

2019 - 2020
FISCAL YEAR

Budget

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



Water Environment Services

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WES Finance Department



**2019-20 FISCAL YEAR
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This document is intended to provide budget committee members and citizens served by Water Environment Services with the information necessary to make reasonable judgments leading to discussion and subsequent approval of the budget. Additionally, the document is intended to afford the reader a general understanding of the functions and services provided by Water Environment Services as a Department of Clackamas County.

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Introduction



*Aerial view of Carli Creek Treatment Wetland in
Clackamas, OR*



Water Quality Protection
Surface Water Management
Wastewater Collection & Treatment

Gregory L. Geist
Director

Clackamas County Board of County Commissioners;

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

Budget Message

Fiscal Year 2019-2020

I am pleased to present the second fully combined budget for Water Environment Services (“WES”) 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”), for Fiscal Year (“FY”) 2019-20. This budget again enables WES to meet its current obligations while laying the foundation for a more innovative and sustainable future. WES staff has continued to aggressively manage all assets and costs while focusing on bringing forward needed operational and capital improvements.

Fiscal Year 2017-18 represented the first year for the entity known as WES. Beginning July 1, 2017 the WES budget comprised both TCSD and SWMACC. Beginning July 1, 2018, WES added CCSD No. 1 and the integration of the three partners into WES was complete from a budgetary perspective. This budget establishes a baseline for our integrated program budgeting and level of work for the organization from a regional perspective.

WES provides sanitary sewer and/or surface water management services to some 180,000 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. Clackamas County provides contractual services to WES through the County department also called Water Environment Services, which manages day-to-day activities. WES is staffed and supported by County employees, in the same fashion that the three service districts worked in the past.

Our challenges

WES faces long-term financial and regulatory challenges. 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:

- 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, shifting attitudes about the costs of urbanization inside the urban growth boundary and more intense public and regulatory attention toward clean water and clean air. Customer surveys confirm continuing rate sensitivity. 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. A key element to these efforts was the adoption of a five-year Capital Improvement Plan (CIP) in February 2019 and establishing rate policies which stabilize rates and capitalize on the economy of scale aspects of WES' business.

The FY 2019-20 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; up from the 110 FTE as approved in the FY 2018-19 budget. This increase of two FTE reflects the need for support in constructing the adopted CIP, including replacing and repairing aging infrastructure (for example, the Kellogg Water Resource Recovery Facility (WRRF) Rehabilitation Project), constructing new treatment capacity (for example, the Tri-City WRRF Solids Handling Project), and staff necessary to effectively operate the same. Performance Clackamas results indicate that additional resources and staff are required to both deliver capital projects on time and under budget and meet targets for asset replacement and repair. The overall budget proposals reflect the growing need to maintain our extensive and expanding sanitary sewer and surface water collection systems.

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. Most notably for WES, two of the County's strategic priorities are:

- ***“By 2018, Clackamas County will have sewer plant capacity improvements under construction (to be completed by 2020) that support the expected 20-year growth horizon,” and;***
- ***“By 2020, Clackamas County will adopt a Master Plan for surface water management that will enhance the quality of surface water.”***

The process which led us to this plan has been a rich and enlightening experience for our whole department. After integration of the three service districts into the WES entity, the Performance Clackamas strategic plan was reviewed and updated to reflect current work. The first County strategic priority listed above was deemed met since construction had commenced and was anticipated to be done by 2020. A new initiative regarding completion was included. WES also decreased the number of programs by one, eliminating the Office of the Director program by consolidating it with Administrative Services to provide greater ratepayer clarity about the costs of support services for WES efforts. 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 29-60. You can learn more about the plan on the County's website: <http://www.clackamas.us/performance/>

As part of WES' integration, a discussion was held with the WES Advisory Committee about rate policies going forward. After deliberation, they recommended, and ultimately the BCC adopted, a policy of harmonizing the wastewater wholesale and retail rates. The following sewer rate proposals reflect that policy direction. This leads to a rate increase of 5% for most WES customers, with a smaller increase in Rate Zone 1 of 3.3% for wholesale services. Surface water fees were also adjusted by 5% while staff work on the BCC's strategic objective of having a County-wide surface water management plan in place by next year.

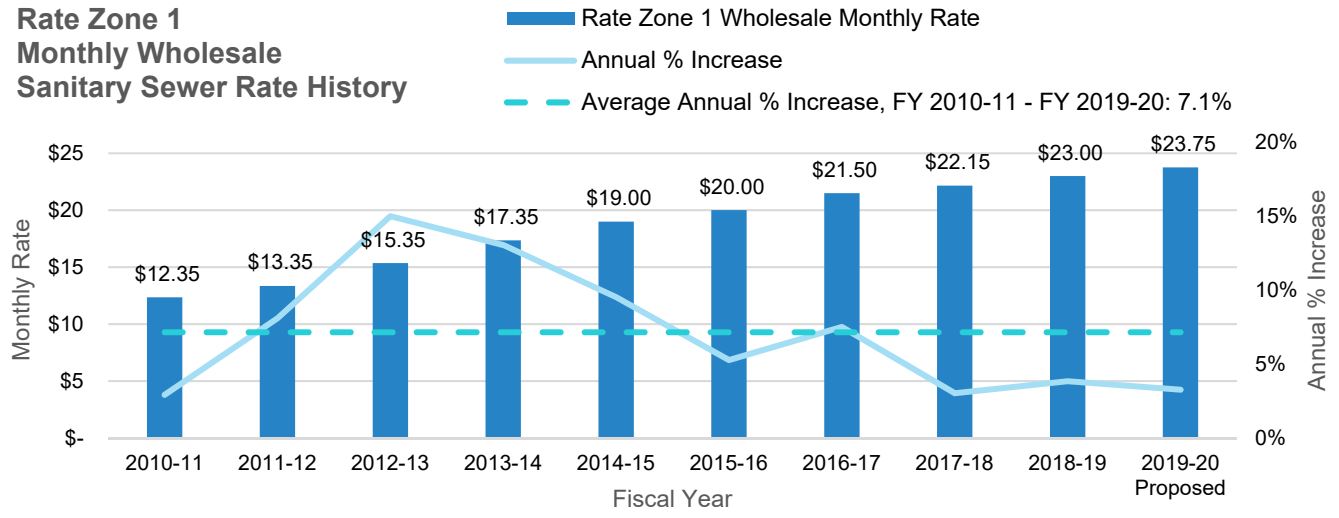
The ORS 190 agreement which formed WES established rate zones for each of WES' service areas: TCSD was defined as Rate Zone 1, CCSD No. 1 was defined as Rate Zone 2, and SWMACC was defined as Rate Zone 3.

Water Environment Services – Rate Zone 1

Rate Zone 1 provides wholesale wastewater treatment services for the Cities of Gladstone (a portion of Gladstone is in Rate Zone 2), 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.

Staff recommends a wholesale sanitary sewer rate increase of 3.3% for FY 2019-20 to cover the increasing cost of labor, future planning, growth-related construction efforts and the asset replacements necessary to maintain aging infrastructure. The resulting rate increase would be \$0.75, raising the monthly service fee rate from \$23.00 to \$23.75 per Equivalent Dwelling Unit ("EDU"). In addition to this rate adjustment, it is proposed that Oregon City be charged an extra \$1.50 for a rate of \$25.25 per EDU per month and that the City of Gladstone be charged an extra \$1.20 for a rate of \$24.95 per EDU per month, each in order to cover the additional expenses necessitated by their respective right-of-way fees.

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

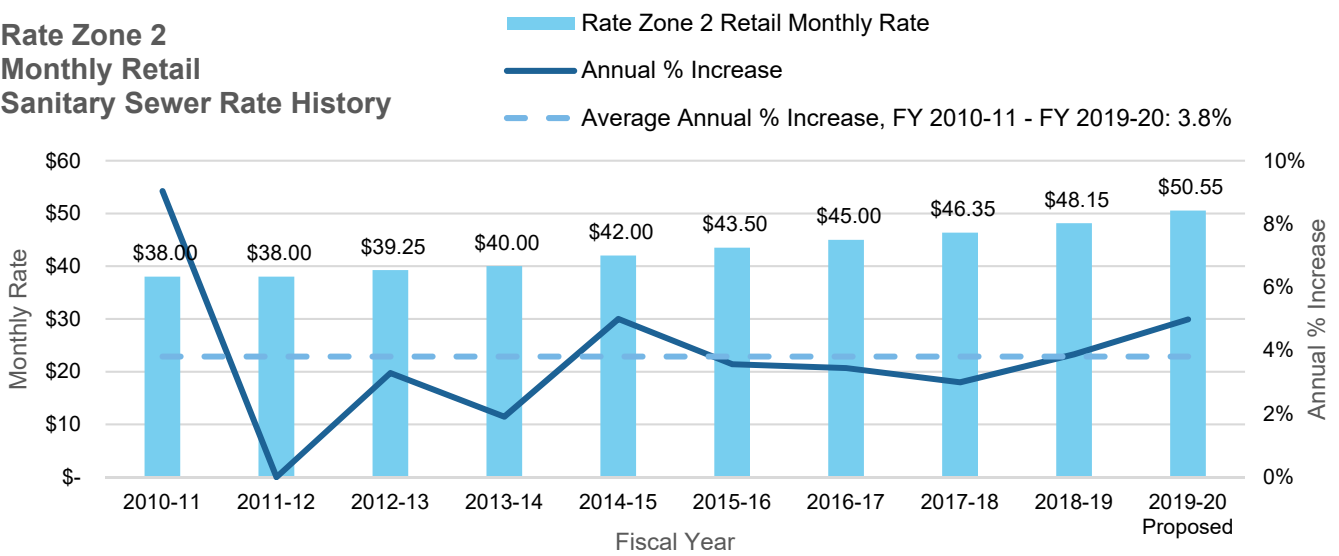


Water Environment Services – Rate Zone 2

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.

Staff recommends a sanitary sewer rate increase of 5.0% for FY 2019-20 for the same reasons as mentioned above for Rate Zone 1. The resulting rate increase would be \$2.40, raising the monthly service fee from \$48.15 to \$50.55 per EDU. Staff is also proposing a 5.0% adjustment to the surface water rate for FY 2019-20. The rate is proposed to increase \$0.35 from \$6.95 to \$7.30 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 \$2.53 per EDU and an additional \$0.37 per ESU on their respective sanitary sewer and surface water monthly service fees for a rate of \$53.08 per EDU per month and a rate of \$7.67 per ESU per month, in order to cover the additional expenses necessitated by the city's right-of-way fee.

The proposed rate for Rate Zone 2 includes the revenues necessary to pay for all borrowings outstanding that were held by CCSD No. 1. As part of the integration of CCSD No. 1's budget, assets and operations into the WES entity, WES became the issuer of that 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.

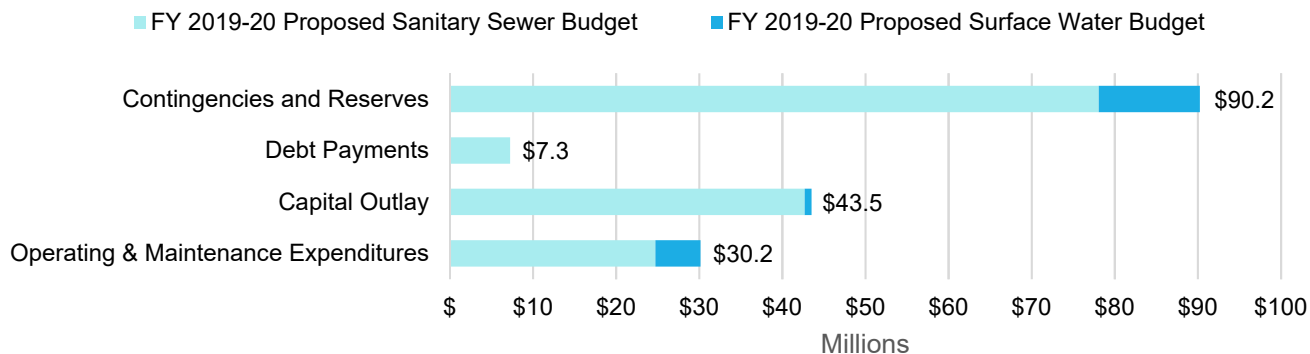
Water Environment Services – Rate Zone 3

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 2019-20. Staff recommends a rate increase in the monthly service fee of approximately 5.0% for FY 2019-20 resulting in a rate adjustment of \$0.20 from \$4.25 to \$4.45 per ESU per month.

Total Budget

WES' total proposed FY 2019-20 budget is \$171.2 million, an increase of 8.0% or \$12.6 million over FY 2018-19's budget. The total budget includes capital outlay of \$43.5 million, operating and maintenance expenditures of \$30.2 million, debt payments of \$7.3 million, and contingencies and reserves of \$90.2 million.

FY 2019-20 Total Proposed Budget



	Operating and Maintenance Expenditures	Capital Outlay	Debt Payments	Contingencies and Reserves	Total
WES Sanitary Sewer Budget	\$ 24,723,633	\$ 42,698,000	\$ 7,258,518	\$ 78,076,128	\$ 152,756,279
WES Surface Water Budget	\$ 5,435,236	\$ 825,000	\$ -	\$ 12,168,701	\$ 18,428,937
Total FY 2019-20 Proposed Budget	\$ 30,158,869	\$ 43,523,000	\$ 7,258,518	\$ 90,244,829	\$ 171,185,216

WES Sanitary Sewer Budget

The budget to fund sanitary sewer services and projects discussed above totals \$152.8 million. Of this total, \$24.7 million is allocated to sanitary sewer program operation, \$42.7 million is allocated to capital projects, \$7.3 million to debt service, and \$78.1 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 2019-20 will be a year of disciplined work to manage our expanded and aging facilities. Significant capital improvements include the Tri-City Plant Solids Capacity Expansion project, the refurbishment of major portions of the Kellogg Water Resource Recovery Facility, and the Willamette Facilities Master Plan.

