 thousand for a prepayment of interest related to the new SRF loan for the Tri-City Solids Handling Improvements project. WES is estimating contributions from the State Revolving Fund for capital financing of the Tri-City Solids Handling Improvement project of \$22.9 million by the end of FY 2019-20 and has budgeted a contribution for FY 2020-21 into the Sanitary Sewer Construction Fund of \$9.1 million. These contributions are essentially a loan that accrues interest during construction and becomes payable upon completion of the project, currently estimated to occur in FY 2021-22. In order to reduce the interest due on this loan when the project is complete, for the duration of the project, WES' budget will include prepayments of estimated accrued interest. When the project is complete, both the principal and interest payments will be budgeted as requirements in this fund. The future impact of the borrowing is covered in detail in the separate Debt section.

Ending fund balance and reserves for FY 2020-21 are budgeted at \$796 thousand, a decrease of approximately \$46 thousand or 5% from the beginning fund balance resulting from debt service and transfers out exceeding transfers in and budgeted revenues.

	2017-18 <u>ACTUAL</u>	2018-19 <u>ACTUAL</u>	2019-20 <u>BUDGET</u>	2019-20 <u>ESTIMATE</u>	2020-21 <u>BUDGET</u>
RESOURCES					
BEGINNING FUND BALANCE	\$ 541 ¹	\$ 727,733 ²	\$ 1,169,190	\$ 1,279,591	\$ 841,979
TRANSFER FROM SEWER OPERATING FUND	0	0	0	0	500,000
ASSESSMENT PRINCIPAL	0	500,658	157,200	459,000	133,500
ASSESSMENT INTEREST	0	147,578	120,000	96,000	120,000
INTEREST INCOME	7	17,265	23,400	20,500	13,500
TOTAL RESOURCES	548	1,393,234	1,469,790	1,855,091	1,608,979
REQUIREMENTS					
TRANSFER TO REV BOND FUND	0	0	900,000	900,000	200,000
PRINCIPAL PAYMENTS					
R06624	0	106,208	106,208	106,208	106,208
R95030	0	0	0	0	0
TOTAL PRINCIPAL	0	106,208	106,208	106,208	106,208
INTEREST PAYMENTS					
R06624	0	7,435	6,904	6,904	6,373
R95030	0	0	350,000	0	500,000
TOTAL INTEREST	0	7,435	356,904	6,904	506,373
RESERVE REQUIREMENTS	0	53,104	53,104	53,104	53,104
ENDING FUND BALANCE	548	1,226,487	53,574	788,875	743,294
TOTAL REQUIREMENTS	\$ 548	\$ 1,393,234	\$ 1,469,790	\$ 1,855,091	\$ 1,608,979

¹ FY 2017-18 Beginning fund balance includes contribution of TCSD's FY 2016-17 Reserves of \$541.

² FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's FY 2018-19 Reserves of \$727,185.

REVENUE BOND FUND 636

The Revenue Bond Fund accounts for redemption of revenue bonds and interest thereon. The primary resources are Rate Zone 2 sewer and surface water monthly user fees transferred from other funds.

FY 2020-21 Revenue Bond Fund resources total approximately \$7.4 million, including a \$6.8 million transfer in from the Sanitary Sewer Operating Fund, a \$0.2 million transfer in from the State Loan Fund, minor amounts of interest collections and interest income, and approximately \$0.4 million in beginning fund balance.

The proposed FY 2020-21 budget anticipates approximately \$6.8 million in debt service payments for outstanding revenue bonds and revenue obligations. These include revenue obligations sold in December of 2010, in support of Phase I of the Capacity Management Program and Revenue Bond 2016 issued in August 2016, which was used to refinance portions of the 2009 and 2010 revenue bonds and all of state revolving fund loan R22403. The debt service for the 2010 and 2016 revenue bonds is paid from sanitary sewer user charges via transfers in from other funds. As all existing revenue bond debt was originally incurred by CCSD No. 1, only ratepayers within Rate Zone 2 are responsible for this debt in FY 2020-21.

Ending fund balance is budgeted at approximately \$0.6 million for FY 2020-21, an increase of \$0.2 million or 56% from the beginning fund balance. This increase of reserves is due to the transfer in of \$0.2 million from the State Loan Fund. This resource will be used to cover the portion of Revenue Bond 2016's debt service that was used to pay off state loan R22403, thereby reducing future fiscal year transfers from the Sanitary Sewer Operating Fund.

	2017-18 <u>ACTUAL</u>	2018-19 <u>ACTUAL</u>	2019-20 <u>BUDGET</u>	2019-20 <u>ESTIMATE</u>	2020-21 <u>BUDGET</u>
RESOURCES					
BEGINNING FUND BALANCE	\$ 0	\$ 353,750 ¹	\$ 375,150	\$ 376,007	\$ 392,707
TRANSFER FROM SEWER OPERATING FUND	0	6,873,981	5,895,406	5,895,406	6,768,056
TRANSFER FROM STATE LOAN FUND	0	0	900,000	900,000	200,000
INTEREST COLLECTIONS	0	17,535	15,000	10,700	15,000
INTEREST INCOME	0	4,722	7,500	6,000	6,300
TOTAL RESOURCES	0	7,249,988	7,193,056	7,188,113	7,382,063
REQUIREMENTS					
PRINCIPAL PAYMENTS					
2009A	0	1,210,000	0	0	0
2009B	0	1,415,000	1,470,000	1,470,000	0
2010	0	805,000	820,000	820,000	840,000
2016	0	285,000	1,495,000	1,495,000	3,095,000
TOTAL PRINCIPAL	0	3,715,000	3,785,000	3,785,000	3,935,000
INTEREST PAYMENTS					
2009A	0	18,150	0	0	0
2009B	0	87,100	29,400	29,400	0
2010	0	82,500	50,000	50,000	16,800
2016	0	2,971,231	2,931,006	2,931,006	2,816,256
TOTAL INTEREST	0	3,158,981	3,010,406	3,010,406	2,833,056
ENDING FUND BALANCE	0	376,007	397,650	392,707	614,007
TOTAL REQUIREMENTS	\$ 0	\$ 7,249,988	\$ 7,193,056	\$ 7,188,113	\$ 7,382,063

¹ FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's FY 2017-18 reserves of \$353,750.



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State Budget Forms Water Environment Services



Students touring the Hoodland Water Resource Recovery Facility

RESOURCES

FORM LB-20

**SANITARY SEWER
OPERATING FUND**

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019						
1				BEGINNING FUND BALANCE:				
2	0	4,800,976	9,591,333	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)	7,978,040	7,978,040	7,978,040	2
4	55,940	250,852	191,800	3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
5				4. INTEREST	127,600	127,600	127,600	4
6	233,449	22,988,601	24,746,500	5. OTHER RESOURCES				5
7	7,997,522	13,472,565	14,200,000	6. MONTHLY SERVICE CHARGE REVENUE - RETAIL	24,244,600	24,244,600	24,244,600	6
8	311,418	588,177	619,000	7. OPERATION PAYMENTS-CITIES	14,638,100	14,638,100	14,638,100	7
9	184,920	5,220	5,220	8. CITY RIGHT-OF-WAY FEES	647,000	647,000	647,000	8
10	467,780	587,447	550,000	9. RENTAL INCOME	5,220	5,220	5,220	9
11		33,793	5,000	10. MISCELLANEOUS INCOME	460,500	460,500	460,500	10
12		298,390	250,000	11. SYSTEM DEVELOPMENT CHARGE REVENUE	5,000	5,000	5,000	11
13				12. SPECIAL CONNECTION CHARGE REVENUE	250,000	250,000	250,000	12
14				13. FEES				13
15		34,751	10,000	14. PRINCIPAL NON-BONDED INSTALLMENT				14
16				15. INTEREST NON-BONDED INSTALLMENT	10,000	10,000	10,000	15
17				16. STATE GRANT (DEQ)				16
18				17. FEDERAL GRANT (EPA)				17
19				18. STATE LOAN				18
20				19. REVENUE BONDS PROCEEDS				19
21			244,300	20. INSURANCE PROCEEDS				20
22				21. INTERGOVERNMENTAL REVENUE	244,300	244,300	244,300	21
23	4,164,847			22. TRANSFER FROM OTHER FUNDS				22
24		5,239,548		23. CONTRIBUTION FROM TCSD				23
25				24. CONTRIBUTION FROM CCSD NO. 1				24
26				25.				25
27				26.				26
28				27.				27
29	13,415,876	48,300,320	50,413,153	28. FROM OTHER ENTITIES				28
30				29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	48,610,360	48,610,360	48,610,360	29
31				30. TAXES NECESSARY TO BALANCE BUDGET				30
32	13,415,876	48,300,320	50,413,153	31. TAXES COLLECTED IN YEAR LEVIED				31
				32. TOTAL RESOURCES	48,610,360	48,610,360	48,610,360	32

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

SANITARY SEWER

OPERATING FUND

NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2018-2019		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2016-2017	FIRST PRECEDING YEAR 2017-2018						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1	6,614,900	20,624,590	24,723,633	1.	25,015,516	25,015,516	25,015,516	1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	6,614,900	20,624,590	24,723,633	7. TOTAL MATERIALS AND SERVICES	25,015,516	25,015,516	25,015,516	7
				CAPITAL OUTLAY				
1				1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1			0	1.	0	0	0	1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1				1. RESERVE FOR CAPITAL IMPROVEMENT				1
2	2,000,000	10,000,000	14,500,000	2. TO CONSTRUCTION FUND	11,000,000	11,000,000	11,000,000	2
3	0	6,873,981	5,895,406	3. TO DEBT FUNDS	6,768,056	6,768,056	6,768,056	3
				4. STATE LOAN FUND	500,000	500,000	500,000	
4	-	-	4,121,000	5. GENERAL OPERATING CONTINGENCY	4,169,000	4,169,000	4,169,000	4
5	2,000,000	16,873,981	24,516,406	6. TOTAL TRANSFERS & CONTINGENCY	22,437,056	22,437,056	22,437,056	5
	8,614,900	37,498,571	49,240,039	TOTAL EXPENDITURES	47,452,572	47,452,572	47,452,572	
	4,800,976	10,801,749	1,173,114	UNAPPROPRIATED ENDING FUND BALANCE	1,157,788	1,157,788	1,157,788	
	13,415,876	48,300,320	50,413,153	TOTAL	48,610,360	48,610,360	48,610,360	

DETAILED EXPENDITURES

FORM LB-31

228000

**SANITARY SEWER
OPERATING FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3	2,833,819	10,453,320	12,001,703	3. WES SERVICES			12,229,243	12,229,243	12,229,243	3
4	577,044	2,380,818	2,593,304	4. OTHER COUNTY SERVICES			2,624,350	2,624,350	2,624,350	4
5	424,795	1,022,804	3,005,420	5. PROFESSIONAL SERVICES			2,462,906	2,462,906	2,462,906	5
6	62,732	260,721	261,110	6. MISCELLANEOUS SERVICES			268,760	268,760	268,760	6
7	3,898,390	14,117,663	17,861,537	7. TOTAL SERVICES			17,585,259	17,585,259	17,585,259	7
8				8.						8
9	884,837	2,189,691	1,984,180	9. SUPPLIES			2,206,065	2,206,065	2,206,065	9
10	60,823	549,332	743,000	10. SLUDGE DISPOSAL & SEWAGE TREATMENT			862,180	862,180	862,180	10
11	648,309	1,578,294	1,601,400	11. UTILITIES			1,722,355	1,722,355	1,722,355	11
12	872,369	2,112,492	2,398,803	12. MISCELLANEOUS EXPENSE			2,504,944	2,504,944	2,504,944	12
13	250,172	77,118	134,713	13. ALLOCATED OVERHEAD			134,713	134,713	134,713	13
14				14. REPLACEMENT						14
15				15.						15
16				16.						16
17				17.						17
18				18.						18
19				19.						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	6,614,900	20,624,590	24,723,633	31. TOTAL EXPENDITURES			25,015,516	25,015,516	25,015,516	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	6,614,900	20,624,590	24,723,633	TOTAL	0		25,015,516	25,015,516	25,015,516	

DETAILED EXPENDITURES

FORM LB-31

**SANITARY SEWER
OPERATING FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019								
1				1. LAND						1
2				2.						2
3				3. BUILDING AND BLDG IMPROVEMENTS						3
4				4.						4
5				5. TREATMENT PLANT						5
6				6.						6
7				7. PUMP STATIONS						7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11				11. TRUNKS & INTERCEPTORS						11
12				12.						12
13				13. EQUIPMENT CAPITAL						13
14				14.						14
15				15. MASTER PLANS/STUDIES						15
16				16.						16
17				17. ADMINISTRATION						17
18				18.						18
19				19. REMOVAL & REPLACEMENT						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	0	31. TOTAL EXPENDITURES			0	0		0
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL	0		0	0		0

RESOURCES

FORM LB-20

**SANITARY SEWER
SYSTEM DEVELOPMENT CHARGE FUND**
FUND

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	0	3,075,395	30,356,431	2. *NET WORKING CAPITAL (ACCRUAL BASIS)	36,086,891	36,086,891	36,086,891	2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	34,364	455,759	607,100	4. INTEREST	577,400	577,400	577,400	4
5				5. OTHER RESOURCES				5
6				6. MONTHLY SERVICE CHARGE REVENUE				6
7				7. OPERATION PAYMENTS-CITIES				7
8				8. BANCROFT BOND SALE PROCEEDS				8
9				9. RENTAL INCOME				9
10				10. MISCELLANEOUS INCOME				10
11	827,629	4,747,981	8,203,300	11. SYSTEM DEVELOPMENT CHARGE REVENUE	6,284,300	6,284,300	6,284,300	11
12				12. SPECIAL CONNECTION CHARGE REVENUE				12
13				13. CAPITAL OUTLAY PAYMENTS CITIES				13
14				14. PRINCIPAL NON-BONDED INSTALLMENT				14
15				15. INTEREST NON-BONDED INSTALLMENT				15
16				16. STATE GRANT (DEQ)				16
17				17. FEDERAL GRANT (EPA)				17
18				18. STATE LOAN				18
19				19. REVENUE BONDS PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERGOVERNMENTAL REVENUE				21
22		22,917,866		22. CONTRIBUTION FROM CCSD NO. 1				22
23	2,769,220			22. CONTRIBUTION FROM TCSD				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28. FROM OTHER ENTITIES				28
29	3,631,213	31,197,001	39,166,831	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	42,948,591	42,948,591	42,948,591	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	3,631,213	31,197,001	39,166,831	32. TOTAL RESOURCES	42,948,591	42,948,591	42,948,591	32

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

**SANITARY SEWER
SYSTEM DEVELOPMENT CHARGE FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

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	HISTORICAL DATA			EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1	555,818	141,985	4,248,500	1.	8,723,500	8,723,500	8,723,500	1
2				2.				2
3				3.				3
4	555,818	141,985	4,248,500	4. TOTAL CAPITAL OUTLAY	8,723,500	8,723,500	8,723,500	4
				SPECIAL PAYMENTS				
1			0	1.	0	0	0	1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1				1. RESERVE FOR CAPITAL IMPROVEMENT				1
2				2. TO CONSTRUCTION FUND				2
3				3. TO DEBT FUNDS				3
4	-	-	1,062,125	4. GENERAL OPERATING CONTINGENCY	2,180,875	2,180,875	2,180,875	4
5	0	0	1,062,125	5. TOTAL TRANSFERS & CONTINGENCY	2,180,875	2,180,875	2,180,875	5
	555,818	141,985	5,310,625	TOTAL EXPENDITURES	10,904,375	10,904,375	10,904,375	
	3,075,395	31,055,016	33,856,206	UNAPPROPRIATED ENDING FUND BALANCE	32,044,216	32,044,216	32,044,216	
	3,631,213	31,197,001	39,166,831	TOTAL	42,948,591	42,948,591	42,948,591	

DETAILED EXPENDITURES

FORM LB-31

**SANITARY SEWER
SYSTEM DEVELOPMENT CHARGE FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3				3. WES SERVICES						3
4				4. OTHER COUNTY SERVICES						4
5				5. PROFESSIONAL SERVICES						5
6				6. MISCELLANEOUS SERVICES						6
7	0	0	0	7. TOTAL SERVICES			0	0	0	7
8										8
9				9. SUPPLIES						9
10				10. SLUDGE DISPOSAL						10
11				11. UTILITIES						11
12				12. MISCELLANEOUS EXPENSE						12
13				13. ALLOCATED OVERHEAD						13
14				14. REPLACEMENT						14
15				15.						15
16				16.						16
17				17.						17
18				18.						18
19				19.						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL			0	0	0	

DETAILED EXPENDITURES

FORM LB-31

**SANITARY SEWER
SYSTEM DEVELOPMENT CHARGE FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019								
1				1. LAND						1
2				2.						2
3				3. BUILDING AND BLDG IMPROVEMENTS						3
4				4.						4
5	555,818	10,693	1,022,500	5. TREATMENT PLANT			1,187,500	1,187,500	1,187,500	5
6				6.						6
7				7. PUMP STATIONS			72,000	72,000	72,000	7
8				8.						8
9		122,342	1,512,000	9. FORCE MAINS						9
10				10.						10
11		8,950	1,214,000	11. TRUNKS & INTERCEPTORS			6,964,000	6,964,000	6,964,000	11
12				12.						12
13				13. EQUIPMENT CAPITAL						13
14				14.						14
15				15. MASTER PLANS/STUDIES						15
16				16.						16
17				17. ADMINISTRATION						17
18				18.						18
19			500,000	19. RENEWAL & REPLACEMENT			500,000	500,000	500,000	19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	555,818	141,985	4,248,500	31. TOTAL EXPENDITURES			8,723,500	8,723,500	8,723,500	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	555,818	141,985	4,248,500	TOTAL			8,723,500	8,723,500	8,723,500	

RESOURCES

FORM LB-20

**SANITARY SEWER
CONSTRUCTION FUND**
FUND

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019						
1				BEGINNING FUND BALANCE:				
2	0	8,744,548	46,479,255	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)	43,746,421	43,746,421	43,746,421	2
4	75,705	643,401	929,600	3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
5				4. INTEREST	699,900	699,900	699,900	4
6				5. OTHER RESOURCES				5
7				6. MONTHLY SERVICE CHARGE REVENUE				6
8				7. OPERATION PAYMENTS-CITIES				7
9				8. BANCROFT BOND SALE PROCEEDS				8
10	145,208	86,455		9. RENTAL INCOME				9
11				10. MISCELLANEOUS INCOME				10
12				11. SYSTEM DEVELOPMENT CHARGE REVENUE				11
13				12. SPECIAL CONNECTION CHARGE REVENUE				12
14				13. CAPITAL OUTLAY PAYMENTS CITIES				13
15				14. PRINCIPAL NON-BONDED INSTALLMENT				14
16				15. INTEREST NON-BONDED INSTALLMENT				15
17				16. STATE GRANT (DEQ)				16
18		8,882,051	13,900,000	17. FEDERAL GRANT (EPA)				17
19				18. SRF STATE LOAN PROJECT CONTRIBUTION	9,100,000	9,100,000	9,100,000	18
20				19. REVENUE BONDS PROCEEDS				19
21				20. INSURANCE PROCEEDS				20
22	2,000,000	10,000,000	14,500,000	21. INTERGOVERNMENTAL REVENUE				21
23	8,167,753			22. TRANSFERS FROM GENERAL FUND	11,000,000	11,000,000	11,000,000	22
24		36,968,598		23. CONTRIBUTION FROM TCSD				23
25				24. CONTRIBUTION FROM CCSD NO. 1				24
26				25.				25
27				26.				26
28				27.				27
29	10,388,666	65,325,053	75,808,855	28. FROM OTHER ENTITIES				28
30				29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	64,546,321	64,546,321	64,546,321	29
31				30. TAXES NECESSARY TO BALANCE BUDGET				30
32	10,388,666	65,325,053	75,808,855	31. TAXES COLLECTED IN YEAR LEVIED				31
				32. TOTAL RESOURCES	64,546,321	64,546,321	64,546,321	32