WES Surface Water Budget

The budget to fund surface water services and projects totals \$18.4 million. This total consists of \$5.4 million for surface water operations, \$0.8 million for capital projects, and \$12.2 million set aside as contingencies and reserves. The budget for the surface water services to be provided by WES in FY 2019-20 is proposed to increase to a level that is above that which can be completely supported by existing service charges. This is a temporary increase meant to utilize some existing reserves to provide a higher level of services to ratepayers.

The FY 2019-20 budget reflects continued growth within the surface water program. 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 are provided to areas outside of the basins, like Clackamas and Tualatin River tributaries. These plans take a watershed management approach by expanding core storm system maintenance practices to include stream restoration and resource stewardship efforts that improve their health and function. Efforts in FY 2019-20 include increased levels of service for catch basin and water quality structure maintenance, storm pond rehabilitation, focused pollution and spill prevention efforts, public education, and forging partnerships with local watershed enhancement groups to leverage investments. Capital improvements include design and permitting of the Mt. Scott Creek at Oak Bluff Restoration project, planning for work at WES' Three Creeks site, 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 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 and holding rate increases at the target of 5%, well within the WES advisory board rate policy parameters, we at 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 and look forward to serving our community this coming fiscal year and forward into the future.

A handwritten signature in blue ink, appearing to read "Greg Geist". The signature is fluid and cursive, with the first name "Greg" and last name "Geist" clearly distinguishable.

Greg Geist
Director

BUDGET OVERVIEW

The following summary data serves to complement the Budget Message and provide a general overview of significant FY 2019-20 budgetary items, highlights and trends for Water Environment Services. A more detailed discussion, including summaries for each fund, is provided in the WES section.

Per Oregon State Budget Law, WES' total budget for FY 2019-20 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 WES section of this document.

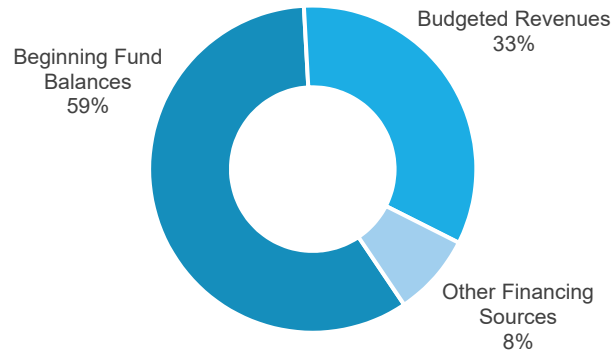
BUDGET SUMMARY

FY 2019-20 Total Resources ⁽¹⁾ \$171,185,216

Total resources, excluding interfund transfers, are budgeted at approximately \$171.2 million. Resources include: budgeted current revenues of approximately \$57.0 million, beginning fund balances of approximately \$100.3 million, and other financing sources of \$13.9 million.

Resource	FY 2019-20 Proposed Budget
Beginning Fund Balances	\$ 100,266,428
Budgeted Revenues	\$ 57,018,788
Other Financing Sources	\$ 13,900,000
TOTAL	\$ 171,185,216

Resources: Major Categories

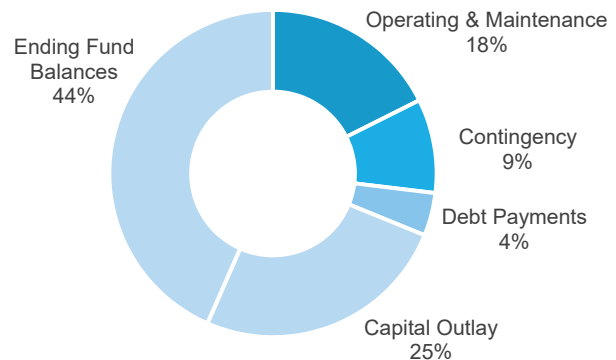


FY 2019-20 Total Requirements ⁽¹⁾ \$171,185,216

Total requirements for FY 2019-20 are budgeted at approximately \$171.2 million. Requirements include: budgeted operating expenditures of approximately \$30.2 million, capital outlay of approximately \$43.5 million, debt payments of approximately \$7.3 million, contingencies of approximately \$15.9 million, and ending fund balances of approximately \$74.3 million.

Requirement	FY 2019-20 Proposed Budget
Operating & Maintenance	\$ 30,158,869
Capital Outlay	\$ 43,523,000
Debt Payments	\$ 7,258,518
Contingency	\$ 15,907,750
Ending Fund Balance	\$ 74,337,079
TOTAL	\$ 171,185,216

Requirements: Major Categories



(1) Excludes transfers between funds, which have a zero net effect on Resources and Requirements of Funds, but are budgeted in accordance with Oregon Budget Law.

WATER ENVIRONMENT SERVICES
BUDGET SUMMARY – ALL FUNDS

	2017-18 ACTUAL	2018-19 BUDGET	2019-20 PROPOSED BUDGET	\$ Change From 2018-19	% Change From 2018-19
RESOURCES					
Beginning Fund Balance	\$ 88,697,001	\$ 94,176,860	\$ 100,266,428	\$ 6,089,568	6.5%
Revenues					
Sales and Services					
Service Charges	27,108,792	28,021,200	29,978,200	1,957,000	7.0%
City Payments	12,796,497	13,505,150	14,200,000	694,850	5.1%
System Dev. Charges	5,788,384	5,862,985	8,574,400	2,711,415	46.2%
City Right-of-Way Fees	550,875	554,100	619,000	64,900	11.7%
Assessment Principal	550,058	179,700	157,200	(22,500)	-12.5%
Assessment Interest	269,859	145,000	145,000	-	0.0%
Intergovernmental Revenue	-	244,300	244,300	-	0.0%
Interest Income	1,174,424	1,867,133	2,005,300	138,167	7.4%
Miscellaneous	2,088,780	1,209,728	1,095,388	(114,340)	-9.5%
Subtotal – Revenues	50,327,669	51,589,296	57,018,788	5,429,492	10.5%
Other Financing Sources: State Revolving Fund Contribution	-	12,800,000	13,900,000	1,100,000	8.6%
TOTAL RESOURCES ⁽¹⁾	\$ 139,024,670	\$ 158,566,156	\$ 171,185,216	\$ 12,619,060	8.0%
REQUIREMENTS					
Operating & Maintenance (O&M) Expenditures					
WES Labor	\$ 11,282,628	\$ 13,558,561	\$ 14,489,170	\$ 930,609	6.9%
Laboratory Services	694,199	55,000	55,000	-	0.0%
Other County Services	2,752,346	2,965,113	3,277,230	312,117	10.5%
Professional Services	1,917,960	3,501,003	4,090,500	589,497	16.8%
Miscellaneous Services	202,049	469,500	449,360	(20,140)	-4.3%
Supplies	2,136,754	2,378,080	2,147,630	(230,450)	-9.7%
Utilities	1,509,106	1,461,500	1,614,250	152,750	10.5%
Repairs and Maintenance	472,102	1,110,000	834,050	(275,950)	-24.9%
Interagency Coordination	1,092,882	1,202,000	1,212,000	10,000	0.8%
Miscellaneous Expenses	1,309,513	2,114,810	1,989,679	(125,131)	-5.9%
Subtotal – O&M Expenditures	23,369,539	28,815,567	30,158,869	1,343,302	4.7%
Capital Outlay	11,756,946	45,865,000	43,523,000	(2,342,000)	-5.1%
Debt Service - Principal	4,536,208	3,821,208	3,891,208	70,000	1.8%
Debt Service - Interest	3,326,716	3,166,416	3,367,310	200,894	6.3%
Contingency	-	16,269,250	15,907,750	(361,500)	-2.2%
Ending Fund Balance	96,035,261	60,628,715	74,337,079	13,708,364	22.6%
TOTAL REQUIREMENTS ⁽¹⁾	\$ 139,024,670	\$ 158,566,156	\$ 171,185,216	\$ 12,619,060	8.0%

(1) Excludes transfers between funds, which 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 2019-20 is \$171.2 million, which is an 8.0% increase over the FY 2018-19 budget of \$158.6 million. The primary driver for this difference is an increase in savings for future construction. FY 2018-19 marked the first year of complete integration of all three member districts into the WES entity. The integration of TCSD and SWMACC was accomplished during FY 2017-18 and the integration of CCSD No. 1 into WES was accomplished on July 1, 2018. This integration has resulted in more efficient delivery of services to WES' customers, improved financial performance and operating efficiencies, and improved regulatory management.

The table below summarizes the total FY 2019-20 budget for WES by service category in relation to the prior year budget.

Service Category	FY 2019-20 Proposed Budget	FY 2018-19 Budget	\$ Increase	% Increase
WES Sanitary Sewer	\$ 152,756,279	\$ 140,178,821	\$ 12,577,458	9.0%
WES Surface Water	\$ 18,428,937	\$ 18,387,335	\$ 41,602	0.2%

Budget amounts in the table above exclude Interfund Transfers. When combined, these items have a zero net effect on the overall Resources and Requirements, but are budgeted in accordance with Oregon Budget Law.

REVENUE HIGHLIGHTS

BUDGETED REVENUES - \$57,018,788

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 92.5% of the approximate \$57.0 million of revenue budgeted for FY 2019-20.

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.

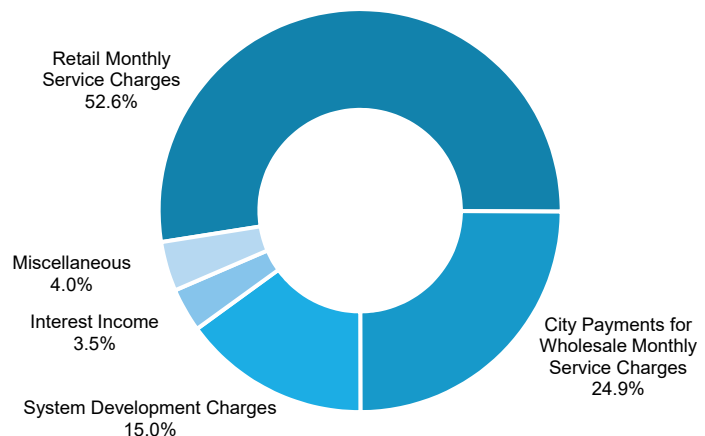
FY 2019-20 budgeted revenues are projected to increase \$5.4 million or 10.5% from FY 2018-19's budget. This overall increase is mainly driven by an increase in retail monthly service charge revenue of approximately \$1.96 million, an increase in wholesale monthly service charge revenue of \$695 thousand, and an increase in system development charge revenue of approximately \$2.7 million. Budgeted income from interest is projected to increase by \$138 thousand while income from all other revenue sources is projected to decrease by \$72 thousand.

Staff recommends sanitary sewer and surface water monthly rate increases ranging from 3.3% to 9.5% to cover the increasing cost of labor, various planning efforts, and to provide additional financing capabilities for future asset replacement efforts as well as new capital facilities.

OTHER FINANCING SOURCES - \$13,900,000

The FY 2019-20 budget includes other financing sources of \$13.9 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.

Water Environment Services Revenues



EXPENDITURE HIGHLIGHTS

BUDGETED EXPENDITURES - \$80,940,387

Water Environment Services' estimated expenditures for FY 2019-20 reflect a decrease of 0.9% from FY 2018-19's budget. This decrease stems from a reduction of \$2.3 million in Capital Outlay which is partially offset by increases in Operating and Maintenance expenditures of \$1.3 million and Debt Service of \$271 thousand.

The increase in the WES Labor budget is 6.9%, or \$931 thousand from FY 2018-19's adopted budget. This increase is due to higher costs related to pensions and salary expense as well as the proposed addition of 2 FTE.

The FY 2019-20 Materials and Services budget reflects an increase of 2.7% or approximately \$413 thousand. This increase is primarily due to increased professional services spending for master planning efforts as well as an increase in the costs for services provided by other county departments. 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 2019-20 Debt Service budget reflects an increase of 3.9% over FY 2018-19's budget. This increase is the result of budgeting an additional \$350 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 \$43.5 million for capital outlay, a decrease of 5.1% or \$2.3 million from the FY 2018-19 budget. The underlying factor for this decrease is reduced surface water capital outlay due to the completion of the Carli Creek Water Quality Project during the current fiscal year. Planned capital expenditures for FY 2019-20 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 2019-20 includes \$10 million for the replacement of assets at the Kellogg Creek Water Resource Recovery Facility and \$13.9 million for the Tri-City Water Resource Recovery Facility Solids Handling Improvement Project. The largest share of surface water capital expenditures for FY 2019-20 is \$450 thousand for the Mt. Scott Oak Bluff Reach Restoration Project.