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

SANITARY SEWER

CONSTRUCTION FUND

NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1	1,644,118	21,476,091	38,449,500	1.	29,124,500	29,124,500	29,124,500	1
2				2.				2
3				3.				3
4	1,644,118	21,476,091	38,449,500	4. TOTAL CAPITAL OUTLAY	29,124,500	29,124,500	29,124,500	4
				SPECIAL PAYMENTS				
1			0	1.	0	0	0	1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1	0	0		1. RESERVE FOR CAPITAL IMPROVEMENT				1
2				2. TO DEBT SERVICE FUNDS				2
3				3. TO OTHER FUNDS				3
4	-	-	9,612,375	4. GENERAL OPERATING CONTINGENCY	7,281,125	7,281,125	7,281,125	4
5	0	0	9,612,375	5. TOTAL TRANSFERS & CONTINGENCY	7,281,125	7,281,125	7,281,125	5
	1,644,118	21,476,091	48,061,875	TOTAL EXPENDITURES	36,405,625	36,405,625	36,405,625	
	8,744,548	43,848,962	27,746,980	UNAPPROPRIATED ENDING FUND BALANCE	28,140,696	28,140,696	28,140,696	
	10,388,666	65,325,053	75,808,855	TOTAL	64,546,321	64,546,321	64,546,321	

DETAILED EXPENDITURES

FORM LB-31

**SANITARY SEWER
CONSTRUCTION FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3				3. WES SERVICES						3
4				4. OTHER COUNTY SERVICES						4
5				5. PROFESSIONAL SERVICES						5
6				6. MISCELLANEOUS SERVICES						6
7	0	0	0	7. TOTAL SERVICES			0	0	0	7
8										8
9				9. SUPPLIES						9
10				10. SLUDGE DISPOSAL						10
11				11. UTILITIES						11
12				12. MISCELLANEOUS EXPENSE						12
13				13. ALLOCATED OVERHEAD						13
14				14. REPLACEMENT						14
15				15.						15
16				16.						16
17				17.						17
18				18.						18
19				19.						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL			0	0	0	

DETAILED EXPENDITURES

FORM LB-31

**SANITARY SEWER
CONSTRUCTION FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019								
1				1. LAND						1
2				2.						2
3				3. BUILDING AND BLDG IMPROVEMENTS						3
4				4.						4
5	1,414,781	20,343,995	32,127,500	5. TREATMENT PLANT			17,862,500	17,862,500	17,862,500	5
6				6.						6
7	105,126	96,640	450,000	7. PUMP STATIONS			200,000	200,000	200,000	7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11	59,393	596,779	3,784,000	11. TRUNKS & INTERCEPTORS			9,294,000	9,294,000	9,294,000	11
12				12.						12
13		215,959	1,010,000	13. EQUIPMENT CAPITAL			845,000	845,000	845,000	13
14				14.						14
15				15. MASTER PLANS/STUDIES						15
16				16.						16
17	7,981	66,628	178,000	17. WATER QUALITY LAB			23,000	23,000	23,000	17
18				18.						18
19	56,837	156,090	800,000	19. RENEWAL & REPLACEMENT			800,000	800,000	800,000	19
20				20.						20
21			100,000	21. DEVELOPMENT REVIEW			100,000	100,000	100,000	21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	1,644,118	21,476,091	38,449,500	31. TOTAL EXPENDITURES			29,124,500	29,124,500	29,124,500	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	1,644,118	21,476,091	38,449,500	TOTAL	0		29,124,500	29,124,500	29,124,500	

RESOURCES

FORM LB-20

**SURFACE WATER
OPERATING FUND**
FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	0	627,567	9,305,425	2. *NET WORKING CAPITAL (ACCRUAL BASIS)	7,932,702	7,932,702	7,932,702	2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	5,899	160,304	186,100	4. INTEREST	126,900	126,900	126,900	4
5				5. OTHER RESOURCES				5
6	185,646	4,910,322	5,231,700	6. SERVICE CHARGES	5,311,400	5,311,400	5,311,400	6
7	8,127			7. PERMITS				7
8				8. GRANT REVENUE				8
9		207,456	255,000	9. MISCELLANEOUS INCOME	262,500	262,500	262,500	9
10		8,675,340		10. CONTRIBUTION FROM CCSD NO. 1				10
11	562,433			11. CONTRIBUTION FROM SWMACC				11
12				12.				12
13				13.				13
14				14.				14
15				15.				15
16				16.				16
17				17.				17
18				18.				18
19				19.				19
20				20.				20
21				21.				21
22				22.				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28.				28
29	762,105	14,580,989	14,978,225	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	13,633,502	13,633,502	13,633,502	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	762,105	14,580,989	14,978,225	32. TOTAL RESOURCES	13,633,502	13,633,502	13,633,502	32

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

SURFACE WATER

OPERATING FUND

NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1	134,538	3,711,515	5,435,236	1.	5,089,029	5,089,029	5,089,029	1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	134,538	3,711,515	5,435,236	7. TOTAL MATERIALS AND SERVICES	5,089,029	5,089,029	5,089,029	7
				CAPITAL OUTLAY				
1				1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1			0	1.	0	0	0	1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1		1,000,000	3,000,000	1. RESERVE FOR CAPITAL IMPROVEMENT	3,000,000	3,000,000	3,000,000	1
2				2.				2
3				3.				3
4	-	-	906,000	4. GENERAL OPERATING CONTINGENCY	848,000	848,000	848,000	4
5	0	1,000,000	3,906,000	5. TOTAL TRANSFERS & CONTINGENCY	3,848,000	3,848,000	3,848,000	5
	134,538	4,711,515	9,341,236	TOTAL EXPENDITURES	8,937,029	8,937,029	8,937,029	
	627,567	9,869,474	5,636,989	UNAPPROPRIATED ENDING FUND BALANCE	4,696,473	4,696,473	4,696,473	
	762,105	14,580,989	14,978,225	TOTAL	13,633,502	13,633,502	13,633,502	

DETAILED EXPENDITURES

FORM LB-31

**SURFACE WATER
OPERATING FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3	50,795	1,915,593	2,487,467	3. WES SERVICES			2,474,505	2,474,505	2,474,505	3
4	18,114	501,442	683,926	4. OTHER COUNTY SERVICES			768,278	768,278	768,278	4
5	48,653	443,817	1,252,580	5. PROFESSIONAL SERVICES			896,444	896,444	896,444	5
6	470	53,469	75,750	6. MISCELLANEOUS SERVICES			58,000	58,000	58,000	6
7	118,032	2,914,321	4,499,723	7. TOTAL SERVICES			4,197,227	4,197,227	4,197,227	7
8				8.						8
9	1,856	76,720	163,450	9. SUPPLIES			119,675	119,675	119,675	9
10	0	0	0	10. SLUDGE DISPOSAL						10
11	0	6,848	12,850	11. UTILITIES			7,230	7,230	7,230	11
12	13,350	556,671	615,182	12. MISCELLANEOUS EXPENSE			602,665	602,665	602,665	12
13	1,300	156,955	144,031	13. ALLOCATED OVERHEAD			162,232	162,232	162,232	13
14				14.						14
15				15.						15
16				16.						16
17				17.						17
18				18.						18
19				19.						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	134,538	3,711,515	5,435,236	31. TOTAL EXPENDITURES			5,089,029	5,089,029	5,089,029	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	134,538	3,711,515	5,435,236	TOTAL			5,089,029	5,089,029	5,089,029	

RESOURCES

FORM LB-20

**SURFACE WATER
SYSTEM DEVELOPMENT CHARGE FUND**

FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2		0	1,923,464	2. *NET WORKING CAPITAL (ACCRUAL BASIS)	2,281,946	2,281,946	2,281,946	2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4		31,939	38,500	4. INTEREST	36,500	36,500	36,500	4
5				5. OTHER RESOURCES				5
6				6. MONTHLY SERVICE CHARGE REVENUE				6
7				7. OPERATION PAYMENTS-CITIES				7
8				8. BANCROFT BOND SALE PROCEEDS				8
9				9. RENTAL INCOME				9
10				10. MISCELLANEOUS INCOME				10
11		140,543	116,100	11. CONNECTION CHARGE REVENUE	118,300	118,300	118,300	11
12				12. SPECIAL CONNECTION CHARGE REVENUE				12
13				13. CAPITAL OUTLAY PAYMENTS CITIES				13
14				14. PRINCIPAL NON-BONDED INSTALLMENT				14
15				15. INTEREST NON-BONDED INSTALLMENT				15
16				16. STATE GRANT (DEQ)				16
17				17. FEDERAL GRANT (EPA)				17
18				18. STATE LOAN				18
19				19. BONDS PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERIM FINANCING				21
22		1,912,064		22. CONTRIBUTION FROM CCSD NO. 1				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28. FROM OTHER ENTITIES				28
29	0	2,084,546	2,078,064	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	2,436,746	2,436,746	2,436,746	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	0	2,084,546	2,078,064	32. TOTAL RESOURCES	2,436,746	2,436,746	2,436,746	32

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

**SURFACE WATER
SYSTEM DEVELOPMENT CHARGE FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2019-2020	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1			50,000	1.	0	0	0	1
2				2.				2
3				3.				3
4	0	0	50,000	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1				1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1				1. RESERVE FOR CAPITAL IMPROVEMENT				1
2				2. TO DEBT SERVICE FUNDS				2
3				3. TO OTHER FUNDS				3
4			12,500	4. GENERAL OPERATING CONTINGENCY	0	0	0	4
5	0	0	12,500	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	0	0	62,500	TOTAL EXPENDITURES	0	0	0	
	0	2,084,546	2,015,564	UNAPPROPRIATED ENDING FUND BALANCE	2,436,746	2,436,746	2,436,746	
	0	2,084,546	2,078,064	TOTAL	2,436,746	2,436,746	2,436,746	

FORM LB-31

**DETAILED EXPENDITURES
SURFACE WATER
SYSTEM DEVELOPMENT CHARGE FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3				3. WES SERVICES						3
4				4. OTHER COUNTY SERVICES						4
5				5. PROFESSIONAL SERVICES						5
6				6. MISCELLANEOUS SERVICES						6
7	0	0	0	7. TOTAL SERVICES			0	0	0	7
8										8
9				9. SUPPLIES						9
10				10. SLUDGE DISPOSAL						10
11				11. UTILITIES						11
12				12. MISCELLANEOUS EXPENSE						12
13				13. ALLOCATED OVERHEAD						13
14				14. REPLACEMENT						14
15				15.						15
16				16.						16
17				17.						17
18				18.						18
19				19.						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL	0		0	0	0	

FORM LB-31

**DETAILED EXPENDITURES
SURFACE WATER
SYSTEM DEVELOPMENT CHARGE FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019								
1				1. LAND						1
2				2.						2
3				3. BUILDINGS						3
4				4.						4
5			50,000	5. TREATMENT PLANT						5
6				6.						6
7				7. PUMP STATIONS						7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11				11. TRUNKS & INTERCEPTORS						11
12				12.						12
13				13. EQUIPMENT CAPITAL						13
14				14.						14
15				15. MASTER PLANS/STUDIES						15
16				16.						16
17				17. ADMINISTRATION						17
18				18.						18
19				19. REMOVAL & REPLACEMENT						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	50,000	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	50,000	TOTAL	0		0	0	0	0

RESOURCES

FORM LB-20

**SURFACE WATER
CONSTRUCTION FUND**

FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019						
1				BEGINNING FUND BALANCE:				
2		0	1,066,180	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)	3,297,331	3,297,331	3,297,331	2
4		17,446	21,300	3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
5				4. INTEREST	52,800	52,800	52,800	4
6				5. OTHER RESOURCES				5
7				6. MONTHLY SERVICE CHARGE REVENUE				6
8				7. OPERATION PAYMENTS-CITIES				7
9				8. BANCROFT BOND SALE PROCEEDS				8
10		13,534		9. RENTAL INCOME				9
11				10. MISCELLANEOUS INCOME				10
12				11. SEWER CONNECTION CHARGE REVENUE				11
13				12. SPECIAL CONNECTION CHARGE REVENUE				12
14				13. CAPITAL OUTLAY PAYMENTS CITIES				13
15				14. PRINCIPAL NON-BONDED INSTALLMENT				14
16			285,168	15. INTEREST NON-BONDED INSTALLMENT				15
17				16. STATE GRANTS				16
18				17. FEDERAL GRANTS				17
19				18. STATE LOAN				18
20				19. BOND PROCEEDS				19
21				20. INSURANCE PROCEEDS				20
22		1,000,000	3,000,000	21. INTERIM FINANCING				21
23		1,991,876		22. TRANSFER FROM GENERAL FUND	3,000,000	3,000,000	3,000,000	22
24				23. CONTRIBUTION FROM CCSD NO. 1				23
25				24.				24
26				25.				25
27				26.				26
28				27.				27
29	0	3,022,856	4,372,648	28. FROM OTHER ENTITIES				28
30				29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	6,350,131	6,350,131	6,350,131	29
31				30. TAXES NECESSARY TO BALANCE BUDGET				30
32	0	3,022,856	4,372,648	31. TAXES COLLECTED IN YEAR LEVIED				31
				32. TOTAL RESOURCES	6,350,131	6,350,131	6,350,131	32

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

SURFACE WATER

CONSTRUCTION FUND

NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2019-2020*	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1		1,945,225	920,300	1.	2,141,500	2,141,500	2,141,500	1
2				2.				2
3				3.				3
4	0	1,945,225	920,300	4. TOTAL CAPITAL OUTLAY	2,141,500	2,141,500	2,141,500	4
				SPECIAL PAYMENTS				
1				1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1				1. RESERVE FOR CAPITAL IMPROVEMENT				1
2				2. TO DEBT SERVICE FUNDS				2
3				3. TO OTHER FUNDS				3
4			48,450	4. GENERAL OPERATING CONTINGENCY	535,375	535,375	535,375	4
5	0	0	48,450	5. TOTAL TRANSFERS & CONTINGENCY	535,375	535,375	535,375	5
	0	1,945,225	968,750	TOTAL EXPENDITURES	2,676,875	2,676,875	2,676,875	
	0	1,077,631	3,403,898	UNAPPROPRIATED ENDING FUND BALANCE	3,673,256	3,673,256	3,673,256	
	0	3,022,856	4,372,648	TOTAL	6,350,131	6,350,131	6,350,131	

FORM LB-31

**DETAILED EXPENDITURES
SURFACE WATER
CONSTRUCTION FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020*				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3				3. WES SERVICES						3
4				4. OTHER COUNTY SERVICES						4
5				5. PROFESSIONAL SERVICES						5
6				6. MISCELLANEOUS SERVICES						6
7	0	0	0	7. TOTAL SERVICES			0	0	0	7
8										8
9				9. SUPPLIES						9
10				10. SLUDGE DISPOSAL						10
11				11. UTILITIES						11
12				12. MISCELLANEOUS EXPENSE						12
13				13. ALLOCATED OVERHEAD						13
14				14. REPLACEMENT						14
15				15.						15
16				16.						16
17				17.						17
18				18.						18
19				19.						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL	0		0	0	0	0

FORM LB-31

**DETAILED EXPENDITURES
SURFACE WATER
CONSTRUCTION FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020*				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-2018	FIRST PRECEDING YEAR 2018-2019								
1		1,115,542	125,000	1. WATER QUALITY FACILITIES			741,500	741,500	741,500	1
2				2.						2
3		36,561	450,000	3. WATERSHED RESTORATION						3
4				4.						4
5		650,259	245,300	5. DRAINAGE IMPROVEMENTS			1,300,000	1,300,000	1,300,000	5
6				6.						6
7		142,863	100,000	7. DETENTION PONDS			100,000	100,000	100,000	7
8				8.						8
9				9. EQUIPMENT CAPITAL						9
10				10.						10
11				11. MASTER PLANS/STUDIES						11
12				12.						12
13				13. ADMINISTRATION						13
14				14.						14
15				15. REMOVAL & REPLACEMENT						15
16				16.						16
17				17.						17
18				18.						18
19				19.						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	1,945,225	920,300	31. TOTAL EXPENDITURES			2,141,500	2,141,500	2,141,500	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	1,945,225	920,300	TOTAL	0		2,141,500	2,141,500	2,141,500	

BONDED DEBT
RESOURCES AND REQUIREMENTS

BONDED DEBT PAYMENTS ARE FOR:
STATE LOAN

DEBT SERVICE - STATE LOAN
FUND

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			DESCRIPTION OF RESOURCES AND REQUIREMENTS	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING 2017-2018	FIRST PRECEDING 2018-2019						
RESOURCES								
				BEGINNING FUND BALANCE:				
1				1. CASH ON HAND*(CASH BASIS), OR				1
2		548	1,169,190	2. WORKING CAPITAL(ACCRUAL BASIS)	841,979	841,979	841,979	2
3		500,658	157,200	3. PRINCIPAL COLLECTIONS	133,500	133,500	133,500	3
4		147,578	120,000	4. INTEREST COLLECTIONS	120,000	120,000	120,000	4
5	7	17,265	23,400	5. EARNINGS FROM TEMPORARY INVESTMENTS	13,500	13,500	13,500	5
6				6. TRANSFERRED FROM OTHER FUNDS	500,000	500,000	500,000	6
7	541	727,185		7. CONTRIBUTIONS FROM TCSD AND CCSD NO. 1				7
8	548	1,393,234	1,469,790	8. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	1,608,979	1,608,979	1,608,979	8
9			0	9. TAXES NECESSARY TO BALANCE	0	0	0	9
10				10. TAXES COLLECTED IN YEAR LEVIED				10
	548	1,393,234	1,469,790	TOTAL RESOURCES	1,608,979	1,608,979	1,608,979	
REQUIREMENTS								
BOND PRINCIPAL PAYMENTS								
				ISSUE DATE	BUDGETED PAYMENT DATE			
1		106,208	106,208	1. STATE LOAN R06224	09/01/20, 03/01/21		106,208	106,208
2				1. STATE LOAN R95030				2
3				3.				3
4	0	106,208	106,208	4. TOTAL PRINCIPAL	106,208	106,208	106,208	4
BOND INTEREST PAYMENTS								
				ISSUE DATE	BUDGETED PAYMENT DATE			
1		7,435	6,904	1. STATE LOAN R06224	09/01/20, 03/01/21		6,373	6,373
2		0	350,000	1. STATE LOAN R95030	12/01/20, 06/01/21		500,000	500,000
3				3.				3
4	0	7,435	356,904	4. TOTAL INTEREST	506,373	506,373	506,373	4
SPECIAL PAYMENTS								
1				1.				1
2	0	0	0	2. TOTAL SPECIAL PAYMENTS	0	0	0	2
TRANSFERRED TO OTHER FUNDS								
1			900,000	1. TO REVENUE BOND FUND	200,000	200,000	200,000	1
2	0	0	900,000	2. TOTAL TRANSFERS	200,000	200,000	200,000	2
UNAPPROPRIATED BALANCE FOR FOLLOWING BY YEAR								
				ISSUE DATE	PAYMENT DATE			
1	0	53,104	53,104	1. RESERVE REQUIREMENT	R06224	53,104	53,104	1
2			0	2. RESERVE REQUIREMENT	R95030	0	0	2
3			0	3. RESERVE REQUIREMENT		0	0	3
4				4.				4
5	548	1,226,487	53,574	5. TOTAL UAPPROPRIATED ENDING FUND BALANCE	743,294	743,294	743,294	5
	548	1,393,234	1,469,790	TOTAL REQUIREMENTS	1,608,979	1,608,979	1,608,979	

BONDED DEBT
RESOURCES AND REQUIREMENTS

BONDED DEBT PAYMENTS ARE FOR:
REVENUE BONDS

DEBT SERVICE - REVENUE BONDS
FUND

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			DESCRIPTION OF RESOURCES AND REQUIREMENTS	BUDGET FOR NEXT YEAR 2020-2021		
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
	SECOND PRECEDING 2017-2018	FIRST PRECEDING 2018-2019					
RESOURCES							
				BEGINNING FUND BALANCE:			
1			375,150	1. CASH ON HAND*(CASH BASIS), OR			1
2		0		2. WORKING CAPITAL (ACCRUAL BASIS)	392,707	392,707	2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD			3
4		4,722	7,500	4. EARNINGS FROM TEMPORARY INVESTMENTS	6,300	6,300	4
5		6,873,981	6,795,406	5. TRANSFERRED FROM OTHER FUNDS	6,968,056	6,968,056	5
6		353,750		6. CONTRIBUTION FROM CCSD NO. 1			6
7				7. PRINCIPAL COLLECTIONS			7
8		17,535	15,000	8. INTEREST COLLECTIONS	15,000	15,000	8
9	0	7,249,988	7,193,056	9. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	7,382,063	7,382,063	9
10				10. TAXES NECESSARY TO BALANCE			10
11				11. TAXES COLLECTED IN YEAR LEVIED			11
	0	7,249,988	7,193,056	TOTAL RESOURCES	7,382,063	7,382,063	7,382,063
REQUIREMENTS							
BOND PRINCIPAL PAYMENTS							
				ISSUE DATE	BUDGETED PAYMENT DATE		
1			0	1. 2002A 06/04/02		0	1
2		1,210,000	0	2. 2009A 03/04/09		0	2
3		1,415,000	1,470,000	3. 2009B 11/24/09		0	3
4		805,000	820,000	4. 2010 12/22/10	12/1/2020	840,000	4
5		285,000	1,495,000	5. 2016 08/30/16	12/1/2020	3,095,000	5
6	0	3,715,000	3,785,000	6. TOTAL PRINCIPAL		3,935,000	6
BOND INTEREST PAYMENTS							
				ISSUE DATE	BUDGETED PAYMENT DATE		
1			0	1. 2002A 06/04/02		0	1
2		18,150	0	2. 2009A 03/04/09		0	2
3		87,100	29,400	3. 2009B 11/24/09		0	3
4		82,500	50,000	4. 2010 12/22/10	12/1/2020, 6/1/2021	16,800	4
5		2,971,231	2,931,006	5. 2016 08/30/16	12/1/2020, 6/1/2021	2,816,256	5
6	0	3,158,981	3,010,406	6. TOTAL INTEREST		2,833,056	6
SPECIAL PAYMENTS							
1			0	1.		0	1
2	0	0	0	2. TOTAL SPECIAL PAYMENTS		0	2
UNAPPROPRIATED BALANCE FOR FOLLOWING BY YEAR							
1			0	1.		0	1
2			0	2.		0	2
3			0	3.		0	3
4			0	4.		0	4
5			0	5.		0	5
6	0	376,007	397,650	6. UNAPPROPRIATED ENDING FUND BALANCE		614,007	6
	0	7,249,988	7,193,056	TOTAL REQUIREMENTS	7,382,063	7,382,063	7,382,063



CLACKAMAS

WATER
ENVIRONMENT
SERVICES

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Debt



Kellogg Water Resource Recovery Facility

DEBT SERVICE REQUIREMENTS

The Department's debt policy allows for the issuance of debt to finance capital construction and capital acquisitions.

All long-term debt issued prior to WES' formation was originally incurred by WES' member district CCSD No. 1. Consequently, in order to ensure financial equity among ratepayers, only those ratepayers within Rate Zone 2 (the CCSD No. 1 service area) are responsible for the debt issued before July 1, 2018. The mechanism to ensure this equity is the inclusion of a legacy debt service component based on annual debt service requirements in WES' rate structure. As one of the benefits of WES' formation is savings through shared capital investment, future debt issues will be the responsibility of all ratepayers served by WES.

As of June 30, 2020, WES' long term indebtedness consists of the following:

	Issue Date	Date of Maturity	Amount Issued	Interest Rate	June 30, 2020	FY 2020-21 Debt Service	
					Principal Outstanding	Principal	Interest
Revenue Bonds							
2010	12/22/2010	12/01/2020	\$ 23,710,000	2.0-4.625%	\$ 840,000	\$ 840,000	\$ 16,800
2016 Ref.	08/30/2016	12/01/2035	83,250,000	2.2%	80,175,000	3,095,000	2,816,256
Revenue Bonds Subtotal					81,015,000	3,935,000	2,833,056
State Loans							
R06224	10/26/2009	09/01/2032	4,142,142	0%	1,327,615	106,208	6,373
R95030 ¹	01/09/2019	-	-	2.14%	22,882,051	0	500,000
State Loans Subtotal					24,209,666	106,208	506,373
Total					\$ 105,224,666	\$ 4,041,208	\$ 3,339,429

¹ R95030 amounts included in the table above are *estimates only*, based on anticipated disbursements.

In August 2016, Revenue Bond 2016, totaling \$83,250,000 with an interest rate of 2.2%, was used to refinance portions of revenue bonds 2009A, 2009B, 2010 and all of revolving fund loan R22403 with an average coupon rate of 4.27%. The annual savings in debt service are approximately \$625,000. Further, WES was able to free up approximately \$7.6 million in reserves that was used to finance needed capital projects. The final payments for Revenue Bonds 2009A and 2009B were made in December 2018 and December 2019, respectively. The final payment for Revenue Bond 2010 will be made in December 2020.

In November 2018, WES entered into a Loan Agreement with the State of Oregon Department of Environmental Quality (DEQ) for a Clean Water State Revolving Fund (SRF) Loan in the amount of \$37 million at 2.14% interest for a 20 year term. The loan is being used to finance the Tri-City Solids Handling Improvement Project with disbursements of loan proceeds made by the DEQ following submission of eligible invoices by WES. In the table above, the June 30, 2020 Principal Outstanding amount for this loan is an estimate based on expected disbursements received through the end of FY 2019-20 of \$22,882,051. WES has budgeted to receive an additional \$9.1 million of loan proceeds during FY 2020-21. While repayment of principal and interest is not required until the project is complete, the FY 2020-21 budget includes a prepayment of \$500,000 for accrued interest on projected disbursements. In terms of impact to ratepayers, 36% of the debt service for this loan will be assigned to Rate Zone 1 and 64% to Rate Zone 2. The percentage allocations between rate zones were included in the ORS 190 formation agreement for WES. As loan disbursements are dependent on actual project costs and scheduling, the exact amount and timing of this borrowing is uncertain; the future debt service repayment schedule on page 115 assumes the full \$37 million is borrowed, that the first payment will be due during FY 2021-22, and that prepayments will be made for accrued interest on disbursements received during the project's duration.

WES does not anticipate issuing any new bonds in FY 2020-21.

DEBT LIMITS

Oregon Revised Statutes 451.545 provides a limitation on general obligation debt of 13% of the aggregate real market value of all property by law assessable for state and county purposes within WES’ boundaries. WES’ total real market value as of July 1, 2019 is \$28,434,234,943 which calculates to a legal debt limit of approximately \$3.696 billion. WES has no outstanding general obligation debt so there is currently no debt subject to this limit.

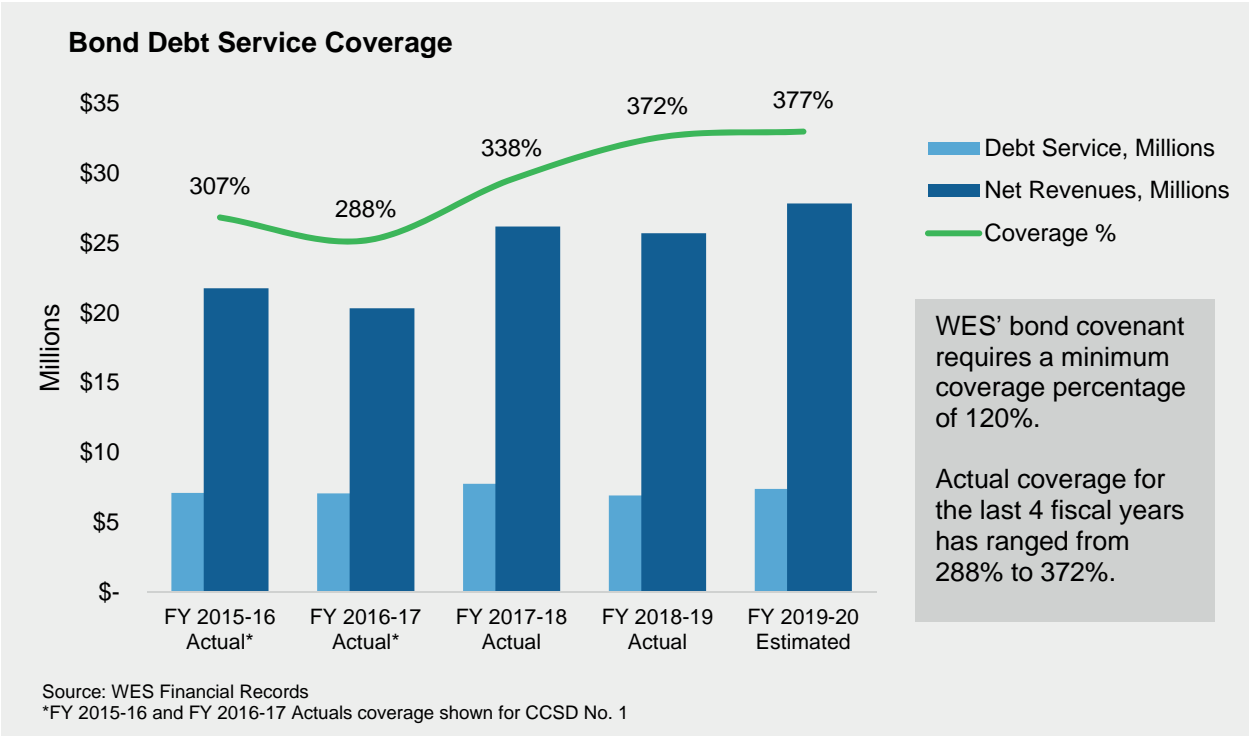
IMPACT OF DEBT ON USER CHARGES

Rate Zone 2 sanitary sewer rates include a legacy debt service component for the debt incurred before WES was formed. This component is calculated for each budget year based on the total legacy debt service for the coming fiscal year and the projected number of EDUs in Rate Zone 2. For FY 2020-21, the legacy debt service component of Rate Zone 2’s rate is \$13.00 per month based on approximately \$6.8 million in legacy debt principal and interest payments.

User charge impacts of debt service related to the SRF loan for the Solids Handling project will be calculated after the project is complete in FY 2020-21 and the final amount of the borrowing is known.

COVERAGE REQUIREMENTS

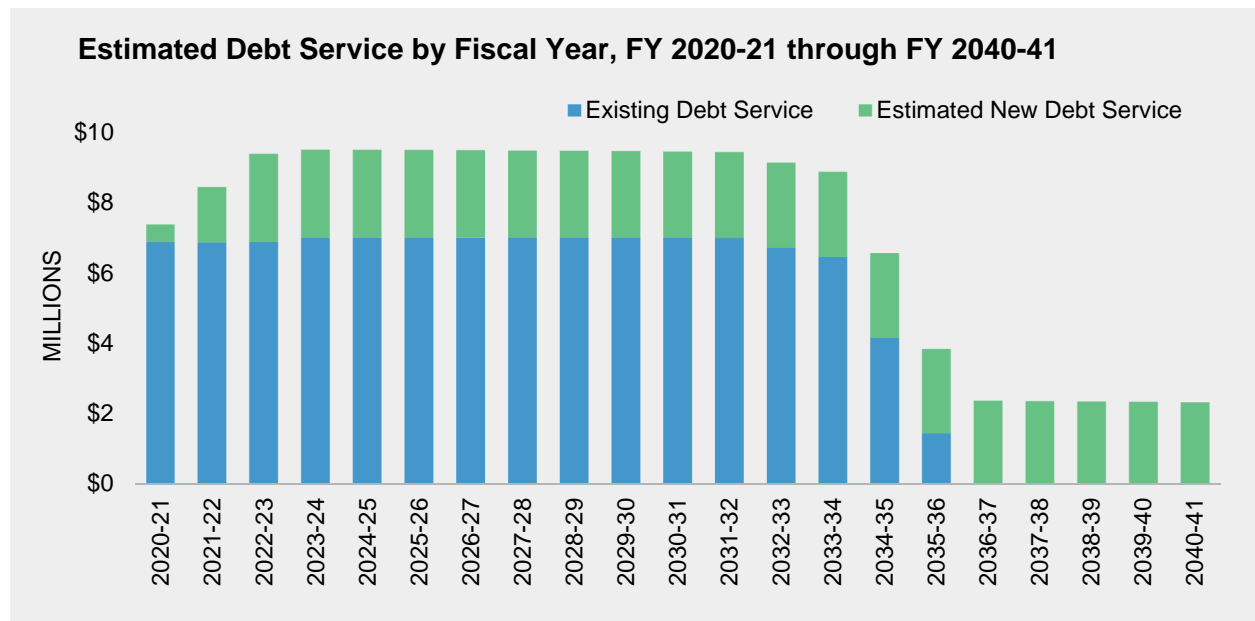
WES’ bond covenant requires that the entity establishes and maintains fees, rates, and charges at levels sufficient so that total net revenues each year during which bonds are outstanding will equal at least 120% of the amount of principal and interest on outstanding bonds due in that fiscal year. The chart below shows WES’ bond coverage for the last five fiscal years using CCSD No. 1’s historic bond coverage for fiscal years 2015-16 and 2016-17 and WES’ combined bond coverage for fiscal years 2017-18 through 2019-20.



FUTURE DEBT SERVICE REPAYMENT SCHEDULE

The following table and chart summarize WES' debt service obligations due each year to maturity:

Fiscal Year	Principal	Interest	Total Existing Annual Legacy Debt Service (Rate Zone 2 Only)	Debt Service for Anticipated SRF Borrowing	Total Estimated Annual Debt Service
2021	\$ 4,041,208	\$ 2,839,429	\$ 6,880,637	\$ 500,000	\$ 7,380,637
2022	4,231,208	2,641,599	6,872,807	1,573,032	8,445,839
2023	4,451,208	2,429,317	6,880,525	2,508,044	9,388,569
2024	4,811,208	2,202,536	7,013,744	2,500,141	9,513,885
2025	5,051,208	1,960,754	7,011,962	2,492,069	9,504,031
2026	5,306,208	1,706,598	7,012,806	2,483,823	9,496,629
2027	5,576,208	1,439,317	7,015,525	2,475,399	9,490,924
2028	5,826,208	1,187,636	7,013,844	2,466,794	9,480,638
2029	6,031,208	983,830	7,015,038	2,458,004	9,473,042
2030	6,181,208	833,674	7,014,882	2,449,025	9,463,907
2031-2035	29,395,535	1,980,790	31,376,325	12,103,531	43,479,856
2036-2040	1,440,000	18,900	1,458,900	11,848,240	13,307,140
2041	-	-	-	2,336,529	2,336,529
Totals	\$ 82,342,615	\$ 20,224,380	\$ 102,566,995	\$ 48,194,631	\$ 150,761,626





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Capital



Progress on the Tri-City Solids Handling Improvement Project as of March 2020

The Department’s overall budget for FY 2020-21 is comprised of the Operating Budget and the Capital Budget. The FY 2020-21 Capital Budget is based upon the Department’s Proposed Capital Improvement Plan (CIP). The CIP is an annually-updated, prioritized, rolling five-year plan which projects capital expenditures with the goal of maintaining existing facilities, ensuring efficient, cost-effective operations and providing new infrastructure to continue to protect human health and Clackamas County’s water environment for ratepayers today and into the future.

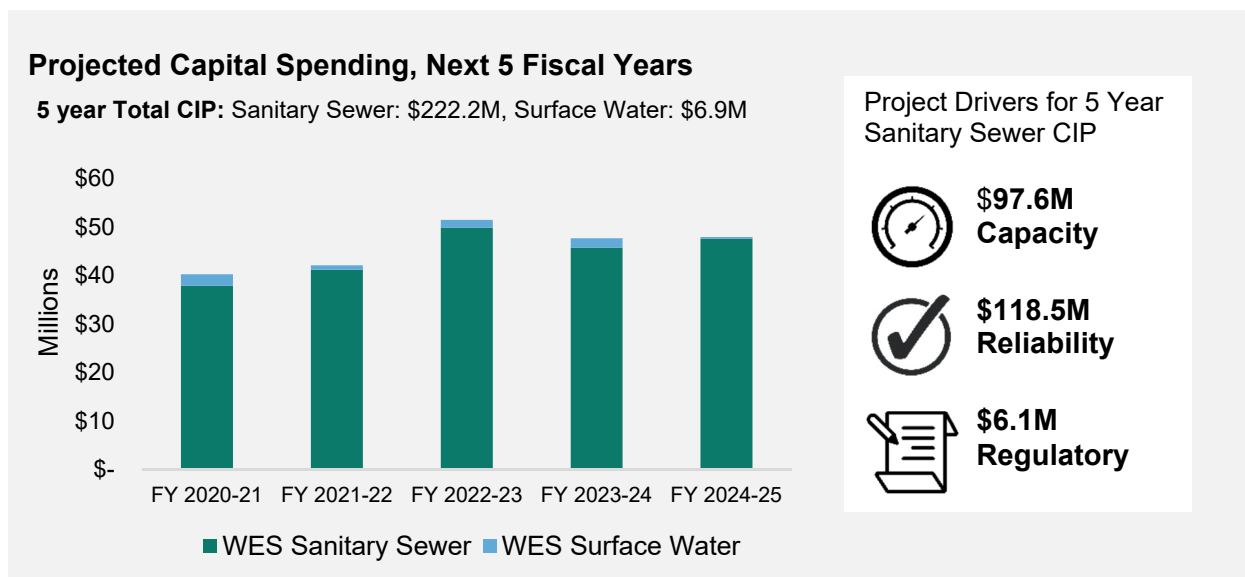
The FY 2020-21 to FY 2024-25 Proposed CIP is a result of input from a cross section of Department staff. The wastewater engineering, asset management, operations and maintenance group met several times mid-year to itemize ongoing and anticipated projects, then prioritized the projects according to the following criteria:

- Health and Safety
- Synergies with other projects
- Optimization
- Regulatory Compliance
- Capacity
- Reliability/Risk Reduction

Projects which received the highest scores when ranked against these criteria were funded and will be carried forward in subsequent years of the CIP until completion.

To be considered for the CIP, projects must result in the acquisition of an asset with a total cost of \$5,000 or more and an estimated useful life exceeding one year. Capital project costs include the costs of design, construction (or purchase), WES engineering, administrative and legal costs, and financing. Costs must be directly related to, and primarily benefit, a single capital project to be considered project costs.

The chart below illustrates the projected costs by funding source for WES’ FYs 2020-21 – 2024-25 CIP:



For additional capital project and CIP information, please refer to WES’ FY 2020-21 to FY 2024-25 Proposed CIP, available at: <https://www.clackamas.us/wes/caprojects.html>

SANITARY SEWER CIP

Sanitary sewer projects are categorized according to their location and/or function: Tri-City Water Resource Recovery Facility (WRRF), Kellogg Creek WRRF, Hoodland WRRF, Boring WRRF, Fischer Forest Park WRRF, Collection System, Blue Heron, Fleet, Asset Management, Pump Stations, Water Quality Lab and Development Review.