Expenditures for WES for all funds for FY 2016-17 and FY 2017-18 actuals, with the current budget and the proposed budget for FY 2019-20 are shown in the following table:

	FY 2016-17 Actual ^{1,2}	FY 2017-18 Actual ¹	FY 2018-19 Budget	FY 2019-20 Proposed Budget
WES Labor	\$ 11,088,324	\$ 11,282,628	\$ 13,558,561	\$ 14,489,170
Materials & Services	11,029,601	12,086,911	15,257,006	15,669,699
Capital Outlay	4,953,307	11,756,946	45,865,000	43,523,000
Debt Service	99,737,121 ²	7,862,924	6,987,624	7,258,518
Total	\$ 126,808,353	\$ 42,989,409	\$ 81,668,191	\$ 80,940,387

¹ Prior year data for WES' three member districts are combined and shown for comparison with Water Environment Services' FY 2018-19 and FY 2019-20 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.

Expenditures increased for both FY 2018-19's budget and FY 2019-20's budget due primarily to increases in 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 2019-20 budget includes contingencies of approximately \$15.9 million, with \$5.0 million budgeted as contingency for the operating funds and the remaining \$10.9 million budgeted as contingency for the construction and SDC funds. These amounts may only be accessed through special action of the Board of County Commissioners. Amounts not expended during the year are added to reserves at year end.

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 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 and FY 2017-18 actuals, projected FY 2018-19, and the FY 2019-20 proposed budget.

	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Projected	FY 2019-20 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	100,266,428
TOTAL BEGINNING FUND BALANCE	\$ 74,552,060	\$ 88,697,001	\$ 96,035,261	\$ 100,266,428
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	100,266,428	74,337,079
TOTAL ENDING FUND BALANCE	\$ 88,697,001	\$ 96,035,261	\$ 100,266,428	\$ 74,337,079
INCREASE / (DECREASE) FROM BEGINNING	\$ 14,144,941	\$ 7,338,260	\$ 4,231,167	\$ (25,929,349)

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

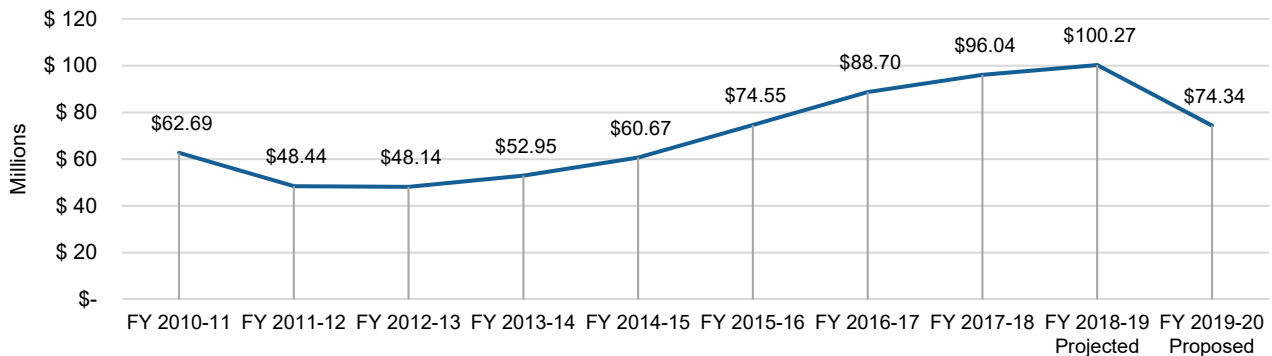
² CCSD No. 1's FY 2017-18 Reserves were contributed to WES on July 1, 2018

The overall increases in fund balance from FY 2016-17 to FY 2017-18 and projected FY 2018-19 result from revenues in excess of expenditures. This build-up in reserves will be used for current and future capital outlay. The decrease of \$25.9 million during FY 2019-20 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's budget 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.

COMBINED ENDING FUND BALANCE BY FISCAL YEAR



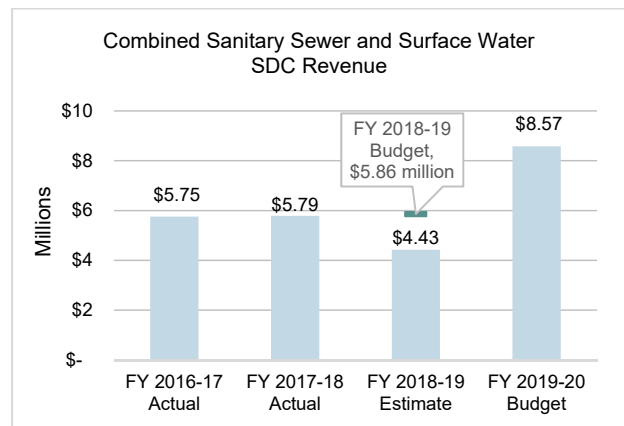
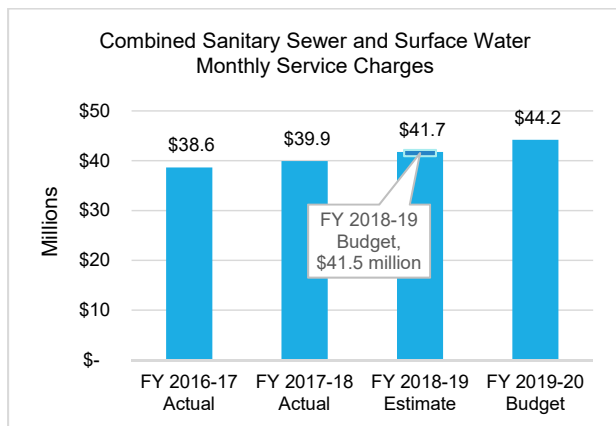
More detailed discussions of changes in the fund balances of individual funds are contained in the fund summaries within the WES section of this budget document.

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 and FY 2017-18 actuals, the current FY 2018-19 budget and estimate, and the proposed budget for FY 2019-20. The charts below illustrate growth trends in service charge and SDC revenue.

	FY 2016-17 Actual ¹	FY 2017-18 Actual	FY 2018-19 Budget ¹	FY 2018-19 Estimate	FY 2019-20 Proposed Budget
Sanitary Sewer and Surface Water Revenues	\$ 38,619,492	\$ 39,905,289	\$ 41,526,350	\$ 41,748,900	\$ 44,178,200
System Development Charges	5,750,719	5,788,384	5,862,985	4,426,300	8,574,400
Other Revenue Items	4,019,875	4,633,996	4,199,961	4,126,783	4,266,188
Total	\$ 48,390,086	\$ 50,327,669	\$ 51,589,296	\$ 50,301,983	\$ 57,018,788

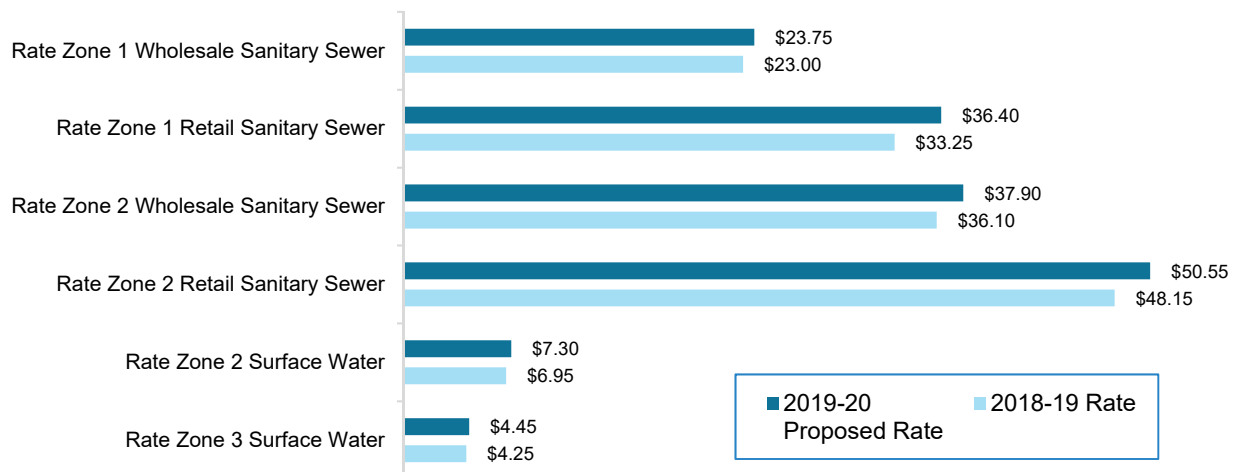
¹Revised for categorization of prior year data



The FY 2019-20 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.

MONTHLY SERVICE CHARGES

Rate increases between 3.3% and 9.5% are proposed for the FY 2019-20 budget year.



The table below summarizes the monthly service charge rates and percent increase from the prior year's rates for the last three fiscal years and the proposed rates for FY 2019-20.

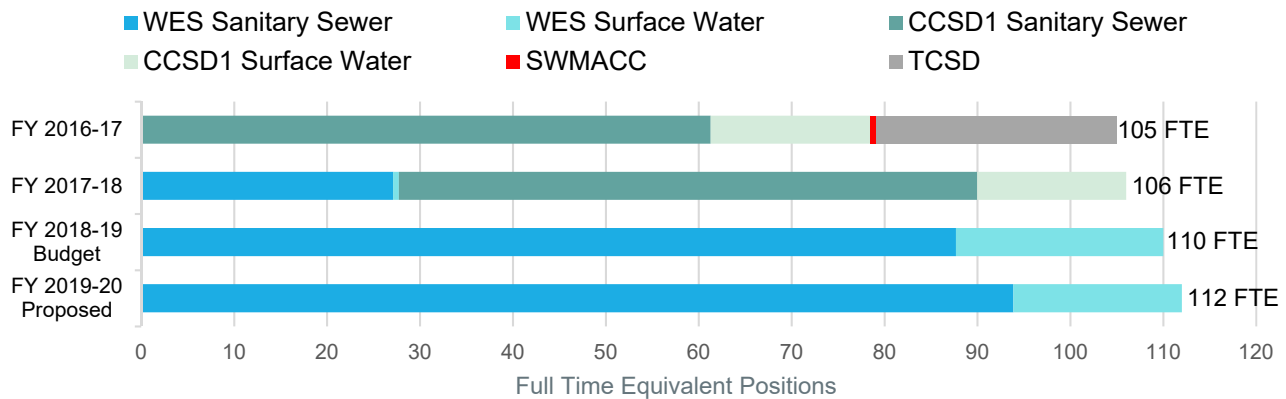
Rate Zone, Customer Type, and Service Category		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20 Proposed	
		Monthly Rate	% Increase	Monthly Rate	% Increase	Monthly Rate	% Increase	Monthly Rate	% Increase
Rate Zone 1	Wholesale Sanitary Sewer	\$ 21.50	7.5%	\$ 22.15	3.0%	\$ 23.00	3.9%	\$ 23.75	3.3%
	Retail Sanitary Sewer	31.00	3.3%	32.00	3.2%	33.25	3.9%	36.40	9.5%
Rate Zone 2	Wholesale Sanitary Sewer	34.47	4.8%	34.75	0.8%	36.10	3.9%	37.90	5.0%
	Retail Sanitary Sewer	45.00	3.4%	46.35	3.0%	48.15	3.9%	50.55	5.0%
	Retail Surface Water	6.50	-	6.70	3.0%	6.95	3.7%	7.30	5.0%
Rate Zone 3	Retail Surface Water	4.00	-	4.10	2.5%	4.25	3.7%	4.45	4.7%

FULL TIME EQUIVALENT POSITIONS BY DISTRICT

The FY 2019-20 budget is proposing an addition of 2 FTE for a total of 112 FTE; the positions requested are in the Planning and Capital Department and the Field Operations and Maintenance Department. These two new positions are needed to provide maintenance to existing infrastructure and support in constructing new treatment capacity. Full time equivalent positions increased by 1 FTE in FY 2017-18 and by 4 FTE in FY 2018-19.

The allocation of the Department's FTE by service and service area for the last three fiscal years and the proposed budget is detailed below:

FTEs by District and Service Category



Service Category and District	FY 2016-17	FY 2017-18	FY 2018-19 Budget	FY 2019-20 Proposed Budget
Sanitary Sewer				
CCSD No. 1	61.29	62.25	-	-
TCSD	25.88	-	-	-
WES	-	27.10	87.69	93.86
Sanitary Sewer Subtotal	87.17	89.35	87.69	93.86
Surface Water				
CCSD No. 1	17.20	16.03	-	-
SWMACC	0.63	-	-	-
WES	-	0.62	22.31	18.14
Surface Water Subtotal	17.83	16.65	22.31	18.14
Total	105 FTE	106 FTE	110 FTE	112 FTE

About the Department



Willamette riverfront next to Kellogg Creek Water Resource Recovery Facility in Milwaukie, OR

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.

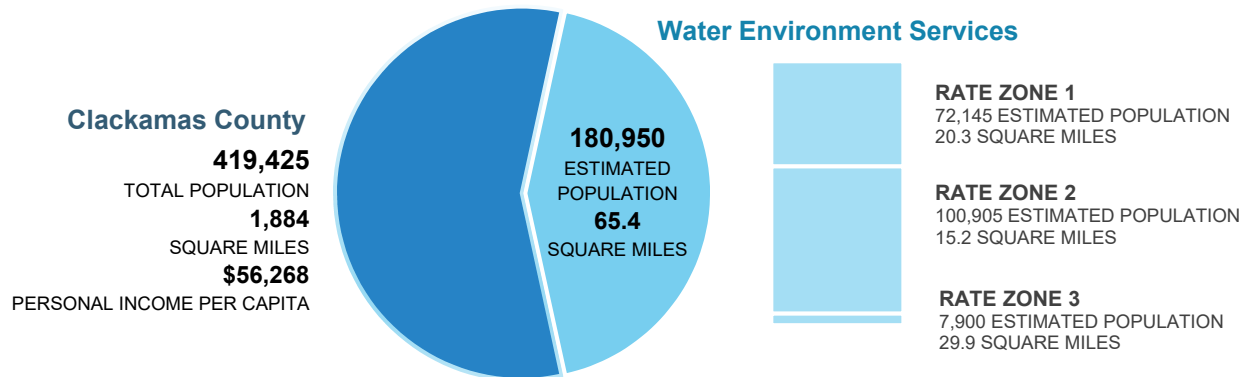
RATE ZONE 2

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

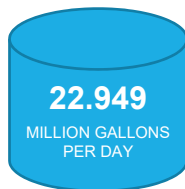
Rate Zone 3 includes the City of Rivergrove and portions of unincorporated Clackamas County draining into the Tualatin River.