The following table summarizes the different categories of sanitary sewer projects and their corresponding project costs for the next five fiscal years:

Sanitary Sewer CIP, FYs 2020-21 – 2024-25					
Project Category	Budget		Projected		
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Tri-City WRRF	\$ 13,050,000	\$ 5,500,000	\$ 13,650,000	\$ 14,780,000	\$ 34,900,000
Kellogg Creek WRRF	4,800,000	5,100,000	5,100,000	6,000,000	-
Hoodland WRRF	-	500,000	2,750,000	-	-
Boring WRRF	1,000,000	4,000,000	-	-	-
Fischer's Forest Park	200,000	800,000	-	-	-
Collection System	16,830,000	23,050,000	26,010,000	16,650,000	10,250,000
Blue Heron	-	-	-	6,000,000	-
Fleet	845,000	1,145,000	1,180,000	1,225,000	1,325,000
Asset Management	800,000	800,000	800,000	800,000	800,000
Pump Stations	200,000	200,000	200,000	200,000	200,000
Water Quality Lab	23,000	-	60,000	-	-
Development Review	100,000	100,000	100,000	100,000	100,000
Total	\$ 37,848,000	\$ 41,195,000	\$ 49,850,000	\$ 45,755,000	\$ 47,575,000

IMPACT ON OPERATING BUDGET

The table below summarizes the estimated operating budget impact of projects in WES' sanitary sewer CIP by capital category.

Operating Budget Impact	Sanitary Sewer Project Category		
	Tri-City WRRF	Kellogg Creek WRRF	All other Sanitary Sewer Project Categories
Materials	\$ 15,000	N/A	N/A
Energy (Savings)	\$ (153,000)	\$ (92,000)	N/A
Labor	\$ 80,000	N/A	N/A

When complete, the projects in WES' current Sanitary Sewer CIP will result in significant energy savings at the Tri-City and Kellogg facilities. At Tri-City WRRF, as part of the Solids Handling Improvement Project, we are replacing a 250 kW cogeneration engine at the end of its useful life with a lean-burn 600kW engine. The engine will provide nearly half the power required at the Tri-City facility, offsetting small demands of new equipment, and providing heat for the process and area buildings. At Kellogg Creek WRRF, new blowers installed as part of the Kellogg Improvements Project will operate more efficiently matching supplied air more closely to process demands and downsized pumps will use less power. The new equipment at both facilities will result in a nominal increase in operating and maintenance labor.

For additional capital project and CIP information, please refer to WES' FY 2020-21 to FY 2024-25 Proposed CIP, available at: <https://www.clackamas.us/wes/caprojects.html>

FY 2020-21 PROJECT SUMMARIES

Of the \$37.848 million in the FY 2020-21 Sanitary Sewer Capital Budget, \$35.845 million is expected to be spent on the following projects:

Clackamas Interceptor Capacity Improvements

The Clackamas Interceptor has been shown in past studies to be in poor condition in some areas and lack capacity to serve the current service area. In addition, there is growing interest in development in upstream areas, so additional capacity will need to be added. Based on the work done in the Collection System Master Plan, design will be completed for the entire interceptor and construction will occur in phases over the next several years to best match capacity needs and funding resources.

Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
Sanitary Sewer Construction	\$ 4,700,000
Sanitary Sewer SDC	\$ 4,700,000
2020-21 Budget	\$ 9,400,000

Tri-City WRRF Solids Handling Improvement Project

WES has identified the need to expand and refurbish the solids handling processes at the Tri-City Water Resource Recovery Facility. Project costs include construction and engineering services during construction. The expansion and refurbishments to be considered include new sludge stabilization and dewatering facilities, electrical distribution upgrades, digester feed tank, digested sludge storage, cake storage and loadout facility, centrate storage, biogas utilization and upgrades to existing facilities. The new cogeneration system will provide approximately half of the power required at the facility and provide heat for the process and space heat for several buildings. Construction is expected to be completed in early 2021.

Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
Sanitary Sewer Construction	\$ 9,100,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 9,100,000

Multiple Pump Station Upgrades

Eight pump stations are in need of rehabilitation. The type of upgrades include, but are not limited to pumps and electrical, HVAC and structural components. The pump stations include Willamette, Sieben Lane, South Welches, Golf Course Terrace, Gladstone, Clackamas, 82nd Drive, and Timberline Rim.

Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
Sanitary Sewer Construction	\$ 3,000,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 3,000,000

Kellogg Creek WRRF Improvements Project

Asset renewal and replacement at the Kellogg WRRF has been deferred over the years while a determination was made regarding the future of the facility. Now that the facility will continue its service with a capped capacity, several areas of the facility require upgrades to provide a fully reliable, functional facility. This project combines several subprojects including blower replacement, polymer system for the thickening process, aeration basin covers for odor control, flow management and improvements to the biofilter, a power distribution system, a retrofit of the return sludge pump station, influent pump station, and associated yard piping. Construction of the improvements began in 2017 and is anticipated to be completed in Summer 2020.

Sanitary Sewer Project Category: KC WRRF

Funding Sources	Amount
Sanitary Sewer Construction	\$ 2,000,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 2,000,000

For additional capital project and CIP information, please refer to WES' FY 2020-21 to FY 2024-25 Proposed CIP, available at: <https://www.clackamas.us/wes/caprojects.html>

Tri-City WRRF Influent Pump Station Variable Frequency Drives (IPS VFDs)

The TC WRRF IPS VFDs are at the end of their useful life and will be replaced. Design and construction of the project will span two years.

Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
Sanitary Sewer Construction	\$ 1,000,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 1,000,000

Tri-City WRRF Outfall

Projected flows to the Tri-City WRRF were developed as part of the Collection System Master Plan (CSMP) and are expected to be approximately 176-MGD under build-out conditions. The capacity of the existing TC WRRF outfall is approximately 75 MGD and is expected to be exceeded as flows increase as projected in the CSMP. The capacity of the new outfall will be higher and sufficient except for peak wet weather in future years. Note that projected flows and sizing of the outfall assume I/I reduction per the CSMP.

Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
Sanitary Sewer Construction	\$ 500,000
Sanitary Sewer SDC	\$ 500,000
2020-21 Budget	\$ 1,000,000

Boring WRRF Upgrades

The facility is not able to meet its NPDES permit for a significant portion of the year. It cannot meet its ammonia limit for four months in the cold weather months requiring hauling of influent flow to avoid discharge. It cannot meet temperature limits in the summer months during which time on-site irrigation is performed. A Facilities Plan has been prepared for the facility, and recommendations the facility be converted to a pump station to convey flow to another facility for treatment. The cost in FY 2020-21 is for design of the pump station and force main and decommissioning of the treatment facility.

Sanitary Sewer Project Category: Boring WRRF

Funding Sources	Amount
Sanitary Sewer Construction	\$ 1,000,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 1,000,000

I/I Reduction Program

Inflow and Infiltration (I/I) is clean groundwater and/or rainwater that enters the sewer system through direct connections such as roof drains or area drains or defects such as leaking joints or manholes. When the amount of I/I becomes excessive it can cause capacity deficiencies in the sewer system and possible overflows. This project will involve activities to identify areas of high I/I and their sources and include design and construction of sewer rehabilitation projects, to abate the I/I.

Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
Sanitary Sewer Construction	\$ -
Sanitary Sewer SDC	\$ 1,000,000
2020-21 Budget	\$ 1,000,000

Extend Rock Creek Interceptor

A preliminary routing analysis was completed in 2007 for the extension of the Rock Creek Interceptor. It is anticipated that the interceptor will be extended to the north and east. Design of the extension is slated for FY 2020-21.

Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
Sanitary Sewer Construction	\$ 1,000,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 1,000,000

For additional capital project and CIP information, please refer to WES' FY 2020-21 to FY 2024-25 Proposed CIP, available at: <https://www.clackamas.us/wes/caprojects.html>

Kellogg Creek WRRF Secondary Mechanisms and Weirs

This project will rehab the secondary clarifier mechanisms and level the weirs. There are two clarifiers. One can be off line during dry weather. The tanks will be rehabbed one per year over two years.

Sanitary Sewer Project Category: KC WRRF

Funding Sources	Amount
Sanitary Sewer Construction	\$ 800,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 800,000

Kellogg Creek WRRF Primary Clarifier Floor

Degradation of the surface of primary clarifier floors was noticed during routine maintenance. This project will repair the concrete floor surface of both tanks, over the next two dry seasons.

Sanitary Sewer Project Category: KC WRRF

Funding Sources	Amount
Sanitary Sewer Construction	\$ 800,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 800,000

IPS Discharge Piping Repair

Discharge piping is original to the pump station and is showing signs of corrosion. This project will assess pipe condition and construct repairs.

Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
Sanitary Sewer Construction	\$ 600,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 600,000

Tri-City WRRF Admin Building Remodel

This project is for the rehabilitation of the TC Administration Building and lab for TC and lab staff. The lab, maintenance, and line crew areas are in need of refurbishment or repair.

Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
Sanitary Sewer Construction	\$ 500,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 500,000

Tri-City WRRF Landfill Mitigation

Rossmann Landfill was to be mitigated as part of the MBR (Membrane Bio-Reactor) Phase 1 construction project but was not constructed. The cost for this project is a placeholder and includes studies to assess methods and schedule for mitigation.

Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
Sanitary Sewer Construction	\$ -
Sanitary Sewer SDC	\$ 500,000
2020-21 Budget	\$ 500,000

Kellogg Creek WRRF Admin Lab

This project would refurbish the Administration Building and lunch room at the Kellogg Facility.

Sanitary Sewer Project Category: KC WRRF

Funding Sources	Amount
Sanitary Sewer Construction	\$ 500,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 500,000

Kellogg Creek WRRF IPS Pumps 2 and 4

The Kellogg WRRF Improvements Project replaced Pumps 1 and 3. Engineering for replacement of Pumps 2 and 4 is scheduled for FY 2020-21 and will complete the refurbishment of the IPS.

Sanitary Sewer Project Category: KC WRRF

Funding Sources	Amount
Sanitary Sewer Construction	\$ 500,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 500,000

For additional capital project and CIP information, please refer to WES' FY 2020-21 to FY 2024-25 Proposed CIP, available at: <https://www.clackamas.us/wes/caprojects1.html>

Willamette Interceptor – Oregon City/West Linn Bridge Capacity Upgrade

The Willamette Interceptor receives flows from the Willamette Pump Station and the Willamette force main. This project includes evaluation and rehabilitation of manholes and the interceptor between the West Linn side of the old Oregon City bridge and the downstream end of the Willamette Interceptor near the TC WRRF. The project will be better defined after completion of the Willamette Facilities Plan. This cost is a placeholder for the beginning of design.

Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
Sanitary Sewer Construction	\$ 250,000
Sanitary Sewer SDC	\$ 250,000
2020-21 Budget	\$ 500,000

Pipe and Manhole Rehabilitation and Replacement

Sanitary sewer pipe and manholes are subject to degraded condition through exposure to chemicals, organic growths, and soil movement. This degradation leads to defects in pipe which can result in surface water and groundwater infiltration into the collection system, straining treatment capacities and increasing risk of pipe failure. This project will repair and/or replace damaged and aging pipelines utilizing methods including pipe-lining, pipe bursting and replacement. This project will also rehabilitate aging manholes which have degraded condition through normal exposure to chemical and biological components and soil movement. Rehabilitation efforts to reduce risk will range from cleaning and spray lining to complete manhole replacement depending upon the degree of wear.

Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
Sanitary Sewer Construction	\$ 500,000
Sanitary Sewer SDC	\$ 500,000
2020-21 Budget	\$ 1,000,000

Asset Management – Renewal & Replacement

These funds are reserved for small projects related to operational assets which are capital in nature, including small pump replacements, minor system and process updates, and small machinery. The intent is to replace or upgrade high risk assets efficiently thereby maintaining effective treatment plant operations. Specific efforts in this fund will include electrical updates, instrumentation upgrades, sump pump replacements, and process HVAC system improvements.

Sanitary Sewer Project Category: Asset Management

Funding Sources	Amount
Sanitary Sewer Construction	\$ 800,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 800,000

Fleet

This project pool funds the replacement of aging equipment and fleet used in administrative functions, plant operations, field operations and maintenance, and biosolids distribution and application. Fiscal year 2020-21 includes the purchase of a new vehicle for environmental sampling and compliance inspections; two administrative vehicles, a pickup, a forklift, a pipeline condition assessment truck and two electric utility carts for operations, including implementation of electric charging stations at our facilities.

Sanitary Sewer Project Category: Fleet

Funding Sources	Amount
Sanitary Sewer Construction	\$ 845,000
Sanitary Sewer SDC	\$ -
2020-21 Budget	\$ 845,000

For additional capital project and CIP information, please refer to WES' FY 2020-21 to FY 2024-25 Proposed CIP, available at: <https://www.clackamas.us/wes/caprojects.html>

SURFACE WATER CIP

WES' goals for surface water capital projects include:

- Protect and enhance streams and wetlands through planning and constructing modifications to the stormwater infrastructure.
- Minimize the degradation of receiving waters from impacts attributable to stormwater runoff in existing developed areas.
- Maximize public benefits of public land by providing multiple uses, including recreation, and by leveraging funding from multiple sources.
- Provide stormwater facilities for future development and redevelopment.

The following table summarizes the different categories of surface water projects and their corresponding project costs for next five fiscal years:

Surface Water CIP, FYs 2020-21 – 2024-25					
Project Category	Budget		Projected		
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
3-Creeks Water Quality Project	\$ 500,000	\$ 500,000	\$ 1,200,000	\$ 1,500,000	-
90th Ave Water Quality Retrofit	150,000	-	-	-	-
Carli Creek Enhancement and Water Quality Project	91,500	42,000	42,000	42,000	-
Detention Pond Repair / Rehab	100,000	100,000	100,000	100,000	100,000
Red Rose Valley Detention Pipe Repair	1,200,000	-	-	-	-
Small Projects	100,000	250,000	250,000	250,000	250,000
Total	\$ 2,141,500	\$ 892,000	\$ 1,592,000	\$ 1,892,000	\$ 350,000

FY 2020-21 PROJECT SUMMARIES

The FY 2020-21 Surface Water Capital Budget includes the following projects:

3-Creeks Water Quality Project

WES owns the 3-Creeks Natural Area where Mt. Scott, Phillips and Deer (Dean) Creeks come together on 89 acres in Northern Clackamas County. WES is planning a project to enhance floodplain processes and the existing natural floodplain area, construct wetlands and floodplain terraces to increase flood storage, improve fish and wildlife habitat, restore wetlands, and restore natural floodplain function. The project will improve the creek's water quality by allowing sediments in high water to settle onto the floodplain, and by restoring floodplain processes such as filtration and infiltration. FY 2020-21 work includes pre-design work, permitting, and community involvement.

Funding Sources	Amount
Surface Water Construction	\$ 500,000
Surface Water SDC	\$ -
2020-21 Budget	\$ 500,000

Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

90th Ave Water Quality Retrofit

WES has partnered with Clackamas County Transportation for the completion of a water quality retrofit project as part of the SE 90th Ave road reconstruction project. The project will add water quality treatment to an area that currently has no treatment.

Funding Sources	Amount
Surface Water Construction	\$ 150,000
Surface Water SDC	\$ -
2020-21 Budget	\$ 150,000

Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

For additional capital project and CIP information, please refer to WES' FY 2020-21 to FY 2024-25 Proposed CIP, available at: <https://www.clackamas.us/wes/caprojects.html>

Carli Creek Water Quality Project

WES constructed the Carli Creek regional water quality facility to remove pollutants in runoff from developed industrial lands in the Clackamas Industrial Area. The project redirected urban runoff through a newly constructed treatment wetland to reduce negative impacts of high storm flows and pollutants in the creek and restored nearly 1,700 linear feet of critical salmon and steelhead rearing habitat. The project was constructed between summer 2017 and 2019. Ongoing work includes monitoring and establishment, both to meet permit requirements and to ensure the facility is functioning as intended. Tasks include irrigation, weed management, interplanting, removing/managing sediment, managing water flow, vegetation monitoring and statistical analyses, photo-point monitoring, stream surveys, and writing/submitting reports as per permit protocols.

Funding Sources		Amount
Surface Water Construction	\$	91,500
Surface Water SDC	\$	-
2020-21 Budget		\$ 91,500

Operating Budget Impact

Annual Cost	Type of Impact
\$ 5,000	Initial ongoing maintenance for 5-7 years after establishment (capital expense); impact decreases after year 7 to approx. \$5,000 a year

Detention Pond Repair / Rehab

WES is planning to remove silt and vegetation from 4-6 detention ponds to return the ponds to their original design. Since the original installation, the ponds have become overgrown with vegetation. The pond bottoms are filled with vegetation and silt making them ineffective for stormwater treatment.

Funding Sources		Amount
Surface Water Construction	\$	100,000
Surface Water SDC	\$	-
2020-21 Budget		\$ 100,000

Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

Red Rose Valley Detention Pipe Repair

This project includes design and construction work to repair a large detention pipe that collapsed in 2020. The work may entail a range of options, including a spot repair of the pipe to full pipe replacement.

Funding Sources		Amount
Surface Water Construction	\$	1,200,000
Surface Water SDC	\$	-
2020-21 Budget		\$ 1,200,000

Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

Small Projects

Small Projects include small drainage and retrofit projects that restore or enhance the functional capacity of the storm system. Projects may include work to improve drainage issues when flooding is caused by WES owned stormwater infrastructure, installing small low impact development facilities such as rain gardens as retrofits, and repairs to infrastructure such as previously-installed restoration projects.