Population and Service Area



WES Operating Statistics

4 Water Resource Recovery Facilities



TOTAL DRY-WEATHER TREATMENT CAPACITY

21 Pump Stations



MILES OF SANITARY SEWER PIPE

17,263

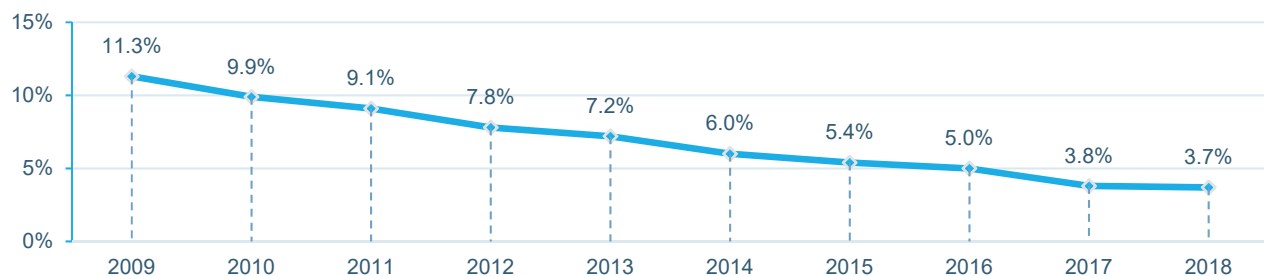
SURFACE WATER INLETS/ MANHOLES/ CONTROL STRUCTURES



Major Employers by Number of Employees

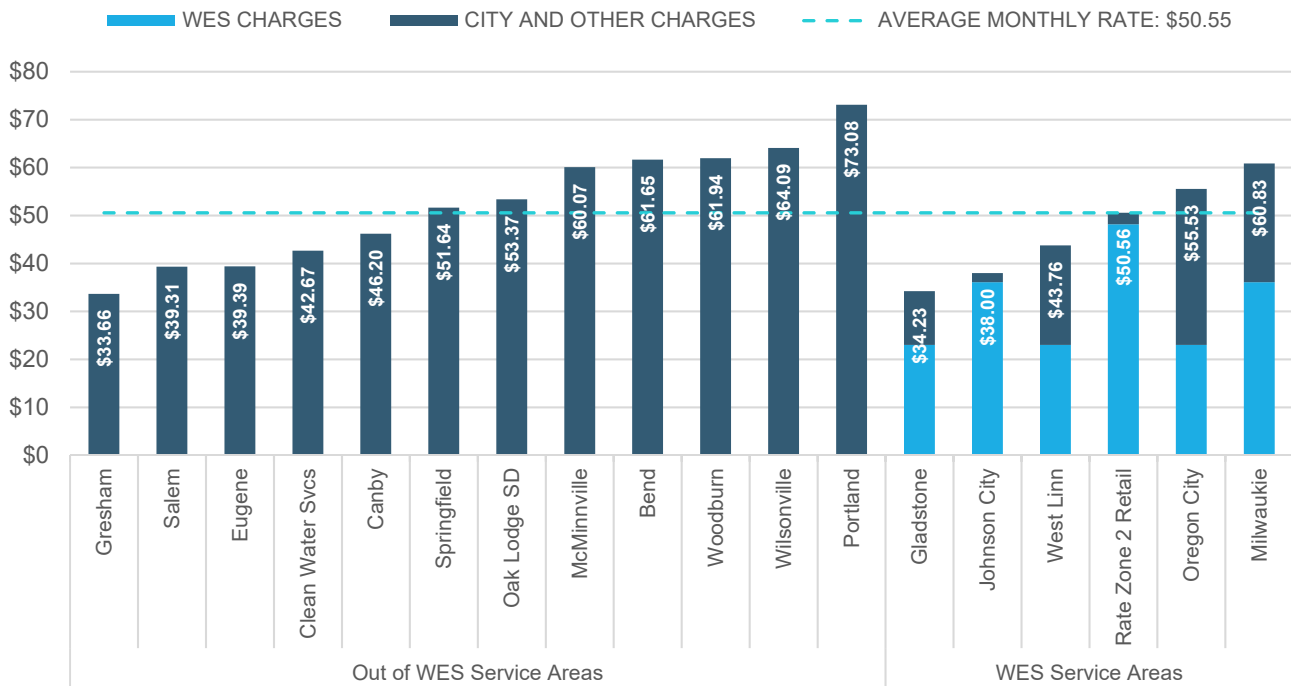


Clackamas County Unemployment Rates by Calendar Year



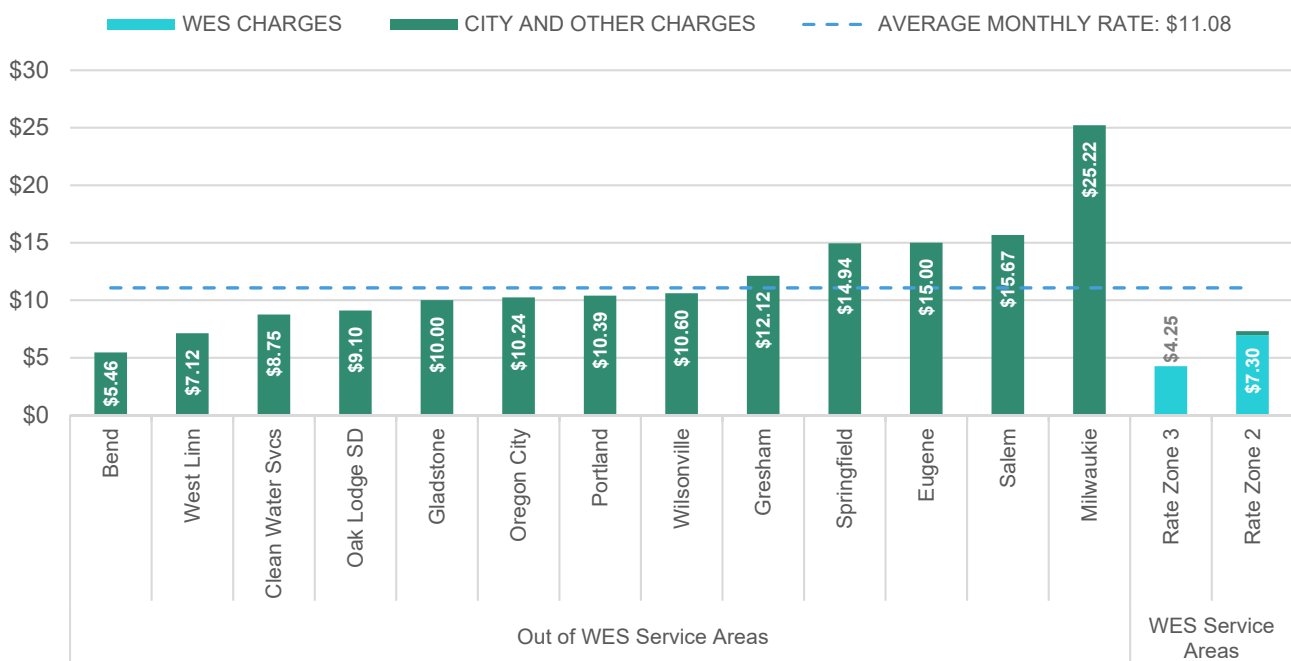
SOURCES: WES Records, Census Bureau, Bureau of Labor and Statistics, State of Oregon Employment Department, Center for Population and Research, Portland Business Journal *Book of Lists 2018*

Monthly Sanitary Sewer Rate Survey, FY 2018-19



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 2018-19



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.
December, 2015		The Department embarks on a strategic planning effort focused on providing positive results for its customers and stakeholders.
July, 2016		The Department implements the Performance Clackamas Strategic Plan.
November, 2016		CCSD No. 1 and TCSD form ORS 190 partnership Water Environment Services.
June, 2017		SWMACC joins Water Environment Services partnership.
July, 2017		Water Environment Services begins providing service to the Rate Zone 1 and 3 service areas.
July, 2018		Water Environment Services begins providing service to the Rate Zone 2 service area.
September, 2018		Groundbreaking ceremony for construction of a new digester at Tri-City WRRF.
December, 2018		Carli Creek Treatment Wetland completed; begins treating surface water runoff from Clackamas Industrial Area.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Water Environment Services
Oregon**

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morill

Executive Director

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, 2018. 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, two more FTE than the FY 2018-19 budgets. 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 – 15 FTE + 1 PROPOSED 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 – 51 FTE + 1 PROPOSED 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 – 3 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 – 13 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.

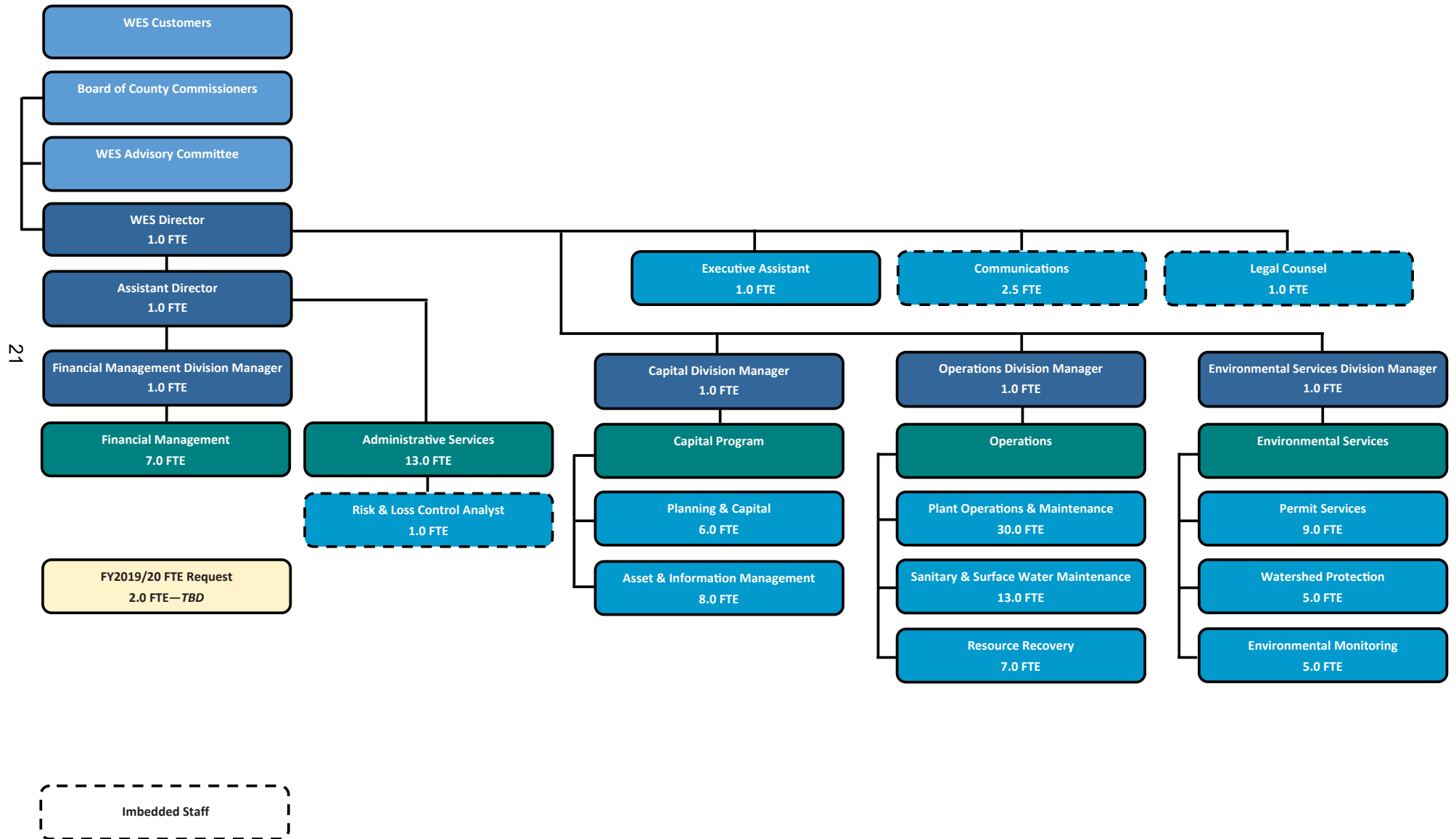
WES Advisory Committee

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 2019-20 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.