Funding Sources		Amount
Surface Water Construction	\$	100,000
Surface Water SDC	\$	-
2020-21 Budget		\$ 100,000

Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

For additional capital project and CIP information, please refer to WES' FY 2020-21 to FY 2024-25 Proposed CIP, available at: <https://www.clackamas.us/wes/capprojects.html>

SANITARY SEWER CAPITAL PROJECT LIST

LOCATION/ FUNCTION	PROJECT DESCRIPTION	FY 2019-20 Budget	FY 2019-20 Estimate	FY 2020-21 Budget	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FYs 2020-2025 Projected
Tri-City Water Resource Recovery Facility									
	Solids Handling Improvement Project	\$ 13,900,000	\$ 14,000,000	\$ 9,100,000					\$ 9,100,000
	Wet Weather Outfall	2,000,000	1,300,000	1,000,000	3,000,000	8,750,000	8,750,000		21,500,000
	Influent Pump Station Variable Frequency Drives (IPS VFDs)	500,000	90,000	1,000,000					1,000,000
	IPS Discharge Piping Repair			600,000					600,000
	Admin Building Remodel	500,000	30,000	500,000	500,000	500,000			1,500,000
	Landfill Mitigation		10,000	500,000	1,000,000			4,500,000	6,000,000
	Mitigation Landscape (TCSHI and 82nd Ave Bridge)	30,000	30,000	250,000					250,000
	Process Software (Data Management)	100,000		100,000					100,000
	Hypochlorite Disinfection System	3,420,000	2,200,000						-
	Primary Clarifier Rehabilitation	400,000							-
	New Aeration Basin Mixers	250,000							-
	New Grit Pumps	150,000							-
	Recoat PCs and mechanical					400,000	400,000	400,000	1,200,000
	Security Locks Internal to Plant	50,000							-
	Lab Fume Hoods								-
	Liquids Expansion				1,000,000	4,000,000	5,000,000	30,000,000	40,000,000
	MBR Cassette Replacement						630,000		630,000
	TOTAL	21,300,000	17,660,000	13,050,000	5,500,000	13,650,000	14,780,000	34,900,000	81,880,000
Kellogg Creek Water Resource Recovery Facility									
	Kellogg Improvements	10,000,000	9,000,000	2,000,000					2,000,000
	Secondary Mechanisms and Weirs	800,000	2,000	800,000	800,000				1,600,000
	Primary Clarifier Floor			800,000	800,000				1,600,000
	Admin Lab and Lunch Room	250,000		500,000					500,000
	IPS Pumps 2 and 4			500,000	1,500,000				2,000,000
	W3 Project			200,000					200,000
	Dewatering and Digester Complex Improvements			-	1,500,000	3,500,000	3,000,000		8,000,000
	UV Replacement					600,000	3,000,000		3,600,000
	Grit Loading Improvements	200,000							-
	Headworks/Grit Loading Improvements				500,000	1,000,000			1,500,000
	IPS Repair								-
	TOTAL	11,250,000	9,018,106	4,800,000	5,100,000	5,100,000	6,000,000	-	21,000,000

SANITARY SEWER CAPITAL PROJECT LIST

LOCATION/ FUNCTION	PROJECT DESCRIPTION	FY 2019-20 Budget	FY 2019-20 Estimate	FY 2020-21 Budget	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FYs 2020-2025 Projected
Hoodland Water Resource Recovery Facility									
	RBC Access	100,000							-
	Hoodland Plant Modernization		520,042						
	Hoodland Secondary Treatment Upgrade				500,000	2,750,000			3,250,000
	TOTAL	100,000	520,042	-	500,000	2,750,000	-	-	3,250,000
Boring Water Resource Recovery Facility									
	Upgrades	500,000	6,440	1,000,000	4,000,000				5,000,000
	TOTAL	500,000	6,440	1,000,000	4,000,000	-	-	-	5,000,000
Fischer Forest Park (FFP) Water Resource Recovery Facility									
	Renovation Project	-	10,000	200,000	800,000				1,000,000
	TOTAL	-	10,000	200,000	800,000	-	-	-	1,000,000
Collection System									
	Clackamas Interceptor Capacity Improvements	200,000	80,000	9,400,000	11,800,000	11,800,000	6,400,000		39,400,000
	Multi PS Upgrades		180,000	3,000,000	3,000,000	2,000,000			8,000,000
	Extend Rock Creek Interceptor			1,000,000	3,500,000	3,500,000			8,000,000
	I/I Reduction Program	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
	Pipe Rehabilitation and Replacement	1,000,000	141,622	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
	Willamette Interceptor - Oregon City/West Linn Bridge Capacity Upgrade			500,000	1,500,000	4,300,000	5,000,000	5,000,000	16,300,000
	IT3 Pump Station and 30 IN FM			300,000	1,200,000				1,500,000
	Emergency Generator for River St	250,000	35,000	250,000					250,000
	Sieben Lane Pump Station Alternatives	200,000		200,000					200,000
	Hoodland Pump Stations Property Acquisition	200,000	100,000	100,000					100,000
	Flow Monitoring (SCADA Master Plan Recommendations and Meter Upgrades)	150,000	150,000	50,000	50,000	50,000	50,000	50,000	250,000
	LAST ROAD - CL8.1-1 to CL8.1-3 - Pipe Relay - 1650' +/-		150,000	30,000					30,000
	82nd Dr. Bridge - N. Approach	2,800,000	2,800,000						-
	Carver Sewer		124,200						-
	CIA and Clackamas PS								-
	Clackamas PS Electrical	200,000							-
	Gladstone Pump Station and Force Main Upgrade	360,000							-
	Linwood Pump Station (Lents)					1,600,000	3,200,000	3,200,000	8,000,000
	Lucity Mobile Software		22,000						-
	Manhole Rehabilitation (\$8000 per)								-
	Mt. Talbert SSES		60,000						-
	South Welches PS	200,000							-
	Timberline Rim and Sandy River Lane PS Forcemain		7,000			760,000			760,000
	Willamette Interceptor - Oregon City/West Linn Bridge Capacity Upgrade	200,000							-
	Willamette Pump Station Upgrade	250,000							-
	TOTAL	7,010,000	3,849,822	16,830,000	23,050,000	26,010,000	16,650,000	10,250,000	92,790,000

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SANITARY SEWER CAPITAL PROJECT LIST

LOCATION/ FUNCTION	PROJECT DESCRIPTION	FY 2019-20 Budget	FY 2019-20 Estimate	FY 2020-21 Budget	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FYs 2020-2025 Projected
Blue Heron	Remediation						6,000,000		6,000,000
	Solar Bees, Security		100,000						-
	TOTAL	-	100,000	-	-	-	6,000,000	-	6,000,000
Fleet	<i>Light Duty Fleet</i>								
	Operations - Treatment, Maintenance & Line Crew	260,000	147,479	345,000	245,000	250,000	205,000	360,000	1,405,000
	Asset Management - Pool Vehicles	50,000	27,753						
	<i>Total Light Duty Vehicles</i>	310,000	175,232	345,000	245,000	250,000	205,000	360,000	1,405,000
	<i>Heavy Equipment</i>								
	Operations - Treatment, Maintenance & Line Crew	700,000	297,539	500,000	900,000	930,000	1,020,000	965,000	4,315,000
	<i>Total Heavy Equipment</i>	700,000	297,539	500,000	900,000	930,000	1,020,000	965,000	4,315,000
	TOTAL	1,010,000	472,771	845,000	1,145,000	1,180,000	1,225,000	1,325,000	5,720,000
Water Quality Laboratory	Analytical Balances	15,000	65,350	15,000					15,000
	Dishwasher			8,000					8,000
	ICPMS	163,000							-
	BOD Instruments					60,000			60,000
	TOTAL	178,000	65,350	23,000	-	60,000	-	-	83,000
Operations & Maintenance Asset Management	Asset Management - Renewal and Replacement	800,000	114,215	800,000	800,000	800,000	800,000	800,000	4,000,000
	TOTAL	800,000	114,215	800,000	800,000	800,000	800,000	800,000	4,000,000
Pump Station Upgrades	Pump Station Improvements	450,000	92,529	200,000	200,000	200,000	200,000	200,000	1,000,000
	TOTAL	450,000	92,529	200,000	200,000	200,000	200,000	200,000	1,000,000
Development Review	Developer-Installed Assets	100,000	66,891	100,000	100,000	100,000	100,000	100,000	500,000
	TOTAL	100,000	66,891	100,000	100,000	100,000	100,000	100,000	500,000
TOTAL - ALL SANITARY SEWER PROJECTS		\$ 42,698,000	\$ 31,976,166	\$ 37,848,000	\$ 41,195,000	\$ 49,850,000	\$ 45,755,000	\$ 47,575,000	\$ 222,223,000

SURFACE WATER CAPITAL PROJECT LIST

LOCATION/ FUNCTION	PROJECT DESCRIPTION	FY 2019-20*	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FYs 2020-2025
		Budget	Estimate	Budget	Projected	Projected	Projected	Projected	Projected
SURFACE WATER									
	Red Rose Valley Detention Pipe Repair		\$ 25,000	\$ 1,200,000					\$ 1,200,000
	3-Creeks Water Quality Project	50,000	-	500,000	500,000	1,200,000	1,500,000	-	3,700,000
	90th Ave Water Quality Retrofit			150,000					150,000
	Detention Pond Repair / Rehab	100,000	-	100,000	100,000	100,000	100,000	100,000	500,000
	Small Projects - Drainage System Modifications	100,000	20,000	100,000	250,000	250,000	250,000	250,000	1,100,000
	Carli Creek Water Quality Project	75,000	200,000	91,500	42,000	42,000	42,000		217,500
	Decant Facility	50,000	-						-
	Mt. Scott Oak Bluff Reach Restoration	450,000	2,500						-
	SE 106th Ave Storm Outfall	145,300	550,000						-
	TOTAL	970,300	797,500	2,141,500	892,000	1,592,000	1,892,000	350,000	6,867,500
TOTAL - ALL SURFACE WATER PROJECTS		\$ 970,300	\$ 797,500	\$ 2,141,500	\$ 892,000	\$ 1,592,000	\$ 1,892,000	\$ 350,000	\$ 6,867,500

* FY 2019-20 Budget includes a Transfer of \$145,300 from Contingency to Capital Construction

Long-Range Financial Plan



Rock Creek Planting Event

INTRODUCTION

WES prepares its annual 10-Year Financial Plan Update (Plan) in concert with the development of capital and operating budgets. The Plan provides a long-range view of the resulting utility rates required for the sanitary sewer and surface water enterprises that are managed by WES. Additionally, the Plan is a summary of projected revenues, expenditures, fund balances, and financial ratios over a rolling 10-year period. These long-term projections are updated annually, subject to change and provide an important snapshot of WES' financial health. The Plan projections are based on key assumptions reflecting WES' policies, priorities, and Performance Clackamas strategic goals and objectives. A key objective of the Plan is to promote WES' strategic goal of financial sustainability by estimating future revenue requirements and financial ratios while providing a view of resulting rates. These key financial indicators inform long-term planning decisions, such as the annual operating and capital budgets, the Capital Improvement Plan (CIP), and capital financing strategies.

PLAN STRATEGIES AND GOALS

As detailed below, WES' Plan incorporates goals and strategies in compliance with WES' financial policies which demonstrate to ratepayers, credit markets, investors, and rating agencies that WES is committed to financial sustainability and prudent stewardship of resources. These goals and strategies ensure WES retains sufficient funds for future infrastructure needs, replacement of aging facilities, bond reserves, and various operating expenses in a manner that mitigates unexpected rate changes.

DEBT SERVICE COVERAGE

WES has a debt service coverage strategy to maintain higher debt service coverage ratios than those required to meet minimum indenture requirements. Financial strategies that impose higher standards than the minimum indenture requirements are essential to ensuring WES maintains access to low-cost capital and retains financial flexibility to manage unanticipated economic impacts. WES adopts budgets, rates and financial plans that generate net revenues such that coverage shall equal a minimum of 150% annual debt service (120% is required).

CAPITAL FINANCING

WES' capital financing strategy is "pay-as-you go" first, and debt financing second. Unlike debt financing, use of revenue minimizes financial costs and does not impose significant debt burdens on future ratepayers. Therefore, using revenue funding for recurring infrastructure repair and replacement projects is a prudent and sustainable approach to funding ongoing capital investments. The appropriate mix of revenue versus debt financing varies based on the capital investment lifecycle of each enterprise.

FUND BALANCE RESERVES

The fund balance reserve strategy requires that each operating fund balance maintains a minimum amount of 90 days of annual operations and maintenance expenses (including programmatic projects, excluding debt service and revenue-funded capital) over the 10-year planning period. WES faces several risks to revenue stability, including weather variability, pipe and mechanical failures, and local economy upsets. To ensure WES can manage these risks and reduce susceptibility to emergency rate increases, WES adopts budgets and establishes rates such that a reserve of undesignated fund balances provides sufficient capacity to bridge shortfalls in cash flow and cover unanticipated expenditures.

RATEPAYER ASSURANCE

The Plan's goal of ratepayer assurance establishes WES' guiding principles for prudent use of ratepayer funds, establishment of rates and charges, and transparency in budgeting and rate-setting processes. Prudent use of ratepayer funds ensures accountability to ratepayers regarding WES' mission statement, asset and personnel management, operating cost containment, and social and environmental stewardship. The ratepayer assurance goal reinforces WES' commitment to developing rates and charges that are affordable, predictable, easy to understand, based on cost of service, and that generate sufficient revenue for full cost recovery.

PLAN STRATEGIES AND GOALS - CONTINUED

CAPITAL IMPROVEMENT PLAN

The Plan incorporates WES' 5 year CIP as detailed in the Capital Section of this document and an extended sanitary sewer CIP developed for use in long-range planning which forecasts \$327 million in capital investments through FY 2029-30. Capital investments are essential to provide safe and reliable environmental stewardship and protect public health. These investments make the overall utility system more reliable and resilient in the face of earthquakes, sea-level rise, droughts, and other unexpected changes. Capital expenditures are a significant portion of WES' budget. Every year, the CIPs are updated to reflect WES' capital priorities. Capital programs are intended to support capital investments for defined level of service goals in each enterprise.

FORECASTING ASSUMPTIONS

The 10-Year financial plan projections are based on key assumptions that reflect WES' current policies, goals, and objectives. In general, WES ensures that the Plan conforms to BCC-approved policies and that it incorporates current operating budgets, capital budgets, and CIP updates. Other critical forecasting assumptions can be divided into the revenues side of the plan which are primarily service charges from utility sales, and the expenditures side of the plan which are primarily operations and maintenance expenditures and capital related expenditures which are further subdivided into debt service and revenue funded capital expenses. The outputs of the Plan provide a view of resulting rates and forecasts annual revenues and expenditures of funds over the 10-year planning period.

Specific economic assumptions incorporated in the Plan include inflationary adjustments for operating and maintenance expenditures by major expenditure category (e.g. labor, supplies, utilities, etc.), population growth projections for each service area in accord with the EcoNorthwest forecast and recent development trends, conservative earnings rates for investment income, and inflationary adjustments for the costs of construction.

FORECASTED FINANCIAL PERFORMANCE FOR THE FY 2020-21 10-YEAR FINANCIAL PLAN

The schedules on the following 3 pages contain the 10-year cash flow projections for WES' sanitary sewer and surface water operations, capital replacement and betterment needs, and a 10-year forecast of fund balances for each fund in WES. These cash flow projections help WES evaluate its performance on various financial sustainability metrics, including fund balance reserve levels, debt service coverage, and revenue-funded capital. The schedule also shows the projected long-term debt service coverage attainment that will occur if WES achieves the goals of the Plan.

(All figures in \$1,000s)

	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
SANITARY SEWER OPERATING FUND										
REVENUES										
TOTAL REVENUES	\$ 40,632	\$ 40,198	\$ 44,205	\$ 47,009	\$ 48,094	\$ 49,426	\$ 50,862	\$ 52,788	\$ 55,399	\$ 58,364
EXPENDITURES										
TOTAL OPERATING AND MAINTENANCE EXPENDITURES	25,016	26,307	27,674	29,121	30,428	31,798	33,233	34,736	36,312	37,963
TRANSFERS										
Construction Fund - Cash Funding of Asset Replacement	11,000	6,346	6,385	5,692	2,947	843	-	-	-	-
Debt Service Funds	7,268	9,871	10,146	12,196	14,719	16,785	18,025	18,632	19,521	19,626
TOTAL TRANSFERS	18,268	16,217	16,531	17,888	17,666	17,628	18,025	18,632	19,521	19,626
BEGINNING FUND BALANCE	7,978	5,326	3,000	3,000	3,000	3,000	3,000	2,604	2,024	1,590
ENDING FUND BALANCE*	\$ 5,326	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 2,604	\$ 2,024	\$ 1,590	\$ 2,365
SANITARY SEWER SDC FUND										
REVENUES										
TOTAL REVENUES	\$ 6,862	\$ 7,089	\$ 7,218	\$ 7,428	\$ 7,684	\$ 7,971	\$ 8,279	\$ 8,606	\$ 8,950	\$ 9,310
EXPENDITURES										
TOTAL CAPITAL OUTLAY EXPENDITURES	8,723	20,658	13,938	10,683	9,183	8,577	8,428	8,517	8,733	6,299
BEGINNING FUND BALANCE	36,087	34,226	20,657	13,937	10,682	9,183	8,577	8,428	8,517	8,734
ENDING FUND BALANCE*	\$ 34,226	\$ 20,657	\$ 13,937	\$ 10,682	\$ 9,183	\$ 8,577	\$ 8,428	\$ 8,517	\$ 8,734	\$ 11,745
SANITARY SEWER CONSTRUCTION FUND										
REVENUES										
TOTAL REVENUES	\$ 700	\$ 354	\$ 259	\$ 66	\$ 58	\$ 30	\$ 9	-	-	-
Other Financing: SRF Loan Proceeds	9,100	5,018	-	-	-	-	-	-	-	-
New Borrowings (Net of Financing Costs)	-	-	11,914	31,095	36,406	31,490	18,876	9,197	13,552	1,575
Transfer from Sanitary Sewer Operating Fund	11,000	6,346	6,385	5,692	2,947	843	-	-	-	-
EXPENDITURES										
TOTAL CAPITAL OUTLAY EXPENDITURES	29,124	21,252	37,802	37,738	42,165	34,495	19,749	9,206	13,552	1,575
BEGINNING FUND BALANCE	43,746	35,422	25,888	6,644	5,759	3,005	873	9	0	0
ENDING FUND BALANCE*	\$ 35,422	\$ 25,888	\$ 6,644	\$ 5,759	\$ 3,005	\$ 873	\$ 9	\$ 0	\$ 0	\$ 0

*Ending Fund Balances include Contingencies/Reserves

(All figures in \$1,000s)

	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
SURFACE WATER OPERATING FUND										
REVENUES										
TOTAL REVENUES	\$ 5,701	\$ 6,125	\$ 6,490	\$ 6,881	\$ 7,278	\$ 7,702	\$ 8,152	\$ 8,630	\$ 9,138	\$ 9,694
EXPENDITURES										
TOTAL OPERATING AND MAINTENANCE EXPENDITURES	5,089	5,352	5,631	5,926	6,193	6,472	6,765	7,072	7,394	7,731
TRANSFERS										
Construction Fund - Cash Funding of Asset Replacement	3,000	773	859	955	1,085	1,230	1,387	1,558	1,744	1,963
TOTAL TRANSFERS	3,000	773	859	955	1,085	1,230	1,387	1,558	1,744	1,963
BEGINNING FUND BALANCE	7,933	5,545	5,545	5,545	5,545	5,545	5,545	5,545	5,545	5,545
ENDING FUND BALANCE*	\$ 5,545	\$ 5,545	\$ 5,545	\$ 5,545	\$ 5,545	\$ 5,545	\$ 5,545	\$ 5,545	\$ 5,545	\$ 5,545
SURFACE WATER SDC FUND										
REVENUES										
TOTAL REVENUES	\$ 155	\$ 135	\$ 136	\$ 140	\$ 141	\$ 145	\$ 146	\$ 150	\$ 153	\$ 155
EXPENDITURES										
TOTAL CAPITAL OUTLAY EXPENDITURES	-	-	-	-	-	-	-	-	-	-
BEGINNING FUND BALANCE	2,282	2,437	2,572	2,708	2,848	2,989	3,134	3,280	3,430	3,583
ENDING FUND BALANCE*	\$ 2,437	\$ 2,572	\$ 2,708	\$ 2,848	\$ 2,989	\$ 3,134	\$ 3,280	\$ 3,430	\$ 3,583	\$ 3,738
SURFACE WATER CONSTRUCTION FUND										
REVENUES										
TOTAL REVENUES	\$ 53	\$ 42	\$ 41	\$ 34	\$ 25	\$ 33	\$ 46	\$ 60	\$ 76	\$ 94
Transfer from Surface Water Operating Fund	3,000	773	859	955	1,085	1,230	1,387	1,558	1,744	1,963
EXPENDITURES										
TOTAL CAPITAL OUTLAY EXPENDITURES	2,142	892	1,592	1,892	350	-	-	-	-	-
BEGINNING FUND BALANCE	3,297	4,208	4,131	3,439	2,536	3,296	4,559	5,992	7,610	9,430
ENDING FUND BALANCE*	\$ 4,208	\$ 4,131	\$ 3,439	\$ 2,536	\$ 3,296	\$ 4,559	\$ 5,992	\$ 7,610	\$ 9,430	\$ 11,487

*Ending Fund Balances include Contingencies/Reserves

LONG-RANGE FINANCIAL PLAN

(All figures in \$1,000s)

	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
REVENUE BOND AND STATE LOAN FUNDS										
REVENUES										
TOTAL REVENUES	\$ 288	\$ 269	\$ 258	\$ 247	\$ 237	\$ 228	\$ 218	\$ 210	\$ 201	\$ 193
Transfer from Sanitary Sewer Operating Fund	7,268	9,871	10,146	12,196	14,719	16,785	18,025	18,632	19,521	19,626
DEBT SERVICE										
Existing Debt Service	6,881	6,880	6,872	6,880	7,013	7,011	7,012	7,015	7,013	7,015
Future Debt Service	500	3,103	3,386	5,426	7,816	9,884	11,123	11,726	12,616	12,718
TOTAL DEBT SERVICE	7,381	9,983	10,258	12,306	14,829	16,895	18,135	18,741	19,629	19,733
BEGINNING FUND BALANCE	1,235	1,410	1,567	1,713	1,850	1,977	2,095	2,203	2,304	2,397
ENDING FUND BALANCE*	\$ 1,410	\$ 1,567	\$ 1,713	\$ 1,850	\$ 1,977	\$ 2,095	\$ 2,203	\$ 2,304	\$ 2,397	\$ 2,483
WES COMBINED ENDING FUND BALANCES	\$ 88,574	\$ 63,360	\$ 36,986	\$ 32,220	\$ 28,995	\$ 27,783	\$ 28,061	\$ 29,430	\$ 31,279	\$ 37,363
TEST OF COVERAGE REQUIREMENTS										
Total Operating Revenues	\$ 52,736	\$ 53,180	\$ 57,817	\$ 61,291	\$ 63,062	\$ 65,122	\$ 67,322	\$ 70,057	\$ 73,520	\$ 77,400
Operating Expenses	\$ 30,105	\$ 31,659	\$ 33,305	\$ 35,047	\$ 36,621	\$ 38,270	\$ 39,998	\$ 41,808	\$ 43,706	\$ 45,694
Net revenues available for debt service	\$ 22,631	\$ 21,521	\$ 24,512	\$ 26,244	\$ 26,441	\$ 26,852	\$ 27,324	\$ 28,249	\$ 29,814	\$ 31,706
Debt Service	7,381	9,983	10,258	12,306	14,829	16,895	18,135	18,741	19,629	19,733
Projected Debt Coverage Recognized	307%	216%	239%	213%	178%	159%	151%	151%	152%	161%
Debt Coverage Required	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%

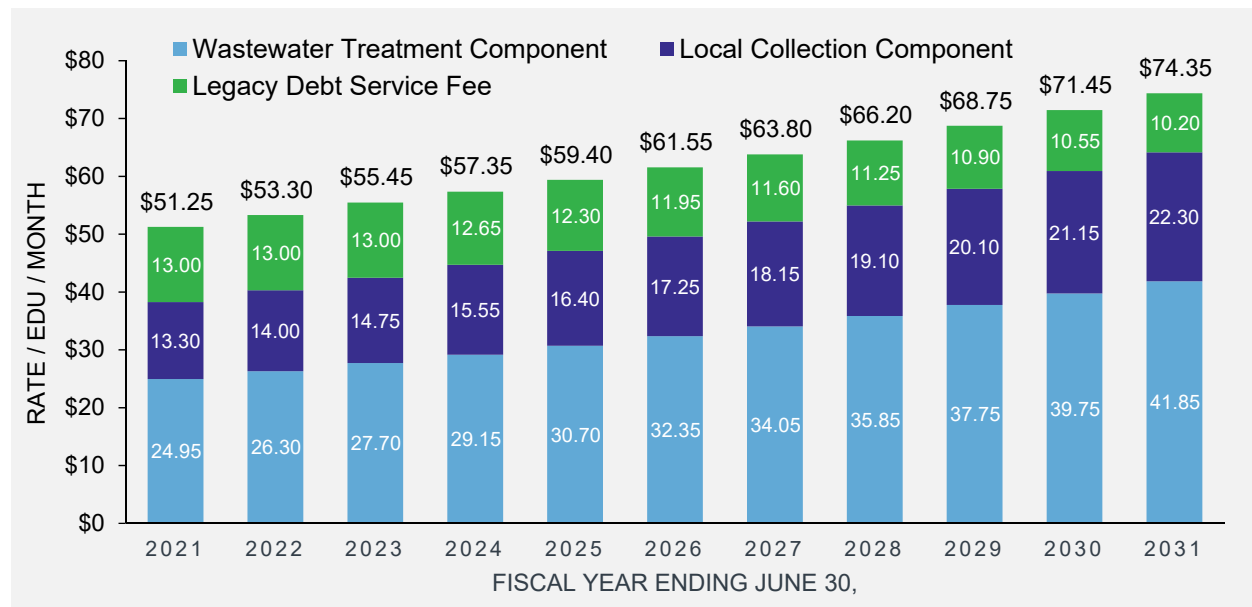
*Ending Fund Balances include Contingencies/Reserves

FORECASTED MONTHLY RATES UNDER THE 10-YEAR PLAN

WES makes rates and collects fees for sanitary sewer and surface water services that are at least sufficient to pay the expenses of maintenance and operation of the WES system and will meet the principal, interest and coverage requirements and other bond covenants of all obligations issued by WES. As of FY 2020-21, the WES Board has established rates for each of the 3 rate zones of WES. The WES Board has full power and authority to levy different rates between and within the rate zones. Rate Zone 1 and 2 customers generally each pay a wholesale charge for wastewater treatment service. Rate Zone 2 customers also pay sufficient amounts to meet the legacy debt service charge, retail sanitary sewer service, and surface water services. As levels of service change, the WES Board may add or subtract charges within the Rate Zones.

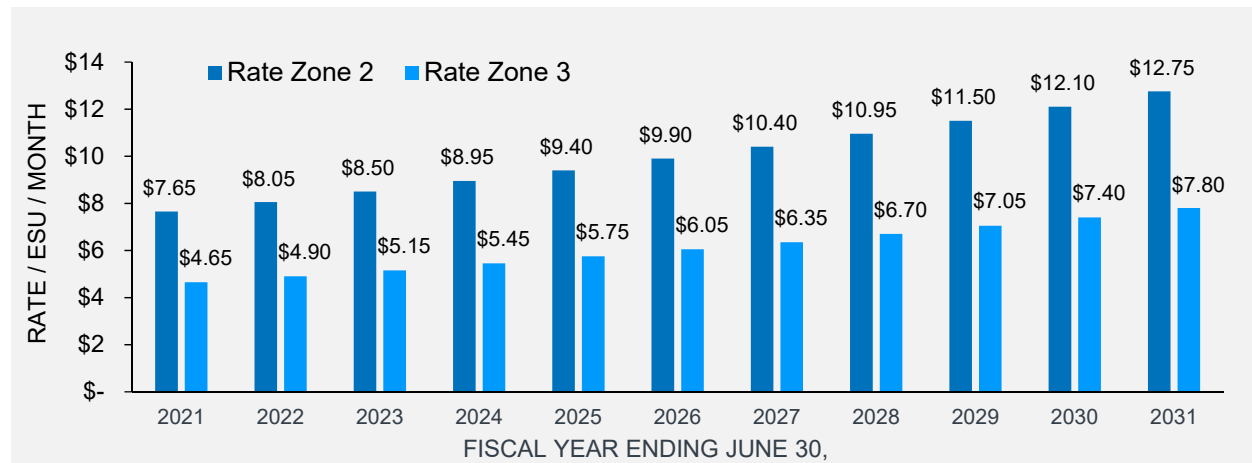
FORECASTED SANITARY SEWER MONTHLY CHARGES

The chart below shows the projected wholesale wastewater treatment, retail wastewater collection, and Rate Zone 2 legacy debt service recovery rates over the ten-year forecast horizon. All monthly rates shown are expressed in dollars per Equivalent Dwelling Unit per month.



FORECASTED SURFACE WATER MONTHLY CHARGES

WES provides surface water services to the Rate Zone 2 and 3 service areas. The chart below shows the surface water service charge rates for each service area over the ten-year forecast horizon. All monthly rates shown are expressed in dollars per Equivalent Service Unit per month.



Appendix A



Carli Creek Treatment Wetland, December 2018

Clackamas County Service District No. 1



Carli Creek Treatment Wetland, December 2018

RESOURCES

FORM LB-20

**SANITARY SEWER
OPERATING FUND
FUND**

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	5,239,548	0	0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	193,584	0	0	4. INTEREST				4
5				5. OTHER RESOURCES				5
6	22,415,502	0	0	6. MONTHLY SERVICE CHARGE REVENUE				6
7	4,798,975	0	0	7. OPERATION PAYMENTS-CITIES				7
8				8. BANCROFT BOND SALE PROCEEDS				8
9	0	0	0	9. RENTAL INCOME				9
10	674,331	0	0	10. MISCELLANEOUS INCOME				10
11	0	0	0	11. CONNECTION CHARGE REVENUE				11
12	222,334	0	0	12. SPECIAL CONNECTION CHARGE REVENUE				12
13				13. CAPITAL OUTLAY PAYMENTS CITIES				13
14				14. PRINCIPAL NON-BONDED INSTALLMENT				14
15	109,545	0	0	15. INTEREST NON-BONDED INSTALLMENT				15
16				16. STATE GRANT (DEQ)				16
17				17. FEDERAL GRANT (EPA)				17
18				18. STATE LOAN				18
19				19. BONDS PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERIM FINANCING				21
22		0	0	22. TRANSFER FROM CLACKAMAS COUNTY				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28. FROM OTHER ENTITIES				28
29	33,653,819	0	0	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	0	0	0	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	33,653,819	0	0	32. TOTAL RESOURCES	0	0	0	32

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

SANITARY SEWER

OPERATING FUND

NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2019-2020	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1	13,109,762	0	0	1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	13,109,762	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1				1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1	0	0	0	1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1				1. RESERVE FOR CAPITAL IMPROVEMENT				1
2	16,000,000	0	0	2. TO DEBT SERVICE FUNDS				2
3	1,400,000	0	0	3. TO OTHER FUNDS				3
4				4. GENERAL OPERATING CONTINGENCY				4
5	17,400,000	0	0	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	30,509,762	0	0	TOTAL EXPENDITURES	0	0	0	
	5,239,548		0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	35,749,310	0	0	TOTAL	0	0	0	

FORM LB-31

**DETAILED EXPENDITURES
SANITARY SEWER
OPERATING FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3	7,446,471	0	0	3. WES SERVICES						3
4	1,620,251	0	0	4. OTHER COUNTY SERVICES						4
5	871,531	0	0	5. PROFESSIONAL SERVICES						5
6	317,887	0	0	6. MISCELLANEOUS SERVICES						6
7	10,256,140	0	0	7. TOTAL SERVICES			0	0	0	7
8										8
9	1,163,719	0	0	9. SUPPLIES						9
10	467,196	0	0	10. SLUDGE DISPOSAL						10
11	859,918	0	0	11. UTILITIES						11
12	1,138,483	0	0	12. MISCELLANEOUS EXPENSE						12
13	(775,694)	0	0	13. ALLOCATED OVERHEAD						13
14				14. REPLACEMENT						14
15				15.						15
16				16.						16
17				17.						17
18				18.						18
19				19.						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	13,109,762	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	13,109,762	0	0	TOTAL	0		0	0	0	

FORM LB-31

**DETAILED EXPENDITURES
SANITARY SEWER
OPERATING FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019								
1				1. LAND						1
2				2.						2
3				3. BUILDINGS						3
4				4.						4
5				5. TREATMENT PLANT						5
6				6.						6
7				7. PUMP STATIONS						7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11				11. TRUNKS & INTERCEPTORS						11
12				12.						12
13				13. EQUIPMENT CAPITAL						13
14				14.						14
15				15. MASTER PLANS/STUDIES						15
16				16.						16
17				17. ADMINISTRATION						17
18				18.						18
19				19. REMOVAL & REPLACEMENT						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL	0		0	0	0	

RESOURCES

FORM LB-20

**SANITARY SEWER
SYSTEM DEVELOPMENT CHARGE FUND**

FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	19,176,742	0	0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	230,642	0	0	4. INTEREST				4
5				5. OTHER RESOURCES				5
6				6. MONTHLY SERVICE CHARGE REVENUE				6
7				7. OPERATION PAYMENTS-CITIES				7
8				8. BANCROFT BOND SALE PROCEEDS				8
9				9. RENTAL INCOME				9
10	0	0	0	10. MISCELLANEOUS INCOME				10
11	4,514,673	0	0	11. CONNECTION CHARGE REVENUE				11
12				12. SPECIAL CONNECTION CHARGE REVENUE				12
13				13. CAPITAL OUTLAY PAYMENTS CITIES				13
14				14. PRINCIPAL NON-BONDED INSTALLMENT				14
15				15. INTEREST NON-BONDED INSTALLMENT				15
16				16. STATE GRANT (DEQ)				16
17				17. FEDERAL GRANT (EPA)				17
18				18. STATE LOAN				18
19				19. BONDS PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERIM FINANCING				21
22				22.				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28. TRANSFER FROM OTHER FUNDS				28
29	23,922,057	0	0	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	0	0	0	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	23,922,057	0	0	32. TOTAL RESOURCES	0	0	0	32

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

SANITARY SEWER

SYSTEM DEVELOPMENT CHARGE FUND

NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1	1,004,191	0	0	1.				1
2				2.				2
3				3.				3
4	1,004,191	0	0	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1		0	0	1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1				1. RESERVE FOR CAPITAL IMPROVEMENT				1
2			0	2. TO DEBT SERVICE FUNDS	0	0	0	2
3			0	3. TO OTHER FUNDS	0	0	0	3
4			0	4. GENERAL OPERATING CONTINGENCY				4
5	0	0	0	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	1,004,191	0	0	TOTAL EXPENDITURES	0	0	0	
	22,917,866	0	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	23,922,057	0	0	TOTAL	0	0	0	

FORM LB-31

**DETAILED EXPENDITURES
SANITARY SEWER
SYSTEM DEVELOPMENT CHARGE FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3				3. WES SERVICES						3
4				4. OTHER COUNTY SERVICES						4
5				5. PROFESSIONAL SERVICES						5
6				6. MISCELLANEOUS SERVICES						6
7	0	0	0	7. TOTAL SERVICES			0	0	0	7
8										8
9				9. SUPPLIES						9
10				10. SLUDGE DISPOSAL						10
11				11. UTILITIES						11
12				12. MISCELLANEOUS EXPENSE						12
13				13. ALLOCATED OVERHEAD						13
14				14. REPLACEMENT						14
15				15.						15
16				16.						16
17				17.						17
18				18.						18
19				19.						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL	0		0	0	0	

FORM LB-31

**DETAILED EXPENDITURES
SANITARY SEWER
SYSTEM DEVELOPMENT CHARGE FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019								
1				1. LAND						1
2				2.						2
3				3. BUILDINGS						3
4				4.						4
5	1,004,191	0	0	5. TREATMENT PLANT						5
6				6.						6
7				7. PUMP STATIONS						7
8				8.						8
9	0	0	0	9. FORCE MAINS						9
10				10.						10
11				11. TRUNKS & INTERCEPTORS						11
12				12.						12
13				13. EQUIPMENT CAPITAL						13
14				14.						14
15				15. MASTER PLANS/STUDIES						15
16				16.						16
17				17. ADMINISTRATION						17
18				18.						18
19				19. REMOVAL & REPLACEMENT						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	1,004,191	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	1,004,191	0	0	TOTAL	0		0	0	0	

RESOURCES

FORM LB-20

**SANITARY SEWER
CONSTRUCTION FUND
FUND**

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	27,002,274	0	0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	263,193	0	0	4. INTEREST				4
5				5. OTHER RESOURCES				5
6				6. MONTHLY SERVICE CHARGE REVENUE				6
7				7. OPERATION PAYMENTS-CITIES				7
8				8. BOND SALE PROCEEDS				8
9				9. RENTAL INCOME				9
10	49,740	0	0	10. MISCELLANEOUS INCOME				10
11				11. SEWER CONNECTION CHARGE REVENUE				11
12				12. SPECIAL CONNECTION CHARGE REVENUE				12
13				13. CAPITAL OUTLAY PAYMENTS CITIES				13
14				14. PRINCIPAL NON-BONDED INSTALLMENT				14
15				15. INTEREST NON-BONDED INSTALLMENT				15
16				16. STATE GRANT (DEQ)				16
17				17. FEDERAL GRANT (EPA)				17
18				18. STATE LOAN				18
19				19. BONDS PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERIM FINANCING				21
22	16,000,000	0	0	22. TRANSFER FROM GENERAL FUND				22
23				23. TRANSFER FROM SDC FUND				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28. FROM OTHER ENTITIES				28
29	43,315,207	0	0	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	0	0	0	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	43,315,207	0	0	32. TOTAL RESOURCES	0	0	0	32

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

**SANITARY SEWER
CONSTRUCTION FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1	6,346,609	0	0	1.				1
2				2.				2
3				3.				3
4	6,346,609	0	0	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1	0	0	0	1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1	0	0	0	1. RESERVE FOR CAPITAL IMPROVEMENT	0	0	0	1
2				2. TO DEBT SERVICE FUNDS	0	0	0	2
3				3. TO OTHER FUNDS	0	0	0	3
4		0	0	4. GENERAL OPERATING CONTINGENCY				4
5	0	0	0	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	6,346,609	0	0	TOTAL EXPENDITURES	0	0	0	
	36,968,598	0	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	43,315,207	0	0	TOTAL	0	0	0	

DETAILED EXPENDITURES
SANITARY SEWER
CONSTRUCTION FUND
 NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
 (NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3				3. WES SERVICES						3
4				4. OTHER COUNTY SERVICES						4
5				5. PROFESSIONAL SERVICES						5
6				6. MISCELLANEOUS SERVICES						6
7	0	0	0	7. TOTAL SERVICES			0	0	0	7
8										8
9				9. SUPPLIES						9
10				10. SLUDGE DISPOSAL						10
11				11. UTILITIES						11
12				12. MISCELLANEOUS EXPENSE						12
13				13. ALLOCATED OVERHEAD						13
14				14. REPLACEMENT						14
15				15.						15
16				16.						16
17				17.						17
18				18.						18
19				19.						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL	0		0	0	0	

**DETAILED EXPENDITURES
SANITARY SEWER
CONSTRUCTION FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019								
1				1. LAND						1
2				2.						2
3				3. BUILDINGS						3
4				4.						4
5	5,275,768	0	0	5. TREATMENT PLANT						5
6				6.						6
7	110,609	0	0	7. PUMP STATIONS						7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11	311,552	0	0	11. TRUNKS & INTERCEPTORS						11
12				12.						12
13	648,680	0	0	13. EQUIPMENT CAPITAL						13
14				14.						14
15				15. MASTER PLANS/STUDIES						15
16				16.						16
17				17. CAPACITY MANAGEMENT						17
18				18.						18
19				19						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	6,346,609	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	6,346,609	0	0	TOTAL	0		0	0	0	

RESOURCES

**SURFACE WATER
OPERATING FUND**
FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

FORM LB-20

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	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	7,065,700	0	0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	81,484	0	0	4. INTEREST				4
5				5. OTHER RESOURCES				5
6	4,513,652	0	0	6. MONTHLY SERVICE CHARGE REVENUE				6
7				7. OPERATION PAYMENTS-CITIES				7
8				8. BANCROFT BOND SALE PROCEEDS				8
9				9. RENTAL INCOME				9
10	524,843	0	0	10. MISCELLANEOUS INCOME				10
11				11. CONNECTION CHARGE REVENUE				11
12				12. SPECIAL CONNECTION CHARGE REVENUE				12
13				13. CAPITAL OUTLAY PAYMENTS CITIES				13
14				14. PRINCIPAL NON-BONDED INSTALLMENT				14
15				15. INTEREST NON-BONDED INSTALLMENT				15
16				16. STATE GRANT (DEQ)				16
17				17. FEDERAL GRANT (EPA)				17
18				18. STATE LOAN				18
19				19. BONDS PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERIM FINANCING				21
22				22.				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28. TRANSFER FROM OTHER FUNDS				28
29	12,185,679	0	0	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	0	0	0	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	12,185,679	0	0	32. TOTAL RESOURCES	0	0	0	32