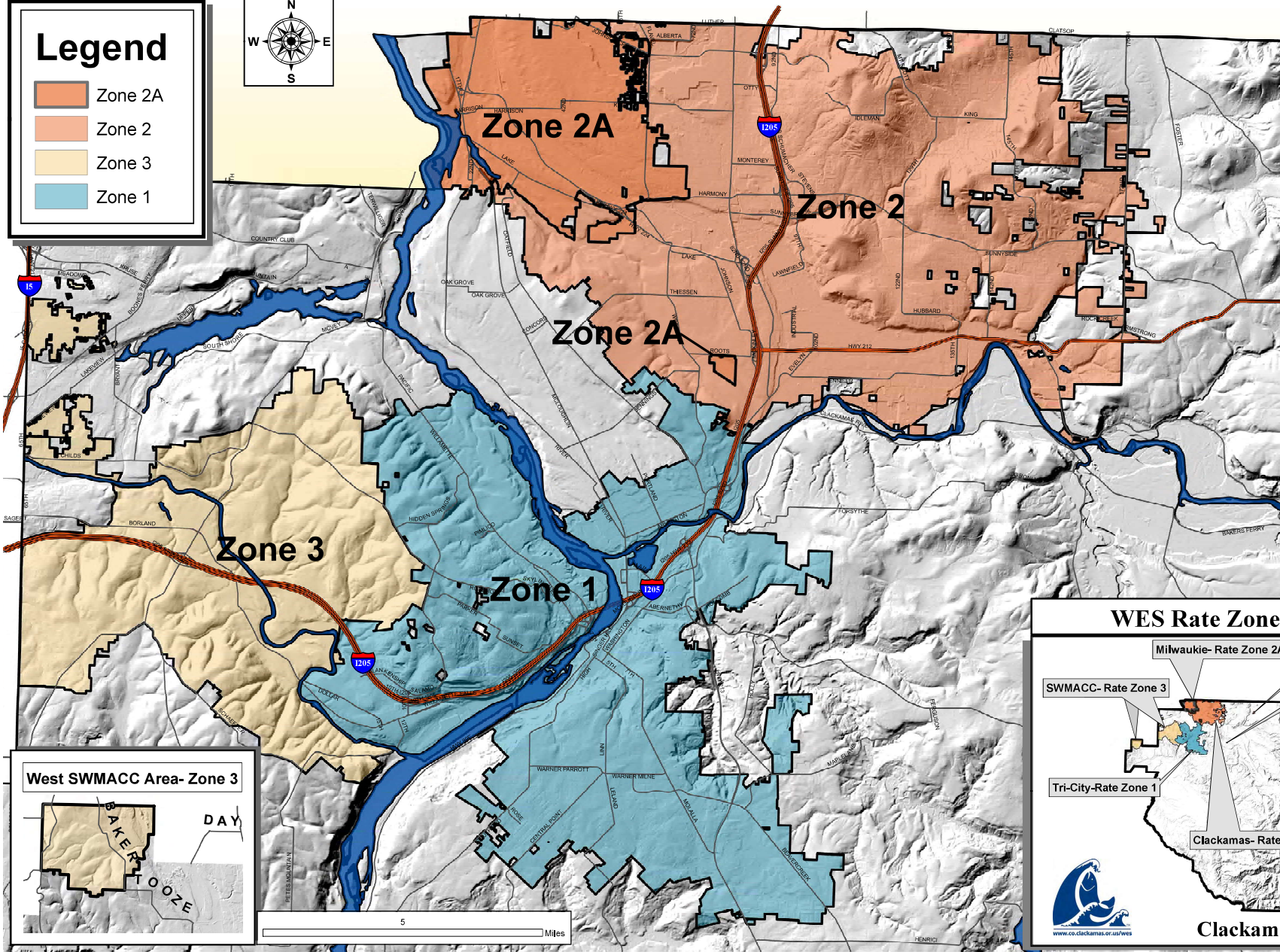
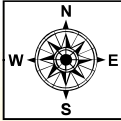
WATER ENVIRONMENT SERVICES FUNCTIONAL ORGANIZATION CHART - FY 2019/20



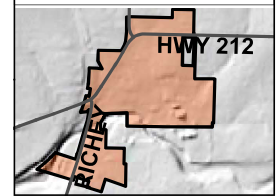
WES Rate Zones

Legend

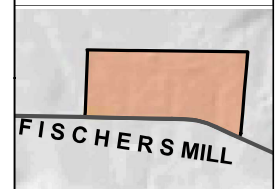
- Zone 2A
- Zone 2
- Zone 3
- Zone 1



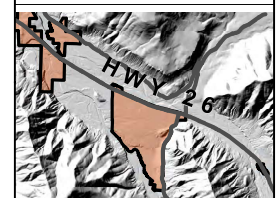
Boring- Zone 2



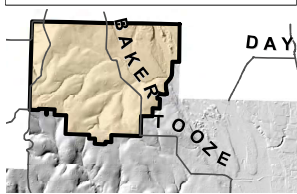
FF Park- Zone 2



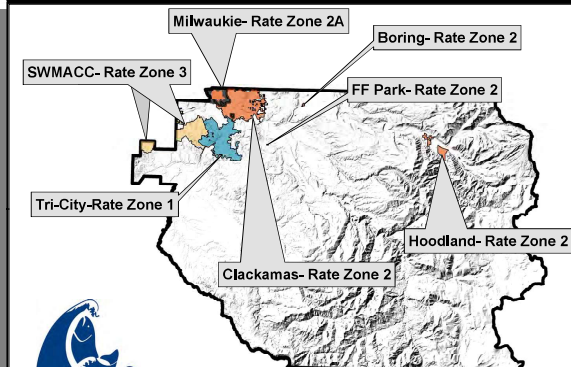
Hoodland- Zone 2



West SWMACC Area- Zone 3



WES Rate Zone Vicinity Map



Clackamas County

Guide to the Budget

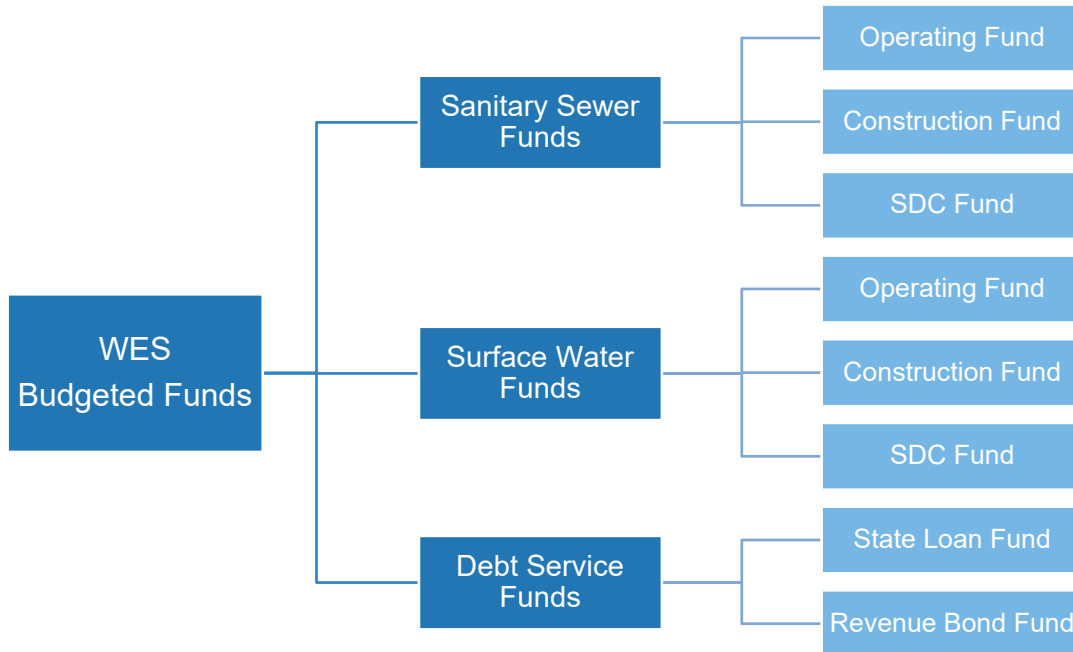


*Tri-City Water Resource Recovery Facility in
Oregon City, OR*

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	SDC 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 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 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.

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). Differences between the budget basis and accounting basis are reconciled at year-end as shown in the Comprehensive Annual Financial Reports (CAFR). In particular, depreciation is accrued for GAAP purposes but is not a budgeted expense item as it does not require an expenditure of funds.

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 Board 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

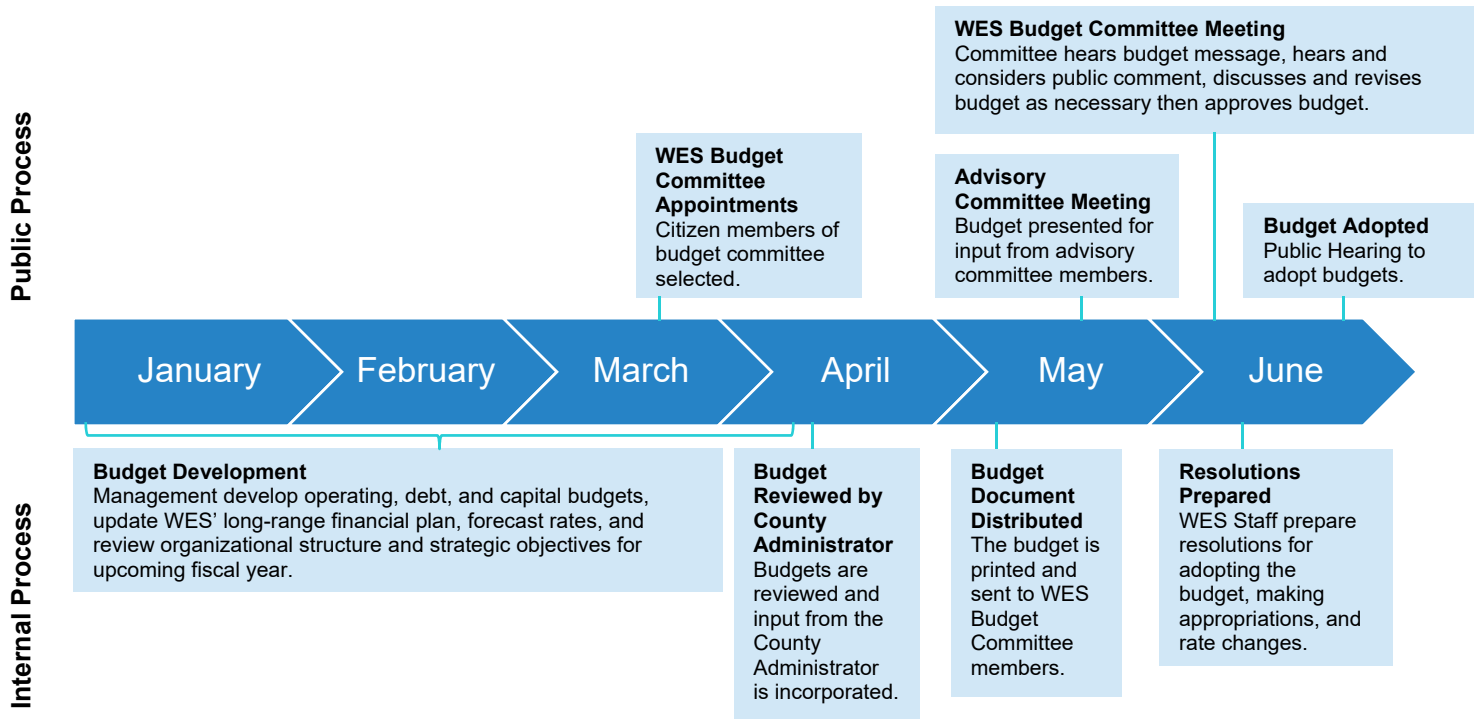
The level of control is the level at which spending cannot exceed budgeted amount without formal governing board authorization. The budget is adopted at the fund level with appropriations made at the principal object level in the categories of Materials and Services, Interfund Transfers, Capital Outlay, 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.

WES Budget Committee

The WES Budget Committee is composed of the BCC and a five-member subcommittee of the WES Advisory Committee. 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: PUBLIC AND INTERNAL PROCESSES



BUDGET CALENDAR

The following calendar reflects the milestones met to develop the FY 2019-20 budget.

January 2, 2019	Management begins review of Organization Structure and Performance Clackamas Lines of Business and Programs
February 21, 2019	Program Operating Budgets prepared by Managers and submitted to Department Finance
March 15, 2019	Capital Budget requests submitted to Department Finance
March 20, 2019	Preliminary Budgets reviewed by Department Leadership
March 21, 2019	WES Budget Committee appointments
March 28, 2019	Long-Range Financial Plan drafted to incorporate preliminary budgets; rates projected
April 1, 2019	Management Team review of Consolidated Operating Budgets, budgetary trends, and significant changes
April 8, 2019	Final Operating Budget review by Department Leadership; all changes submitted to Department Finance
April 10, 2019	Long-Range Financial Plan and rates updated with final budget numbers
April 15, 2019	Budgets presented to the County Administrator
May 13, 2019	Proposed Budgets distributed to WES Budget Committee
May 20, 2019	First notice of Budget Committee meeting published online
May 23, 2019	WES Advisory Committee Budget Review Meeting
May 24, 2019	Second notice of Budget Committee meetings published in The Oregonian
June 3, 2019	WES Budget Committee Meeting held
June 5, 2019	Resolutions prepared for adopting the budget, making appropriations, and rate changes
June 14, 2019	Summary of budget as approved by the Budget Committee and Notice of Budget Hearing published
June 27, 2019	Public Hearing Budgets Adopted
July 1, 2019	Begin Fiscal Year 2019-20

FINANCIAL POLICIES

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

Following are summaries of the Department's 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 revenues and other resources, including amounts carried over from prior fiscal years, equals expenditures and other requirements, including reserves, for the fiscal year.
- 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, SDC, 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.

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 cost greater than \$5,000 and a useful life expectancy of one year or more. Purchases that do not fit this description are not considered Capital Outlay items.
- 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.

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.

FINANCIAL POLICIES

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).

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' maintenance staff at work at the Kellogg Creek Water Resource Recovery Facility in Milwaukie, OR

PERFORMANCE CLACKAMAS

Budget by Program

MISSION

The mission of 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

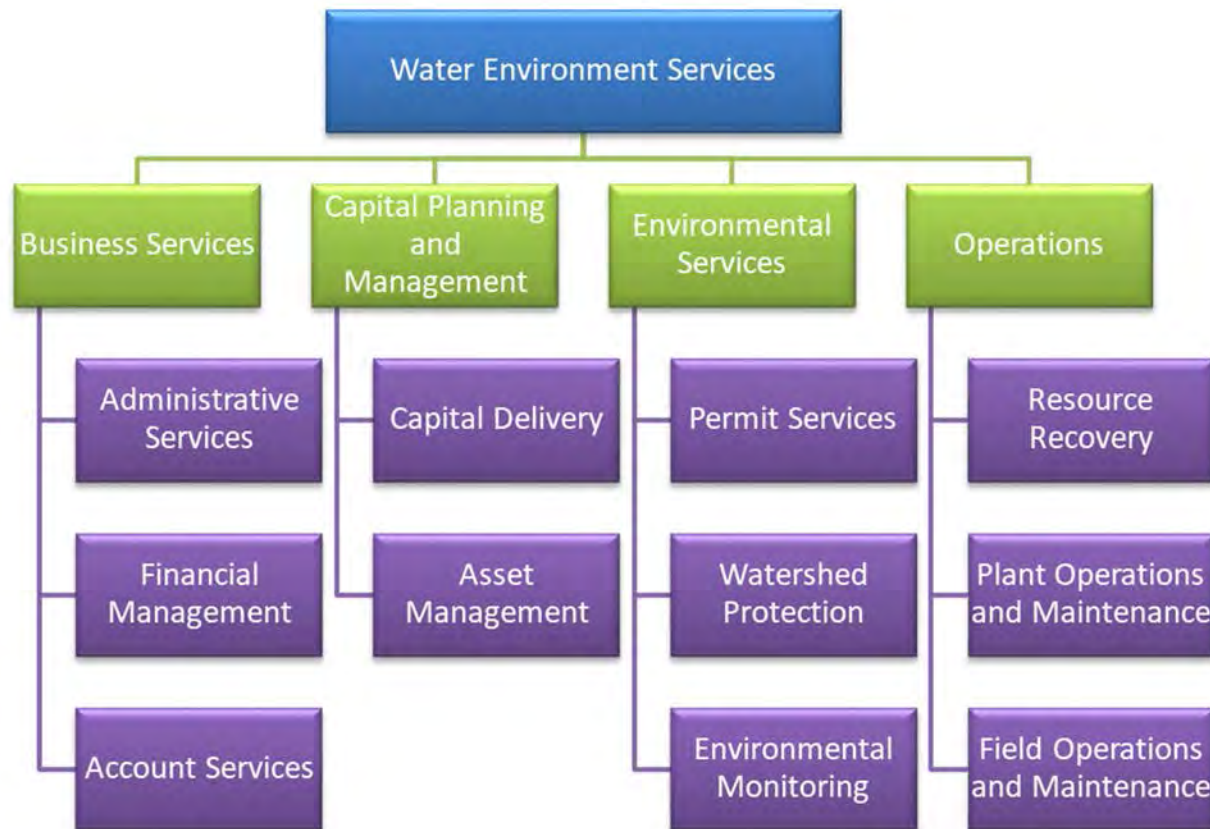
Across the nation, businesses and utilities are facing multiple impacts to our ability to attract and retain our highly skilled workforce including generational turn-over, increasing automation and other technological advances, compensation competitiveness and shifting societal views of public service. 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>

General Overview of 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.

Capital Planning and Management Line of Business	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.
Capital Delivery Program	Provide wastewater planning, engineering, and construction services to provide WES ratepayers with reliable wastewater treatment and collection and conveyance infrastructure and support anticipated growth.
Asset Management Program	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.
Environmental Services Line of Business	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.
Permit Services Program	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.
Watershed Protection Program	Provide surface water protection and restoration services to residents of WES' service areas so they can benefit from healthy and clean streams.
Environmental Monitoring Program	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.
Operations Line of Business	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.
Resource Recovery Program	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.
Plant Operations and Maintenance Program	Provide treated wastewater effluent, recycled water, and recovered resources to the community so they can experience healthy and sustainable living.
Field Operations and Maintenance Program	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.

Department

Operating Budget Summary by Program and Fund

Line of Business	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20
		WES Sanitary Sewer Operating Fund 631	WES Surface Water Operating Fund 641	Total Proposed Operating Budget
Program	FTE			

Business Services

Administrative Services	12.64	\$ 2,837,857	\$ 678,931	\$ 3,516,788
Financial Management	6.78	1,195,419	172,438	1,367,857
Account Services	2.83	481,364	103,157	584,521
Business Services Total	22.25	4,514,640	954,526	5,469,166

Capital Planning and Management

Capital Delivery	8.70	2,232,463	3,952	2,236,415
Asset Management	8.28	1,420,638	282,790	1,703,428
Capital Planning and Management Total	16.98	3,653,101	286,742	3,939,843

Environmental Services

Permit Services	8.61	996,281	611,339	1,607,620
Watershed Protection	5.10	-	2,424,107	2,424,107
Environmental Monitoring	5.71	1,076,395	309,986	1,386,381
Environmental Services Total	19.42	2,072,676	3,345,432	5,418,108

Operations

Resource Recovery	7.90	2,324,427	-	2,324,427
Plant Operations and Maintenance	32.06	9,575,152	-	9,575,152
Field Operations and Maintenance	13.39	2,999,541	848,536	3,848,077
Operations Total	53.35	14,899,120	848,536	15,747,656

Non-Program Equipment Pool

Contra-Expense		(415,904)		(415,904)
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TOTAL	112.00	\$ 24,723,633	\$ 5,435,236	\$ 30,158,869
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FY 18/19 Budget	110.00	23,597,519	5,218,048	28,815,567
\$ Increase (Decrease)	2.00	1,126,114	217,188	1,343,302
% Increase (Decrease)	1.8%	4.8%	4.2%	4.7%

Water Environment Services

Department Mission

The mission of 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.

Water Environment Services

Greg Geist - Director

FTE 112

Total Request \$30,158,869*

Business Services

Chris Storey - Assistant
Director

Total Request
\$5,469,166

Capital Planning and Management

Lynne Chicoine - Mgr

Total Request
\$3,939,843

Environmental Services

Ron Wierenga - Mgr

Total Request
\$5,418,108

Operations

Greg Eyerly - Mgr

Total Request
\$15,747,656

Administrative Services

Chris Storey - Assistant
Director

FTE 12.64
Total Request
\$3,516,788

Capital Delivery

Lynne Chicoine - Mgr

FTE 8.70
Total Request
\$2,236,415

Permit Services

Ron Wierenga - Mgr

FTE 8.61
Total Request
\$1,607,620

Resource Recovery

Greg Eyerly - Mgr

FTE 7.90
Total Request
\$2,324,427

Financial Management

Doug Waugh - Mgr

FTE 6.78
Total Request
\$1,367,857

Asset Management

Lynne Chicoine - Mgr

FTE 8.28
Total Request
\$1,703,428

Watershed Protection

Ron Wierenga - Mgr

FTE 5.10
Total Request
\$2,424,107

Plant Operations and Maintenance

Greg Eyerly - Mgr

FTE 32.06
Total Request
\$9,575,152

Account Services

Doug Waugh - Mgr

FTE 2.83
Total Request
\$584,521

Environmental Monitoring

Ron Wierenga - Mgr

FTE 5.71
Total Request
\$1,386,381

Field Operations and Maintenance

Greg Eyerly - Mgr

FTE 13.39
Total Request
\$3,848,077

*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$415,904)

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.

Water Environment Services

Greg Geist - Director
FTE 112.00
Total Request \$30,158,869*

Business Services

Chris Storey - Assistant
Director
Total Request
\$5,469,166

Administrative Services

Chris Storey - Assistant
Director
FTE 12.64
Total Request
\$3,516,788

Financial Management

Doug Waugh - Mgr
FTE 6.78
Total Request
\$1,367,857

Account Services

Doug Waugh - Mgr
FTE 2.83
Total Request
\$584,521

*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$415,904)

Business Services

Administrative Services

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 \$3,516,788 operating budget. During the plan update completed in FY 2018-19, this program combined the Administrative Services and Office of the Director programs. This was done to increase customer transparency by gathering support services in one place.

HR goals: Annual review counts remain below our overall target of 100% of annual reviews completed on time. New County 3C (Clarify, Converse, Capture) review program, updated forms, and streamlined processes have begun to impact our number raising our percentage by 8% from last fiscal year.

Safety goals: Once again, plant evacuation trainings were completed successfully and without incident.

Customer Service: This new customer satisfaction measure replaces the similar measure (95% of surveyed WES customers say they feel valued, heard and respected) which appeared in the previous plan. This adjustment aligns our survey method (based on the "Happy or Not" kiosks) with the question being asked throughout the County. Our customer satisfaction rating is above our target of 95%. While this is good news, we recognize the limitation of our current data collection method since the foot traffic into our office is lower than phone customer interactions. WES anticipates exploring additional methods/means for collecting feedback in the coming plan cycle. Our previous plan also included *% of customer service requests that are closed in the same month*. We believed prior to counting that this may be an opportunity for growth, however, data has shown that we easily achieve this measure more than 90% of the time. This measure has therefore been removed from the plan.

Prior plan year and Office of the Director initiatives/results:

By end of FY 2016-17, a decision will be made regarding the governance and/or co-investment strategy for the Tri-City and CCSD No. 1 districts, which will allow for each district to benefit from the maximum practical economy of scale. This goal was achieved through the formation of the 190 Partnership. The work to achieve this was complex and all encompassing. As a result, we deprioritized the survey based result measures in part due to our feeling that the work with our partners and stakeholders was our clearest path to the information we sought. We also found that we could not spare the resources to develop strong surveys in house or manage contracts with experts in this field. These measures are therefore listed below as "not measured."

Two further initiatives were discontinued: *By 2017, all WES employees will know what is expected of them and be evaluated consistent with annual work plans aligned to the Strategic Business Plan*, and, *By June 30, 2019 WES will have a system in place to assure compliance obligations are understood and consistently met, and applicable industry performance standards are understood and adopted.* While we believe in the value of these measures, as our experience with the Managing for Results format increased, we realized that these initiatives were difficult to measure effectively and were dependent on the success of initiatives we had not yet completed (for example the annual work plan output was dependent upon our workforce plan). We anticipate over the next two years developing and implementing a comprehensive workforce plan and work is already underway to better connect our staff to the meaning behind compliance obligations through the development of our new Plant Operations and Maintenance program goals. These efforts will therefore be addressed through other results or initiatives that are part of the current plan.

Key Performance Measures

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 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)	NEW	42%	100%	50%	75%
Output	# Plant Evacuation Drills (one per plant) per year ¹	NEW	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)	Data not collected	98%	95%	97%	95%
Result	% of WES employees surveyed have a clear understanding of WES priorities ²	Survey based - not measured		Discontinued		
Key Performance Measures continued on next page						

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	<input type="text" value="Y"/>
Shared Services	<input type="text" value="N"/>
Grant Funding	<input type="text" value="N"/>

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 administers 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).

Business Services

Administrative Services

Key Performance Measures - Continued from previous page

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 Target
Output	# annual work plans provided/expected ²	Data not collected	Data not collected	Discontinued		
Output	% of customer service requests that are closed in the same month ²	Data not collected	21	Discontinued		
Output	18 stakeholder presentations provided/expected ²	Data not collected	19	Discontinued		
Output	# public tour participants served/expected ²	485	404	Discontinued		
Result	% of reporting requirements met ²	100%	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 16-17 Actual*	FY 17-18 Actual**	FY 18-19 Budget**	FY 18-19 Projected Year End**	FY 19-20 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	1,549,618	1,609,560	1,704,904	1,785,155	1,867,159	162,255	10%
Materials & Services	1,476,456	1,514,417	1,751,484	1,783,263	1,380,132	(371,352)	-21%
Indirect Costs (Internal Dept Chgs)	48,467	47,943	45,555	51,411	49,599	4,044	9%
Cost Allocation Charges	161,825	171,389	164,604	180,629	219,898	55,294	34%
Operating Expenditure	3,236,366	3,343,309	3,666,547	3,800,458	3,516,788	(149,759)	-4%
							0%
Total Exp - Including Special Categories	3,236,366	3,343,309	3,666,547	3,800,458	3,516,788	(149,759)	-4%
General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	7.01	14.02	12.43	12.43	12.64	0.21	2%
Full Time Equiv Pos (FTE) Filled at Yr End	6.39	13.14	12.43	12.42			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.62	0.88	0.00	0.01			

Significant Issues and Changes

This budget year the Office of the Director program has been rolled into Administrative Services joining the Human Resources and Customer Service programs that were rolled in at the beginning of last fiscal year. This new structure improves our ability to maintain transparency and track centralized services provided throughout the department. No other significant issues or changes are projected for the FY 2019-20.