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

**SURFACE WATER
OPERATING FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1	3,510,339	0	0	1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	3,510,339	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1				1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1	0	0	0	1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1				1. RESERVE FOR CAPITAL IMPROVEMENT				1
2	0	0	0	2. TO DEBT SERVICE FUNDS	0	0	0	2
3				3. TO OTHER FUNDS				3
4		0	0	4. GENERAL OPERATING CONTINGENCY				4
5	0	0	0	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	3,510,339	0	0	TOTAL EXPENDITURES	0	0	0	
	8,675,340	0	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	12,185,679	0	0	TOTAL	0	0	0	

**DETAILED EXPENDITURES
SURFACE WATER
OPERATING FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3	1,642,973	0	0	3. WES SERVICES						3
4	536,937	0	0	4. OTHER COUNTY SERVICES						4
5	530,122	0	0	5. PROFESSIONAL SERVICES						5
6	22,738	0	0	6. MISCELLANEOUS SERVICES						6
7	2,732,770	0	0	7. TOTAL SERVICES						7
8										8
9	65,119	0	0	9. SUPPLIES						9
10	0	0	0	10. SLUDGE DISPOSAL						10
11	879	0	0	11. UTILITIES						11
12	490,343	0	0	12. MISCELLANEOUS EXPENSE						12
13	221,228	0	0	13. ALLOCATED OVERHEAD						13
14				14. REPLACEMENT						14
15				15.						15
16				16.						16
17				17.						17
18				18.						18
19				19.						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	3,510,339	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	3,510,339	0	0	TOTAL	0		0	0	0	0

**DETAILED EXPENDITURES
SURFACE WATER
OPERATING FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019								
1				1. LAND						1
2				2.						2
3				3. BUILDINGS						3
4				4.						4
5				5. TREATMENT PLANT						5
6				6.						6
7				7. PUMP STATIONS						7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11	0	0	0	11. TRUNKS & INTERCEPTORS			0	0	0	11
12				12.						12
13				13. EQUIPMENT CAPITAL						13
14				14.						14
15				15. MASTER PLANS/STUDIES						15
16				16.						16
17				17. ADMINISTRATION						17
18				18.						18
19				19. REMOVAL & REPLACEMENT						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL	0		0	0	0	

RESOURCES

**SURFACE WATER
SYSTEM DEVELOPMENT CHARGE FUND**

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

FORM LB-20

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	1,788,278	0	0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	20,076	0	0	4. INTEREST				4
5				5. OTHER RESOURCES				5
6				6. MONTHLY SERVICE CHARGE REVENUE				6
7				7. OPERATION PAYMENTS-CITIES				7
8				8. BANCROFT BOND SALE PROCEEDS				8
9				9. RENTAL INCOME				9
10	0	0	0	10. MISCELLANEOUS INCOME				10
11	103,710	0	0	11. CONNECTION CHARGE REVENUE				11
12				12. SPECIAL CONNECTION CHARGE REVENUE				12
13				13. CAPITAL OUTLAY PAYMENTS CITIES				13
14				14. PRINCIPAL NON-BONDED INSTALLMENT				14
15				15. INTEREST NON-BONDED INSTALLMENT				15
16				16. STATE GRANT (DEQ)				16
17				17. FEDERAL GRANT (EPA)				17
18				18. STATE LOAN				18
19				19. BONDS PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERIM FINANCING				21
22				22.				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28. FROM OTHER ENTITIES				28
29	1,912,064	0	0	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	0	0	0	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	1,912,064	0	0	32. TOTAL RESOURCES	0	0	0	32

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

SURFACE WATER

SYSTEM DEVELOPMENT CHARGE FUND

NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1		0	0	1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1		0	0	1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1				1. RESERVE FOR CAPITAL IMPROVEMENT				1
2				2. TO DEBT SERVICE FUNDS				2
3				3. TO OTHER FUNDS				3
4			0	4. GENERAL OPERATING CONTINGENCY				4
5	0	0	0	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	0	0	0	TOTAL EXPENDITURES	0	0	0	
	1,912,064	0	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	1,912,064	0	0	TOTAL	0	0	0	

FORM LB-31

**DETAILED EXPENDITURES
SURFACE WATER
SYSTEM DEVELOPMENT CHARGE FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET				PROPOSED BY	APPROVED BY	ADOPTED BY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019	THIS YEAR 2019-2020				BUDGET OFFICER	BUDGET COMMITTEE	GOVERNING BODY	
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3				3. WES SERVICES						3
4				4. OTHER COUNTY SERVICES						4
5				5. PROFESSIONAL SERVICES						5
6				6. MISCELLANEOUS SERVICES						6
7	0	0	0	7. TOTAL SERVICES			0	0	0	7
8										8
9				9. SUPPLIES						9
10				10. SLUDGE DISPOSAL						10
11				11. UTILITIES						11
12				12. MISCELLANEOUS EXPENSE						12
13				13. ALLOCATED OVERHEAD						13
14				14. REPLACEMENT						14
15				15.						15
16				16.						16
17				17.						17
18				18.						18
19				19.						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL	0		0	0	0	

FORM LB-31

**DETAILED EXPENDITURES
SURFACE WATER
SYSTEM DEVELOPMENT CHARGE FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET				PROPOSED BY	APPROVED BY	ADOPTED BY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019	THIS YEAR 2019-2020				BUDGET OFFICER	BUDGET COMMITTEE	GOVERNING BODY	
1				1. LAND						1
2				2.						2
3				3. BUILDINGS						3
4				4.						4
5		0	0	5. TREATMENT PLANT						5
6				6.						6
7				7. PUMP STATIONS						7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11				11. TRUNKS & INTERCEPTORS						11
12				12.						12
13				13. EQUIPMENT CAPITAL						13
14				14.						14
15				15. MASTER PLANS/STUDIES						15
16				16.						16
17				17. ADMINISTRATION						17
18				18.						18
19				19. REMOVAL & REPLACEMENT						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	0	31. TOTAL EXPENDITURES			0	0		0
32				32. UNAPPROPRIATED ENDING FUND BALANCE						
	0	0	0	TOTAL	0		0	0		0

RESOURCES

FORM LB-20

**SURFACE WATER
CONSTRUCTION FUND**
FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	4,131,597	0	0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	32,658	0	0	4. INTEREST				4
5				5. OTHER RESOURCES				5
6				6. MONTHLY SERVICE CHARGE REVENUE				6
7				7. OPERATION PAYMENTS-CITIES				7
8				8. BANCROFT BOND SALE PROCEEDS				8
9				9. RENTAL INCOME				9
10	11,831	0	0	10. MISCELLANEOUS INCOME				10
11				11. SEWER CONNECTION CHARGE REVENUE				11
12				12. SPECIAL CONNECTION CHARGE REVENUE				12
13				13. CAPITAL OUTLAY PAYMENTS CITIES				13
14				14. PRINCIPAL NON-BONDED INSTALLMENT				14
15				15. INTEREST NON-BONDED INSTALLMENT				15
16	22,000	0	0	16. STATE GRANTS				16
17				17. FEDERAL GRANTS				17
18				18. STATE LOAN				18
19				19. BOND PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERIM FINANCING				21
22				22. TRANSFER FROM GENERAL FUND				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28. FROM OTHER ENTITIES				28
29	4,198,086	0	0	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	0	0	0	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	4,198,086	0	0	32. TOTAL RESOURCES	0	0	0	32

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

**SURFACE WATER
CONSTRUCTION FUND**

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

NAME OF ORGANIZATIONAL UNIT-FUND

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1	2,206,210	0	0	1.				1
2				2.				2
3				3.				3
4	2,206,210	0	0	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1	0	0	0	1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1				1. RESERVE FOR CAPITAL IMPROVEMENT				1
2				2. TO DEBT SERVICE FUNDS				2
3				3. TO OTHER FUNDS				3
4		0	0	4. GENERAL OPERATING CONTINGENCY				4
5	0	0	0	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	2,206,210	0	0	TOTAL EXPENDITURES	0	0	0	
	1,991,876	0	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	4,198,086	0	0	TOTAL	0	0	0	

**DETAILED EXPENDITURES
SURFACE WATER
CONSTRUCTION FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3				3. WES SERVICES						3
4				4. OTHER COUNTY SERVICES						4
5				5. PROFESSIONAL SERVICES						5
6				6. MISCELLANEOUS SERVICES						6
7	0	0	0	7. TOTAL SERVICES			0	0	0	7
8										8
9				9. SUPPLIES						9
10				10. SLUDGE DISPOSAL						10
11				11. UTILITIES						11
12				12. MISCELLANEOUS EXPENSE						12
13				13. ALLOCATED OVERHEAD						13
14				14. REPLACEMENT						14
15				15.						15
16				16.						16
17				17.						17
18				18.						18
19				19.						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL	0		0	0	0	

**DETAILED EXPENDITURES
SURFACE WATER
CONSTRUCTION FUND**
NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2020-2021			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019								
1				1. LAND						1
2				2.						2
3				3. BUILDINGS						3
4				4.						4
5				5. TREATMENT PLANT						5
6				6.						6
7				7. PUMP STATIONS						7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11	2,206,210	0	0	11. TRUNKS & INTERCEPTORS						11
12				12.						12
13				13. EQUIPMENT CAPITAL						13
14				14.						14
15				15. MASTER PLANS/STUDIES						15
16				16.						16
17				17. ADMINISTRATION						17
18				18.						18
19				19. REMOVAL & REPLACEMENT						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	2,206,210	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	2,206,210	0	0	TOTAL	0		0	0	0	

BONDED DEBT
RESOURCES AND REQUIREMENTS

BONDED DEBT PAYMENTS ARE FOR:
STATE LOAN

DEBT SERVICE - STATE LOAN
FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

	HISTORICAL DATA			DESCRIPTION OF RESOURCES AND REQUIREMENTS	BUDGET FOR NEXT YEAR 2020-2021		
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019					
RESOURCES							
				BEGINNING FUND BALANCE:			
1				1. CASH ON HAND*(CASH BASIS), OR			1
2	5,128,959	0	0	2. WORKING CAPITAL (ACCRUAL BASIS)			2
3	550,058	0	0	3. PRINCIPAL COLLECTIONS			3
4	136,860	0	0	4. INTEREST COLLECTIONS			4
5	25,482	0	0	5. EARNINGS FROM TEMPORARY INVESTMENTS			5
6	0	0	0	6. MISCELLANEOUS			6
7				7. TRANSFER FROM REVENUE BOND FUND			7
8	5,841,359	0	0	8. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED			8
9				9. TAXES NECESSARY TO BALANCE			9
10				10. TAXES COLLECTED IN YEAR LEVIED			10
	5,841,359	0	0	TOTAL RESOURCES	0	0	0
REQUIREMENTS							
BOND PRINCIPAL PAYMENTS							
				ISSUE DATE	BUDGETED PAYMENT DATE		
1	0	0	0	1. STATE LOAN R22401			1
2	106,208	0	0	2. STATE LOAN R06224	09/01/17, 03/01/18		2
3	0	0	0	3. STATE LOAN R22403			3
4	106,208	0	0	4. TOTAL PRINCIPAL	0	0	0 4
BOND INTEREST PAYMENTS							
				ISSUE DATE	BUDGETED PAYMENT DATE		
1	0	0	0	1. STATE LOAN R22401			1
2	7,966	0	0	2. STATE LOAN R06224			2
3	0	0	0	3. STATE LOAN R22403			3
4	7,966	0	0	4. TOTAL INTEREST	0	0	0 4
SPECIAL PAYMENTS							
1	0	0	0	1.			1
2	0	0	0	2. TOTAL SPECIAL PAYMENTS	0	0	0 2
TRANSFERRED TO OTHER FUNDS							
1	5,000,000	0	0	1. TO REVENUE BOND FUND			1
2	5,000,000	0	0	2. TOTAL TRANSFERS	0	0	0 2
UNAPPROPRIATED BALANCE FOR FOLLOWING BY YEAR							
				ISSUE DATE	PAYMENT DATE		
1			0	1. RESERVE REQUIREMENT	R22401		1
2			0	2. RESERVE REQUIREMENT	R06224		2
3			0	3. RESERVE REQUIREMENT	R22403		3
4				4.			4
5.	727,185	0	0	5. TOTAL UAPPROPRIATED ENDING FUND BALANCE	0	0	0 5
	5,841,359	0	0	TOTAL REQUIREMENTS	0	0	0

BONDED DEBT
RESOURCES AND REQUIREMENTS

BONDED DEBT PAYMENTS ARE FOR:
REVENUE BONDS

DEBT SERVICE - REVENUE BONDS

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

FUND

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			DESCRIPTION OF RESOURCES AND REQUIREMENTS	BUDGET FOR NEXT YEAR 2020-2021		
	ACTUAL		ADOPTED BUDGET THIS YEAR 2019-2020		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
	SECOND PRECEDING YEAR 2017-18	FIRST PRECEDING YEAR 2018-2019					
RESOURCES							
BEGINNING FUND BALANCE:							
1				1. CASH ON HAND*(CASH BASIS), OR			1
2	1,523,656	0	0	2. WORKING CAPITAL(ACCRUAL BASIS)			2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD			3
4	155,390	0	0	4. EARNINGS FROM TEMPORARY INVESTMENTS			4
5	6,400,000	0	0	5. TRANSFERRED FROM OTHER FUNDS			5
6				6. PROCEEDS FROM ADVANCE REFUNDING			6
	0	0	0	7. MISCELLANEOUS INCOME			
	23,454	0	0	8. INTEREST COLLECTIONS			
7	8,102,500	0	0	10. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED			7
8				11. TAXES NECESSARY TO BALANCE			8
9				12. TAXES COLLECTED IN YEAR LEVIED			9
	8,102,500	0	0	TOTAL RESOURCES	0	0	0
REQUIREMENTS							
BOND PRINCIPAL PAYMENTS							
				ISSUE DATE	BUDGETED PAYMENT DATE		
1	840,000	0	0	1. 2002A 06/04/02			1
2	0	0	0	2. 2002B 09/19/02			2
3	1,160,000	0	0	3. 2009A 03/04/09			3
4	1,360,000	0	0	4. 2009B 11/24/09			4
5	790,000	0	0	5. 2010 12/22/10			5
6	280,000	0	0	6. 2016 08/30/16			6
7	4,430,000	0	0	7. TOTAL PRINCIPAL	0	0	0 7
BOND INTEREST PAYMENTS							
				ISSUE DATE	BUDGETED PAYMENT DATE		
1	35,119	0	0	1. 2002A 06/04/02			1
2	0	0	0	2. 2002B 09/19/02			2
3	53,700	0	0	3. 2009A 03/04/09			3
4	142,600	0	0	4. 2009B 11/24/09			4
5	110,450	0	0	5. 2010 12/22/10			5
6	2,976,881	0	0	6. 2016 08/30/16			6
7	3,318,750	0	0	7. TOTAL INTEREST	0	0	0 7
SPECIAL PAYMENTS							
1	0	0	0	1.			1
2	0	0	0	2. TOTAL SPECIAL PAYMENTS	0	0	0 2
TRANSFERRED TO OTHER FUNDS							
1	0	0	0	1. TO STATE LOAN FUND			1
2	0	0	0	2. TOTAL TRANSFERS	0	0	0 2
UNAPPROPRIATED BALANCE FOR FOLLOWING BY YEAR							
1			0	1. Reserve 2002A	0	0	0 1
2			0	2. Reserve Requirement 2009A	0	0	0 2
3			0	3. Reserve Requirement 2009B	0	0	0 3
4			0	4. Reserve Requirement 2010	0	0	0 4
5			0	5. Reserve Requirement 2016	0	0	0
6	353,750	0	0	6. UNAPPROPRIATED ENDING FUND BALANCE	0	0	0
	8,102,500	0	0	TOTAL REQUIREMENTS	0	0	0

Appendix B



Carli Creek Treatment Wetland, December 2018

Clackamas Water Environment Services Department Position Summary Schedules

FTEs By Performance Clackamas Program	FY 2015-16 Actual ⁽¹⁾	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Proposed
Account Services ⁽³⁾	-	4.40	4.17	2.68	2.83	3.97
Administrative Services ⁽³⁾	-	13.64	11.35	12.60	12.64	12.01
Asset Management ⁽³⁾	-	8.03	7.04	7.27	8.28	7.60
Environmental Monitoring	-	9.33	6.64	6.29	5.71	5.86
Financial Management ⁽³⁾	-	6.56	5.93	6.03	6.78	5.82
Permit Services ⁽³⁾	-	6.69	10.05	8.21	8.61	8.99
Capital Delivery ⁽²⁾	-	4.69	6.39	5.98	8.70	9.83
Plant Operations and Maintenance ^(3,4)	-	15.64	28.81	32.56	32.06	30.78
Resource Recovery	-	9.82	8.29	8.68	7.90	8.09
Field Operations and Maintenance ^(3,4)	-	20.96	13.24	12.92	13.39	14.50
Watershed Protection	-	6.24	4.09	5.43	5.10	4.55
Vacancies - All Programs	-	-	-	1.35	0.00	0.00
Totals		106.00	106.00	110.00	112.00	112.00

FTEs by Performance Clackamas Program are calculated by dividing the total hours charged to the program by hours per FTE.

(1) FY 2015-16 Program Position Data is not available as the Program Budget structure was implemented beginning in FY 2016-17

(2) Includes capitalized labor

(3) Name change due to refinement of Performance Clackamas program structure during FYs 2017-18 and 2018-19

(4) Large shifts in FTEs between the Plant Operations and Maintenance Program and the Field Operations and Maintenance Program from FY 2016-17 to FY 2017-18 are due to changes in the Performance Clackamas program structure.

FTEs By Work Division*	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Proposed
Director	3.00	2.00	3.00	5.00	3.00	4.00
Financial Management and Administrative Services	16.00	16.00	17.00	19.00	21.00	22.00
Capital Program	13.00	15.00	16.00	14.00	16.00	14.00
Operations	50.00	49.00	49.00	52.00	52.00	52.00
Environmental Services	21.00	24.00	21.00	20.00	20.00	20.00
Soils	4.00	0.00	0.00	0.00	0.00	0.00
Totals	107.00	106.00	106.00	110.00	112.00	112.00

FTEs By Entity*	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budget	FY 2020-21 Proposed
CCSD No. 1	80.90	82.62	78.28	0.00	0.00	0.00
TCSD	25.70	22.93	0.00	0.00	0.00	0.00
SWMACC	0.40	0.45	0.00	0.00	0.00	0.00
WES	0.00	0.00	27.72	110.00	112.00	112.00
Totals	107.00	106.00	106.00	110.00	112.00	112.00

*FTEs by Work Division and Entity are based on the Functional Organization Chart and include vacancies/unfilled positions.

LINE ITEM DESCRIPTIONS

RESOURCES

Resources are estimated beginning funds on hand plus transfers in from other funds and anticipated revenues. Following are descriptions for the various resources listed in WES' fund summaries:

Beginning Fund Balance

Represents amounts of unexpended funds carried forward from the previous fiscal year.

Revenues

Funds received by WES for payment of services provided, and from other sources such as grants, interest income, and rental income.