* FY 2016-17 figures reflect the combined expenditures for the Human Resources Program, Customer Service Program, and Office of the Director Program.

** 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.

Business Services

Financial Management

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 completed a strategic plan review during FY 18-19 and added a new initiative: obtaining the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the new entity WES (the award had historically been obtained by WES' member districts, CCSD No. 1 and TCSD). WES' first Comprehensive Annual Financial Report (CAFR) was completed for the 2017-18 fiscal year and submitted to the GFOA in December 2018 for consideration of the award; this program believes WES' CAFR met the requirements for the award and that this initiative will be achieved during the current fiscal year.

During FY 18-19, the program lowered the target for the variance between budgeted and actual operating expenditures from 15% to 10% due to the actual results we are seeing and because it places the Department closer to industry-wide best practices. This revised target is expected to be achieved as the variance through December 2018 is 6%.

In FY 17-18, this program met the strategic result of establishing a rate setting strategy to ensure no more than a 10% rate increase in any year. This goal was refined during FY 18-19 to better reflect the capital-intensive nature of the wastewater treatment industry by specifying annual rate increases should fall within a range of a maximum of 10% and a minimum equal to the Engineering News Record's (ENR) Construction Cost Index. The result was achieved for FY 18-19 and has again been achieved for FY 19-20; proposed rate increases in FY 19-20's budget are between 3.3% and 9.5%, within the range of 3% (set based on ENR's year-end 2018 Construction Cost Index) and 10%.

During FY's 16-17 and 17-18, delays in receiving timely expenditure data from other County departments and programs within WES led to delays in the distribution of quarterly budget to actual reports. While these delays continue to impact the ability to distribute quarterly Budget to Actual reports within three weeks of the quarter's close, during FY 18-19 the program revised the reporting methodology to include estimates for expenses for which data has not yet been received. This revision will enable the program to achieve timely reporting for the remaining 2 quarters' budget to actual reports so that FY 18-19's performance in this area is estimated to be 75%.

Key Performance Measures

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 Target
Output	Annual operating expenditures will vary from budgeted operating expenditures by less than 15%	13.9%	15.4%	10%	6.0%	10%
Result	Maintain current bond rating of AAA ¹	NEW	NEW	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	NEW	≥3.9%, ≤10%	3.9%	≥3.0%, ≤10%
Result	Annual rate increases will fall between a floor set by ENR's Construction Cost Index and a ceiling of 10% ²	3.68%	3.00%	Discontinued		
Result	Quarterly budget to actual reports are distributed within three weeks of quarter's close	0%	25%	100%	25%	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	<input type="text" value="Y"/>
Shared Services	<input type="text" value="N"/>
Grant Funding	<input type="text" value="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 administers the annual budget in compliance with ORS 294.305 to 294.565 and 294.900 to 294.930.

Business Services

Financial Management

Budget Summary

	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Budget	FY 18-19 Projected Year End	FY 19-20 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	690,859	667,404	681,893	782,728	853,623	171,730	25%
Materials & Services	365,071	544,398	365,185	362,270	396,196	31,011	8%
Indirect Costs (Internal Dept Chgs)	19,275	16,559	17,025	19,163	19,904	2,879	17%
Cost Allocation Charges	70,859	71,429	75,956	80,610	98,134	22,178	29%
Operating Expenditure	1,146,064	1,299,790	1,140,059	1,244,771	1,367,857	227,798	20%
Total Exp - Including Special Categories	1,146,064	1,299,790	1,140,059	1,244,771	1,367,857	227,798	20%

General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	6.41	6.14	5.39	5.39	6.78	1.39	26%
Full Time Equiv Pos (FTE) Filled at Yr End	6.55	5.92	5.39	6.46			
Full Time Equiv Pos (FTE) Vacant at Yr End	-0.14	0.22	0.00	-1.07			

Significant Issues and Changes

The FY 2019-20 budget represents a 20% increase from the FY 2018-19 budget. The increase of \$171 thousand in Personnel Services is due to the shift of staff time from the Account Services program back to the Financial Management program following the completion of a successful billing system upgrade in FY 2017-18. The higher Materials and Services expenditures in FY 2017-18 reflected one-time charges for professional services related to the formation of WES. Actual Materials and Services expenditures for FY 16-17 and projected for FY 18-19 reflect more typical program totals for this expense category. The Materials and Services budget for FY 2019-20 is expected to increase 8% due to higher banking fees and merchant services charges in proportion to the projected increase in revenue. This increase is partially offset by continued savings in Accounting and Auditing services due to the consolidation of the districts into WES.

Business Services

Account Services

Purpose Statement

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 68% of WES' \$44.2 million of budgeted service charge revenue for FY 19-20. 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.

During a plan review completed in FY 18-19, this program's strategic results were expanded to include adding 500 new accounts to paperless billing each year. This new result is directly linked to WES' larger Operational Optimization initiative to minimize resource use. FY 18-19 actuals through December 2018 indicate the program is on track to achieve this goal.

The strategic result of achieving >90% on-time payment was replaced with the new result of fewer than 5% of accounts certified annually to better reflect the nature of the delinquency we are trying to address. While FY 18-19 actuals through December 2018 in the new result indicate an account certification rate of 9%, collection efforts scheduled for March through June 2019 are predicted to bring the annual number below the program's goal of 5% certification.

Key Performance Measures

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 Target
Result	500 additional accounts added to paperless billing each year ¹	NEW	NEW	500	265	500
Result	Fewer than 5% of accounts certified annually ¹	NEW	NEW	< 5%	9.0%	< 5%
Result	% of customers who pay their bill on time ² (replaced with the measure above)	93.4%	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.)	95%	99%	Discontinued		
Output	# telephone payment receipts provided/expected ²	5,717	6,520	Discontinued		
Output	# callers assisted (This measure was moved from the Administrative Services Program.)	19,621	18,836	16,000	9,690	16,000
Output	# customer bills issued annually (In FY 16-17, this result included only the number of printed bills issued; this measure was revised in FY 18-19 to include all bills issued (emails, etc.) as a better indication of this program's overall efforts.)	223,930	268,563	270,000	136,011	270,000

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	<input type="text" value="Y"/>
Shared Services	<input type="text" value="N"/>
Grant Funding	<input type="text" value="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 16-17 Actual	FY 17-18 Actual	FY 18-19 Budget	FY 18-19 Projected Year End	FY 19-20 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	362,912	393,642	471,645	266,600	291,674	(179,971)	-38%
Materials & Services	205,232	238,360	289,646	221,754	252,860	(36,786)	-13%
Indirect Costs (Internal Dept Chgs)	9,339	11,958	12,493	7,683	7,310	(5,183)	-41%
Cost Allocation Charges	35,838	52,523	55,854	26,843	32,677	(23,177)	-41%
Operating Expenditure	613,321	696,483	829,638	522,880	584,521	(245,117)	-30%
Total Exp - Including Special Categories	613,321	696,483	829,638	522,880	584,521	(245,117)	-30%

General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	2.24	3.37	4.79	4.79	2.83	-1.96	-41%
Full Time Equiv Pos (FTE) Filled at Yr End	4.40	4.17	4.79	2.68			
Full Time Equiv Pos (FTE) Vacant at Yr End	-2.16	-0.80	0.00	2.11			

Significant Issues and Changes

The FY 2019-20 budget represents a 30% decrease from FY 2018-19's budget. This decrease is primarily driven by a reduction in budgeted labor due to the successful implementation of new billing and payment software systems completed during FYs 2017-18 and 2018-19 and a shift of staff time to the Financial Management program. A new assessment billing software system which was budgeted for in FY 2018-19 is in the final stages of design and testing; as staff worked internally to create the new billing application, this program was able to save funds that had been budgeted with an outside service provider for the effort. While the Materials and Services budget for FY 2019-20 continues to include funds for additional software upgrades, the 13% or \$36 thousand reduction in this category for FY 2019-20 reflects the completion of various software upgrades in the current fiscal year.



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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.

Water Environment Services

Greg Geist - Director
FTE 112.00
Total Request \$30,158,869*

Capital Planning and Management

Lynne Chicoine - Mgr
Total Request
\$3,939,843

Capital Delivery

Lynne Chicoine - Mgr
FTE 8.70
Total Request
\$2,236,415

Asset Management

Lynne Chicoine - Mgr
FTE 8.28
Total Request
\$1,703,428

*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$415,904)

Capital Planning and Management

Capital Delivery

Purpose Statement

The purpose of the Planning and 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 TC WRRF Solids Handling Improvements Project to support the expected 20-year growth horizon.

The project is under construction and on schedule and budget.

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 18/19. In FY 19/20 WES will embark on the Willamette Facilities Plan. This estimated 18-24 month effort 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 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 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	NEW	NEW	90%	91%	90%

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 Planning and Management

Capital Delivery

Budget Summary

	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Budget	FY 18-19 Projected Year End	FY 19-20 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	304,948	402,661	415,704	340,158	502,701	86,997	21%
Materials & Services	334,398	341,267	1,121,247	576,231	1,674,438	553,191	49%
Indirect Costs (Internal Dept Chgs)	12,803	13,697	14,011	14,817	17,809	3,798	27%
Cost Allocation Charges	19,264	31,156	33,131	34,063	41,467	8,336	25%
Operating Expenditure	671,413	788,781	1,584,093	965,269	2,236,415	652,322	41%
Total Exp - Including Special Categories	671,413	788,781	1,584,093	965,269	2,236,415	652,322	41%

General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted O&M	4.15	1.68	2.05	2.05	2.58	0.53	26%
Full Time Equiv Pos (FTE) Filled at Yr End	1.95	2.19	2.05	2.04			
Full Time Equiv Pos (FTE) Vacant at Yr End	2.20	-0.51	0.00	0.01			
Capitalized Labor FTE		4.19	6.00	4.15	6.12	0.12	2%
Total Program FTE		6.38	8.05	6.19	8.70	0.65	8%

Significant Issues and Changes

The capital delivery budget shows an increase in two areas:

Personnel Services: WES continues to build our engineering staff so we can implement our capital improvement plan and Inflow and Infiltration (I/I) reduction program. Having filled a civil engineering position this year, we still carry vacancies for a senior engineer and a process engineer, which are budgeted to be filled in FY 19/20. We have proposed adding one new engineering FTE to augment staffing for planning and execution of the 20-year CIP.

Materials & Services: We completed the Collection System Master Plan significantly under budget in FY 18/19. We will carry that budget forward to FY 19/20 using it for additional focused planning in two major project areas - Willamette and Clackamas Interceptors. We will also begin our estimated two-year long Willamette Facilities Plan (WFP) in FY 19/20. The WFP will recommend a 20-year CIP for our Tri-City and Kellogg Facilities. This planning work is in addition to our ongoing capital project work.

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 16-17, 17-18 and 18-19 the program focused on building an improved inventory of wastewater treatment, 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 wastewater treatment 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 will shift to mapping new assets.

This program completed a strategic plan review during FY 18-19 and added an updated initiative to absorb the discontinued strategic results. The new initiative is to utilize a risk-based asset management plan so that asset renewal replacement decisions for assets will be made on a risk-to-cost decision matrix. This will advance previous efforts, and will focus on additional asset condition assessments, remaining life estimates, business risk and levels of service.

Key Performance Measures

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 Target
Output	# asset inventories completed/expected ¹	62	34	35	13	35
Result	100% of new assets mapped and entered into the maintenance management system within six months of construction acceptance. ¹	NEW	NEW	100%	42%	100%
Output	# asset renewal/replacement plans provided/expected	3	3	3	1.5	3
Output	# asset condition assessments completed/expected ¹	NEW	NEW	500	291	500
Output	# asset condition reports provided ²	647	818	Discontinued		
Result	Decision makers will have available an inventory, condition assessment and risk-based strategy for the Districts' Wastewater Infrastructure ²	60%	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.

Capital Planning and Management

Asset Management

Budget Summary

	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Budget	FY 18-19 Projected Year End	FY 19-20 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	880,749	774,371	1,018,390	797,801	1,088,719	70,329	7%
Materials & Services	166,356	239,875	576,147	359,559	493,346	(82,801)	-14%
Indirect Costs (Internal Dept Chgs)	23,074	21,871	23,272	20,632	20,715	(2,557)	-11%
Cost Allocation Charges	92,202	95,565	102,686	82,675	100,648	(2,038)	-2%
Operating Expenditure	1,162,381	1,131,682	1,720,495	1,260,667	1,703,428	(17,067)	-1%
Total Exp - Including Special Categories	1,162,381	1,131,682	1,720,495	1,260,667	1,703,428	(17,067)	-1%

General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	8.30	7.93	8.35	8.35	8.28	-0.07	-1%
Full Time Equiv Pos (FTE) Filled at Yr End	8.02	7.04	8.35	6.66			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.28	0.89	0.00	1.69			

Significant Issues and Changes

The Asset Management Program budget is expected to decrease by 1%, due to additional organizational consolidation of software, hardware and supporting professional services budgets. We are continuing our efforts to optimize the systems and the staffing resources required 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.