Service Charges – Includes revenue from monthly customer service charges for retail sanitary sewer and surface water management services.

City Payments - Includes payments by cities having agreements for wholesale sanitary sewer services. For Rate Zone 2 service area: includes payments from the cities of Milwaukie, Johnson City, and a portion of Gladstone. For Rate Zone 1 service area: includes payments from the cities of Oregon City, Gladstone, and West Linn.

System Development Charges - Represent revenues derived from fees for new connections to the sanitary sewer or surface water system. These fees are based upon the amount of capital improvements currently planned for each service area to provide sufficient infrastructure for future growth.

City Right-of-Way Fees

Fees charged by some cities for services provided within their streets.

Special Connection Charges - Includes fees related to WES-provided new connections and customer contributions to the construction of new lines.

Principal and Interest - Non-Bonded Installment - Includes principal and interest payments for assessment districts originally funded by CCSD No. 1 reserves.

Intergovernmental Revenue - Includes anticipated grant funding and miscellaneous revenues from other governmental entities.

Interest Income - Includes interest earned on investments of reserves as well as cash on hand resulting from operations.

Miscellaneous Income - Includes special fees, income for services rendered to other entities for reimbursable expenses, and other minor revenues.

Transfers

Amounts moved from one fund to another. They are shown as expenditures in the originating fund and revenues in the receiving fund (ORS 294.450).

REQUIREMENTS

Requirements are the total of all budgeted outlays within a fund, including: operating expenditures, transfers to other funds, special payments, capital outlay, debt service, contingencies, and ending fund balance. Following are descriptions for the various requirements listed in WES' fund summaries:

Operating Expenditures

Amounts expended for day-to-day operations.

Materials & Services - A major operating expenditure category that includes contractual expenditures, consumable materials, supplies, operating costs, and other services.

Office and Administrative Supplies - Includes supplies necessary to operate the entities' various office locations, including paper, pencils, stationery, etc. as well as shipping costs.

Small Tools and Equipment – Includes tools and minor equipment for normal operational needs, such as hammers, wrenches, etc.

LINE ITEM DESCRIPTIONS

Operating Expenditures: Materials and Services - Continued

Chemicals, Uniforms, Other Supplies – Includes treatment-related chemicals, chemicals used by the laboratory for testing, uniforms for operational staff at the entities' treatment facilities, uniform laundry services, safety supplies, and miscellaneous supplies such as reference materials for the lab.

Repair and Maintenance Supplies - Includes materials for building maintenance, plumbing, electrical, and mechanical supplies; also includes vehicle materials and supplies such as fuel.

Purchased Sewage Treatment - Includes the cost of sewer treatment services provided by other entities for customers within WES. This is done when customers reside within the drainage area of another service provider that can provide a lower service cost.

Biosolids and Sludge Removal – Includes landfill disposal fees for sewage-contaminated debris.

Permit Fees - Includes fees for the Department of Environmental Quality (DEQ), forest service, and various water districts for services rendered.

Professional and Technical Services - A major operating expenditure category which includes all professional services (legal services, consulting services, auditing, etc.), outside laboratory services, County services, other services, and WES Labor.

Accounting and Auditing - Includes annual audit expenses, filing fees, and application fees.

Management Consultant - Includes consulting charges related to project management and system configurations.

Engineering - Includes charges for outside engineering services such as planning, design, assessment, and modeling.

Environmental - Includes expenditures related to environmental monitoring, flow monitoring, water sampling, and environmental planning/restoration efforts.

Legal - Includes charges for outside (non-County) legal services as well as lobbying fees.

Medical – Includes expenditures for routine physical exams and health screenings required for Department personnel.

Financial Services – Includes merchant services charges, bond service fees, banking fees, lien search fees, and utility bill printing services.

Communications – Includes telephone, radio, and telemetry expenses.

Other County – Includes expenditures for services provided by Clackamas County such as: investment services, community service work crews, facilities maintenance, postage and mailing services, and charges for County legal, risk, and communications personnel who perform work for the Department on behalf of WES.

Professional Administrative Services – Includes minor expenditures for various professional services such as fire alarm and security services.

Information Services - Includes expenditures for software such as licensing fees, annual maintenance fees, and software subscriptions/renewals as well as various computer hardware and networking equipment.

Laboratory Services - Includes outside laboratory analysis fees as well as charges for internal lab services provided by the Department's Water Quality Lab to operating programs within WES.

Buildings and Grounds - Includes supplies and services related to landscape and building maintenance, garbage and recycling services, and pest control.

WES Labor - Includes all budgeted positions of the Department. Department employees are employees of the County who are paid for by WES from this expense line item.

DTD Services - Includes expenditures for repair performed by Clackamas County Department of Transportation and Development (DTD) of vehicles and equipment owned by WES as well as for services such as buffer reviews.

Facilities and Equipment Rental - Includes the rental of facilities for Department staff and various meetings, office equipment, heavy equipment, vehicles and other machinery and tools necessary for maintenance and repair.

Travel - Includes work-related travel expenses and mileage reimbursement.

LINE ITEM DESCRIPTIONS

Operating Expenditures: Professional and Technical Services - Continued

Insurance - Includes property, general liability, automobile, and other insurance needs of WES.

Utilities - Includes electric expenses for several pump stations and the water resource recovery facilities as well as purchased water expenses used in maintenance services.

Purchased Repairs and Maintenance - Includes all expenditures necessary for the maintenance and repair of equipment, structures, and property of WES purchased from outside service providers.

Miscellaneous Charges - Includes items such as membership dues, training and staff development, conventions and meetings, and various small items.

Interagency Coordination – Includes city right-of-way/franchise fees, contributions to the Milwaukie Good Neighbor Fund and the Tri-City Good Neighbor Fund, and expenses related to agreements with external agencies.

Contra Accounts - Includes offsetting charges for various overhead expenses (equipment pool, etc.) that are “passed through” the Sanitary Sewer Operating fund and affect both the Sanitary Sewer and Surface Water Operating funds.

Transfers

Amounts moved from one fund to another. They are shown as expenditures in the originating fund and revenues in the receiving fund (ORS 294.450).

Revenue Bond Debt Service Transfer – Includes funds from the sanitary sewer portion for revenue obligations.

State Loan Transfer – Includes funds sufficient to pay the annual debt service on the State Revolving Fund loan for WES.

Construction Fund Transfer – Transfers from WES' operating funds to the construction funds to pay for current year capital outlay and add to reserves for future year capital outlay.

Special Payments

A budget expenditure category for distributions, pass-through payments, grants made to other organizations and other one-time or unusual expenditures where goods or services are not received in return.

Capital Outlay

Expenditures that result in acquisition of or addition to fixed assets.

Capital Construction – Includes all capital projects. Examples include: plant modification and/or expansion projects, collection system improvements, and land acquisition.

Capital Equipment – Includes purchase of significant equipment for treatment facilities, collection systems, and maintenance operations. Examples include flow-monitoring stations and office equipment.

Debt Service

Payment of principal and interest on borrowed funds.

Contingency

Provides funds for operating, emergency and replacement events; intended to ensure the fiscal and physical integrity of WES by accommodating non-routine fluctuations in revenues and expenses.

Ending Fund Balance

The difference between the resources (beginning fund balance, interest and revenues) and requirements (operations and maintenance expenditures, capital outlay, debt service, transfers, special payments, contingencies and reserves), which is carried forward as beginning fund balance to the next fiscal year.

ACRONYMS & INITIALISMS

BCC - Clackamas County Board of County Commissioners

BSA - Boring Service Area

CAFR – Comprehensive Annual Financial Report

CAS - Conventional Activated Sludge

CCSD No. 1 - Clackamas County Service District No. 1

CFR - Code of Federal Regulations

CIA - Clackamas Industrial Development Area

CIP - Capital Improvement Plan

COLA - Cost Of Living Adjustment

CSMP - Collection System Master Plan

DEQ - Department of Environmental Quality

DTD - Department of Transportation and Development

EDU - Equivalent Dwelling Unit

ENR - Engineering News Record

EPA - Environmental Protection Agency

ERP - Enterprise Resource Planning

ESU - Equivalent Service Unit

FEMA - Federal Emergency Management Agency

FFPSA - Fischer's Forest Park Service Area

FTE - Full-Time Equivalent (Employee)

FY - Fiscal Year

GAAP - Generally Accepted Accounting Principles

GASB - Government Accounting Standards Board

GFOA - Government Finance Officers Association

HSA - Hoodland Service Area

HVAC - Heating, Ventilation and Air Conditioning

I/I - Inflow and Infiltration

IGA - Intergovernmental Agreement

IPT - Industrial Pretreatment

KCWRRF - Kellogg Creek Water Resource Recovery Facility

LWD - Large Woody Debris

MBR - Membrane Bioreactor

MGD - Million Gallons per Day

MFR - Managing For Results

NACWA - National Association of Clean Water Agencies

NCRA - North Clackamas Revitalization Area

NCSA - North Clackamas Service Area

NCSWSA - North Clackamas Surface Water Service Area

NPDES - National Pollutant Discharge Elimination System

O&M - Operating and Maintenance

OAR - Oregon Administrative Rules

ODFW – Oregon Department of Fish and Wildlife

ORS - Oregon Revised Statutes

OSM – On-Site Maintenance

RAS - Return Activated Sludge

ROW - Right-Of-Way

SCADA - Supervisory Control And Data Acquisition

SDC - System Development Charge

SEM – Strategic Energy Management

SRF - State Revolving Fund

SWMACC - Surface Water Management Agency of Clackamas County

TCSD - Tri-City Service District

TCWRRF - Tri-City Water Resource Recovery Facility

TMDL - Total Maximum Daily Load

UIC – Underground Injection Control

WES - Water Environment Services (Department or Partnership, depending on context)

WFP – Willamette Facilities Plan

WPCF – Water Pollution Control Facilities

WRRF - Water Resource Recovery Facility

Adopted Budget - Financial plan adopted by the governing body, forming the basis for appropriations.

Appropriation - Authorization for spending a specific amount of money for a specific purpose during a specific period of time. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body (ORS 294.311(3)).

Approved Budget - The financial plan agreed upon by the Budget Committee.

Asset Management - A systematic process of utilizing, maintaining, upgrading, replacing and disposing of existing assets.

Beginning Fund Balance - Amounts of unexpended funds carried forward from the previous fiscal year.

Bonds - A written contract for payment of a sum of money at a future date, with interest paid at an agreed rate on a set schedule.

BOD - Biochemical oxygen demand (BOD) is a measure of the concentration of wastes in wastewater. Pounds of BOD is the measure of the loading (or total amount of the wastes) to the treatment plants.

Budget - The local government's financial plan for one fiscal year.

Budget Calendar - The schedule of key dates followed in the preparation and adoption of the budget.

Budget Committee - Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters appointed from the district (ORS 294.336).

Budget Message - Written explanation of the budget and the local government's financial priorities. It is prepared and presented by the executive officer or chairperson of the governing body (ORS 294.391).

Budget Officer - Person appointed by governing body to assemble budget material and information and to oversee preparation of the proposed budget (ORS 294.331).

Capital Expenditures - Expenditures to acquire an asset or repairs or upgrades to an existing asset which increase the asset's capacity, efficiency, or useful life and which meet the criteria for capitalization: 1) the total cost is \$5,000 or more, and 2) the estimated useful life is in excess of one year. Expenditures which do not meet the capitalization criteria are included as operating expenditures.

Capital Improvement Plan - A plan for capital expenditures to provide long-lasting physical improvements, the cost of which is to be incurred over a fixed period of several years.

Capital Outlays - Expenditures that result in acquisition of or addition to fixed assets.

Capital Project Fund - A fund used to account for the receipt and disbursement of money used to finance the building or acquisition of capital facilities.

Clean Water Act - Federal laws require cleanup of our waterways through the Clean Water Act of 1972. The major goal of this act is to restore and maintain the chemical, physical, and biological integrity of the nation's water. Administered by the Environmental Protection Agency.

Collection System - The pipes, pumping stations, and other infrastructure associated with the collection and transportation of wastewater and stormwater.

Compliance - Alignment with guidelines, regulations and legislation set by outside parties such as EPA, DEQ and industry organizations.

Contingency - A budgetary requirement category which provides funds for emergencies and unforeseen circumstances. Amounts budgeted as contingencies may only be expended through special action of the governing body.

Comprehensive Plan - A combined capital improvement plan for all of the districts managed by WES.

Conveyance Systems - The systems of pipes and pump stations that transport wastewater to treatment plants for treatment and resource recovery, and surface water to the river. The districts managed by WES are made up of separate wastewater and stormwater systems.

Debt Service - Payment of principal and interest on borrowed funds.

Debt Service Coverage - Debt service coverage measures annual net revenues as a percentage of annual debt service. For example, a debt service ratio of 100% means that an issuer generates exactly enough in net revenues to pay its debt service obligations, with no excess funds left over.

Debt Service Fund - A fund established to account for accumulation of resources and payment of general long-term debt principal and interest.

Depreciation - An accounting procedure that spreads the cost of purchasing an asset over the asset's useful life.

Effluent - Wastewater or other liquid, partially or completely treated or in its natural state, flowing from a treatment plant.

Ending Fund Balance - The difference between the resources (beginning fund balance, interest and revenues) and requirements (operations and maintenance expense, capital outlay, debt service, transfers, contingencies and reserves), which is carried forward as beginning fund balance to the next fiscal year.

Enterprise Fund - A fund used to account for a business activity for which a customer pays a fee or charge for a service or product.

Equivalent Dwelling Unit (EDU) - A unit of measurement of sewer usage that is assumed to be equivalent to the usage of an average single family home. EDU's are used to establish user charges for service and connection costs (i.e. System Development Charges).

Equivalent Service Unit (ESU) - A configuration of development resulting in impervious surfaces (i.e. concrete, asphalt, etc.) on a parcel that contributes runoff to the stormwater system. One ESU is equal to 2,500 square feet of impervious surface area.

Expenditure - The incurring of a liability or the payment of cash for the acquisition of a good or service.

Fiscal Year - A 12-month period to which the annual operating budget applies. July 1st through June 30th for WES.

Full-time Equivalent (FTE) - The ratio of time spent in any position to that of a full-time position. An employee working full-time for one year is 1.0 FTE; an employee working equivalent to 6 months is 0.5 FTE.

Fund - A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

Generally Accepted Accounting Principles (GAAP) - Uniform minimum standards and guidelines for financial accounting and reporting. These standards govern the form and content of WES' financial statements.

GIS - Geographic Information System. A computer-based tool which allows for the storage, analysis, management and presentation of spatial and/or geographically linked data.

Infrastructure - The large-scale public systems, services, and facilities of a region that are necessary for economic and community activity, including power, water, and sewer services, public transportation, telecommunications, roads and schools.

Interfund Transfers - Amounts moved from one fund to another. They are shown as expenditures in the originating fund and revenues in the receiving fund (ORS 294.450).

Line Item - The category in a budget, chart of accounts or financial statement which represents an account used to record transactions for a particular type of income, expense, asset or liability.

Million Gallons per Day (MGD) - The term used to represent million gallons per day of wastewater discharged to WES' water resource recovery facilities.

Mission Statement - An explanation of the Department's purpose expressed in terms of the service it provides to its customers and the benefit to be provided for those customers.

National Pollutant Discharge Elimination System (NPDES) - A regulatory requirement of the Clean Water Act. The purpose is to control the amount of pollutants discharged into the receiving water and thereby ensure that the surface water's designated water quality and designated use are not degraded.

Operating Fund - A fund used to account for the day-to-day operations of WES.

Organizational Unit - Any administrative subdivision of the local government, especially one charged with carrying on one or more specific functions (such as department, office or division).

Oregon Revised Statute (ORS) 190 - Oregon State Statute for intergovernmental cooperation.

Partner Communities - Within the boundaries of the three service districts managed by Water Environment Services are cities, hamlets, neighborhoods, and other subsets of our region. These communities are our partners in wastewater resource recovery and watershed protection. We work together to create and maintain a healthy environment to live, work and play within.

Performance Measures - Objective methods (quantitative and/or qualitative) for evaluating the Department's progress toward its stated goals.

Personnel Services - Includes salaries and wages, overtime, part-time pay and fringe benefits for Water Environment Services' Department Staff. As the staff of the Department are Clackamas County employees which serve WES, the personnel services expenditures of the Department are included in Clackamas County's budget. The personnel service expenses incurred by WES are classified under the WES Labor line in the operating budget.

Preventative Maintenance - Scheduled maintenance that is performed on a piece of equipment before failures occur. Consumables are replenished, and assets refurbished on a set time scale in order to fully utilize the usable life of an asset.

GLOSSARY

Program - A group of activities with a common purpose that carries out the Department's Mission and produces results for customers.

Proposed Budget - Financial and operating plan prepared by the Budget Officer. It is submitted to the public and the Budget Committee for review.

Pump Station - A pumping facility which lifts wastewater flow to a sufficient enough elevation to allow it to flow by gravity.

Rates - The amount of money charged per unit of service provided.

Requirements – Budgetary uses of funds, including: operating expenditures, transfers to other funds, capital outlay, special payments, debt service, contingencies, reserves, and unappropriated ending fund balance.

Resolution - A formal order of a governing body.

Resources - Estimated beginning funds on hand plus anticipated receipts.

Revenue Bond - A type of municipal bond where principal and interest are secured by revenues such as charges or rents paid by users of the facility built with the proceeds of the bond issue.

Revenues - Money received or anticipated by a local government from either tax or non-tax sources.

Service District - County service districts are separate legal entities with their own governing board that provide the public with a limited set of services and facilities within a defined geographic boundary. The WES entity is a partnership of three separate county service districts: CCSD No. 1, SWMACC and TCSD.

State Revolving Fund (SRF) - A fund administered by the state of Oregon that provides low-interest loans for investment in water pollution control activities.

Strategic Planning - A formal process through which departments analyze, align and explain what they do in terms of achieving results for their customers. Each department articulates its Mission and then organizes itself into Programs and Activities designed to carry out that mission, facilitate decision making and resource allocation, and report progress.

Stream Health Index - Stream Health is measured using a set of multi-metric indices based on water quality and biological variables measured in district streams. The indices were developed regionally to correlate to a rough score-card of overall health, which can be adversely impacted by polluted storm runoff, development activities, and agricultural practices. Stream health can also be improved through pollution prevention and restoration activities.

Stormwater - Storm runoff from impervious surfaces that may contribute to surface water pollution since storm drains, ditches, and culverts lead to the nearest river, stream or wetland.

Surface Water - Streams, wetlands, rivers and springs that can be impacted by activities in the watershed.

Supervisory Control and Data Acquisition (SCADA) - A system operating with coded signals over communication channels to provide control of remote equipment.

Supplemental Budget - A financial plan prepared to meet unexpected needs or to spend revenues not anticipated when the regular budget was adopted. Requires public hearings, notices and adoption by governing body.

Surface Water - Rainwater that runs off the land, usually paved surfaces in urban areas, or from landscape irrigation and other sources and is often routed into drain systems in order to prevent flooding.

System Development Charges (SDCs) - Represent revenues derived from fees for new connections to the sanitary sewer or surface water system. These fees are based upon the amount of capital improvements currently planned for each service district to provide sufficient facilities for future growth.

Total Maximum Daily Load (TMDL) - The maximum amount of pollution a water body can receive from all sources and still meet water quality standards.

W3 – Plant re-use water; also referred to as non-potable water, used for seal water, spray chemical carrier water, etc.

Wastewater - The used water from homes and businesses, which may be a combination of liquid and water-carried domestic or industrial wastes from buildings, together with any groundwater and stormwater that may be present.

Watershed - The land that water flows across, or under, on its way to a stream, lake or river. Watersheds are sometimes referred to as drainage basins or drainage areas.