Water Environment Services

Greg Geist - Director
FTE 112.00
Total Request \$30,158,869*

Environmental Services

Ron Wierenga - Mgr
Total Request
\$5,418,108

Permit Services

Ron Wierenga - Mgr
FTE 8.61
Total Request
\$1,607,620

Watershed Protection

Ron Wierenga - Mgr
FTE 5.10
Total Request
\$2,424,107

Environmental Monitoring

Ron Wierenga - Mgr
FTE 5.71
Total Request
\$1,386,381

*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$415,904)

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 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. The program completed a strategic plan review during FY 18-19. New results were added including ensuring that 80% of plan reviews are completed within 3 weeks, and also that roughly half of the applicants seeking to access WES's infrastructure do so in 3 submittals or less. Both of these measures are important permitting efficiency targets. The third new result is a restatement of a previous result, clarifying that at any given time 90% of WES industrial customers are in compliance with waste discharge permits. This is an important measure of whether our permittees understand what is expected of them. The result of permitting stand-alone single family residential sewer connections in 3 days or less was discontinued because that target was routinely met, thus is no longer viewed as a strategic program improvement.

Year-to-date program performance is very solid, with all results exceeding the strategic targets. All plans submitted for review are being turned around in 3 weeks or less, and 90% of projects receiving final approval are done so in 3 submittals or less, indicating a relatively high permitting efficiency. Lastly, over 93% of industrial waste dischargers are in compliance with permits at any given time, indicating a high compliance rate.

Additional program performance highlights include:

- The Permits program has been fully staffed this year with the addition of a construction and erosion control specialist to oversee private development projects, allowing for more on-the-ground inspections and a higher compliance rate with WES's rules and standards.
- Two permitting initiatives with Happy Valley regarding water quality buffer reviews and reimbursement districts resulted in streamlined application processes.
- An estimated 450 equivalent dwelling units were permitted to access WES's sanitary and storm infrastructure. The program also permitted over \$3M of donated capital through December that was built by private parties.
- The project to update WES's rules and regulations, design standards, and administrative procedures continued this year. WES staff and contractors focused efforts on soliciting internal and external input on policies, rules, and standards for the update. WES conducted one-on-one stakeholder interviews, held five task force meetings with developers and engineers, and held numerous internal workshops. Documents are now being drafted and a robust public input process is anticipated in the spring of 2019. The project is expected to be completed this fall.
- WES's Industrial Pretreatment Program successfully passed a regulatory audit from the Oregon Department of Environmental Quality with no significant findings or permit violations.

Key Performance Measures

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 Target
Output	# industry compliance inspections	37	36	30	22	35
Output	# permitted Equivalent Dwelling Units (EDUs) ¹	NEW	NEW	450	242	450
Result	80% of sanitary and storm plan reviews are completed within three weeks of submittal. ¹	NEW	NEW	80%	100%	80%
Output	# sanitary and storm plan reviews ¹	NEW	NEW	150	161	150
Result	90% of permitted industrial customers are in compliance with wastewater discharge rules. ¹	NEW	NEW	90%	93%	90%
Result	% of inspected businesses in compliance with discharge rules ²	92%	93%	Discontinued		
Result	% of single family dwelling permits in subdivisions approved within 3 business days ²	100%	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	<input type="text" value="Y"/>
Shared Services	<input type="text" value="N"/>
Grant Funding	<input type="text" value="N"/>

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 16-17 Actual	FY 17-18 Actual	FY 18-19 Budget	FY 18-19 Projected Year End	FY 19-20 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	817,733	862,716	1,200,239	1,112,728	1,230,126	29,887	2%
Materials & Services	101,613	169,194	393,083	317,799	212,004	(181,079)	-46%
Indirect Costs (Internal Dept Chgs)	26,022	23,174	29,828	26,142	25,776	(4,052)	-14%
Cost Allocation Charges	89,926	101,189	144,413	114,765	139,714	(4,699)	-3%
Operating Expenditure	1,035,294	1,156,273	1,767,563	1,571,434	1,607,620	(159,943)	-9%
Total Exp - Including Special Categories	1,035,294	1,156,273	1,767,563	1,571,434	1,607,620	(159,943)	-9%

General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	7.00	8.16	8.97	8.97	8.61	-0.36	-4%
Full Time Equiv Pos (FTE) Filled at Yr End	6.68	6.98	8.97	8.40			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.32	1.18	0.00	0.57			

Significant Issues and Changes

The Permit Services Program proposes a \$1.6M 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 2019-20 budget represents a 9% decrease from the previous budget. Overall, discretionary materials and services line items were reduced in FY 2019-20 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 about 25% following trends in previous FY expenditures. The program is fully staffed with no current vacancies. The labor budget is up 2%. Previous FY staff resources that were allocated for participation in the rules project tail off a bit in FY 2019-20, showing a reduction in about 0.4 FTE for staff time allocated to other programs. Contracted services to support the project continue into next year in support of finalizing the rules and engaging stakeholders as we near adoption in the fall of 2019.

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 this program truly focus on outcomes that are realized by 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. The program completed a strategic plan review during FY 18-19. New results were added including ensuring that private storm system owners properly maintain their infrastructure so it functions to protect water quality. To date this FY WES staff have inspected over 30 businesses and the percentage complying with WES's water quality rules is about 38%. A performance challenge is conducting initial inspections and providing technical assistance to businesses that haven't been visited in years, which is reflected in their deficient maintenance practices. Performance for this result will improve over the next 2-3 years as inspections ramp-up and repeat visits are conducted.

In addition, a long-term and core result that streams in WES's service area meet Oregon water quality criteria was added to the plan. While the goal of this measure seems low it acknowledges the difficulty of this particular challenge to improve water quality after decades of degradation. Of the 9 streams in WES's long-term water quality monitoring program nearly all of them fail to meet two or more water quality criteria, and as a result only 22% meet the quality goal. Only through ongoing, collaborative implementation of pollution prevention measures, along with targeted restoration projects, will this result improve.

In this fiscal year and next, 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.

Also, a new County-level strategic goal to adopt a Surface Water Management Plan by 2020 kicked off this year. A policy session held in November solidified the County Commissioners' support and direction to engage the community broadly in an effort to enhance county services that protect and improve water quality. WES is currently researching existing water quality assessments, plans, and established community engagement efforts in order to baseline the project.

Key Performance Measures

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 Target
Result	30% of streams within WES' jurisdiction meet or exceed water quality standards. ¹	NEW	NEW	30%	22%	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	NEW	50%	38%	50%
Output	# commercial/industrial site pollution prevention visits ¹	NEW	NEW	125	33	125
Output	Acres of ponds and streamside planted ¹	NEW	NEW	25	8	15
Result	% of scheduled maintenance that is completed on time ²	100%	100%	Discontinued		
Output	# stormwater ponds maintained ²	280	218	Discontinued		
Result	% confirmed illicit discharges eliminated within 2 business days ²	87.5%	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	<input type="text" value="Y"/>
Shared Services	<input type="text" value="N"/>
Grant Funding	<input type="text" value="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 16-17 Actual	FY 17-18 Actual	FY 18-19 Budget	FY 18-19 Projected Year End	FY 19-20 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	706,936	654,823	666,998	726,681	767,255	100,257	15%
Materials & Services	697,641	865,262	951,110	814,543	1,540,148	589,038	62%
Indirect Costs (Internal Dept Chgs)	118,434	26,910	21,945	22,299	25,638	3,693	17%
Cost Allocation Charges	73,670	73,660	78,329	74,804	91,066	12,737	16%
Operating Expenditure	1,596,681	1,620,655	1,718,382	1,638,327	2,424,107	705,725	41%
Total Exp - Including Special Categories	1,596,681	1,620,655	1,718,382	1,638,327	2,424,107	705,725	41%

General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	8.27	6.97	4.56	4.56	5.10	0.54	12%
Full Time Equiv Pos (FTE) Filled at Yr End	6.24	5.70	4.56	5.24			
Full Time Equiv Pos (FTE) Vacant at Yr End	2.03	1.27	0.00	-0.68			

Significant Issues and Changes

The Watershed Protection Program proposes a \$2.42M operating budget to support surface water protection and restoration services in WES's service area. The FY 2019-20 budget represents a 41% increase from the FY 2018-19 budget. While most materials and services line item budget is down about 25% from the previous FY, the budget for contracted services more than doubled. This is due to several key, one-time initiatives, of which \$400,000 is budgeted for a storm system master plan in WES's surface water service areas including Happy Valley and North Clackamas. The planning in Happy Valley is required to support their development of the Pleasant Valley-Carver comprehensive land use plan. Additional professional services budget was added to support the County-level strategic initiative to complete a surface water management plan. 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. Design and construction of the 3-Creeks project will be budgeted in the construction fund in a future FY. Additional contracted services budget was included for the Watershed Health Education Program which is being expanded to include collaborative partnerships for service delivery. Lastly, the budget includes an expansion of the RiverHealth Grant Program to \$300,000. The program is fully staffed with no current vacancies. The labor budget is up 15% or about one-half FTE for additional Environmental Services Division staff time proportioned to the program in support of major initiatives.

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. The program completed a strategic plan review during FY 18-19. New results were added including a target of having 80% of lab analyses ready to report to customers within 15 days of receiving a sample. The measure is a restated and clarified version of a previous result so is comparable to previous year's performance. Currently the program's performance is tracking right around the target, and is showing improved performance in FY 2018-19 compared to previous years. In order to maintain and improve program performance staff are focusing 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. The number of samples and analyses conducted is increasing slightly over expected levels, however, staff are still baselining routine performance and this increase may be overstated at present. Lastly, a measure of the proportion of quality control samples meeting industry standards was dropped during the plan review. The measure was poorly understood by staff, difficult to measure, and provided limited performance information. Potential measures of result quality will be considered during future plan updates. WES's laboratory successfully passed a compliance audit from the Oregon Environmental Laboratory Accreditation Program with no significant deficiencies, thereby maintaining the necessary accreditation certification. The program also continues 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 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 Target
Output	# surface water and wastewater samples analyzed ¹	NEW	NEW	19,000	15,341	20,000
Result	80% of analyses are ready to report within 15 days of receiving a sample ¹	NEW	NEW	80%	75%	80%
Output	Laboratory maintains ORELAP accredited status ¹	NEW	NEW	Accredited	Accredited	Accredited
Result	% of samples collected, analyzed, interpreted and reported on schedule ²	60.5%	56.0%	Discontinued		
Result	% of quality control samples meeting industry standards ²	Data not collected	Data not collected	Discontinued		
Result	# laboratory analyses expected ²	30,186	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 16-17 Actual	FY 17-18 Actual	FY 18-19 Budget	FY 18-19 Projected Year End	FY 19-20 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	1,050,525	1,018,858	842,344	786,512	775,615	(66,729)	-8%
Materials & Services	414,553	450,433	471,869	462,121	489,549	17,680	4%
Contra Accounts (for Lab Services)	(650,200)	(660,503)	-	-	-	-	0%
Indirect Costs (Internal Dept Chgs)	29,058	34,441	25,443	20,846	22,155	(3,288)	-13%
Cost Allocation Charges	116,782	125,439	108,602	81,372	99,062	(9,540)	-9%
Operating Expenditure	960,718	968,668	1,448,258	1,350,851	1,386,381	(61,877)	-4%
Total Exp - Including Special Categories	960,718	968,668	1,448,258	1,350,851	1,386,381	(61,877)	-4%
General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	9.86	8.28	6.07	6.07	5.71	-0.36	-6%
Full Time Equiv Pos (FTE) Filled at Yr End	9.32	8.88	6.07	6.26			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.54	-0.60	0.00	-0.19			

Significant Issues and Changes

The Environmental Monitoring Program proposes a \$1.386M 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 2019-20 budget represents a 4% decrease from the previous FY budget, while performance is improving. Materials and services increased by about 4%, reflecting adjustments in office equipment/supplies, as well as an increase in lab chemicals in anticipation of new testing methods. The program is fully staffed with the addition of a lab tech that was budgeted in FY 2018-19. A slight reduction in staff resource for the program of about 0.4 FTE reflects proportioning staff time to other programs for sample collection related to wastewater treatment process rather than environmental monitoring.



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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.

Water Environment Services

Greg Geist - Director
FTE 112.00
Total Request \$30,158,869*

Operations

Greg Eyerly - Mgr
Total Request
\$15,747,656

Resource Recovery

Greg Eyerly - Mgr
FTE 7.90
Total Request
\$2,324,427

Plant Operations and Maintenance

Greg Eyerly - Mgr
FTE 32.06
Total Request
\$9,575,152

Field Operations and Maintenance

Greg Eyerly - Mgr
FTE 13.39
Total Request
\$3,848,077

*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$415,904)

Operations

Resource Recovery

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 TC by over 4.6 million kilowatts in the past 3 years. Several implemented energy projects resulted in the energy savings reflected in the metric.

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

WATER REUSE: TC Operations continues to use plant effluent for in-plant needs. This reduces potable water costs.

Key Performance Measures

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 Target
Output	Metric tons of solids produced	2,297	2,171	2,000	1,058	2,158
Efficiencies	Energy cost / volume processed (MG) ¹	NEW	NEW	\$160	\$151	\$145
Output	Gallons of recycled water used	NEW	286.95	416	216	450
Demand	Gallons of recycled water needed	NEW	311	416	243	450
Result	WES will beneficially reuse 85% of recovered solids (The budget presented at the start of FY 18-19 listed this measure as "% of recovered solids beneficially reused" this measure is a refinement of the same goal)	89%	88%	85%	77%	85%
Result	% of treatment plants' water needs met by recycled water ²	100%	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.

Resource Recovery

	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Budget	FY 18-19 Projected Year End	FY 19-20 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	913,333	891,944	960,629	895,668	1,111,128	150,499	16%
Materials & Services	1,025,188	1,124,679	1,226,958	1,078,539	1,072,454	(154,504)	-13%
Indirect Costs (Internal Dept Chgs)	28,779	30,361	29,143	26,207	26,723	(2,420)	-8%
Cost Allocation Charges	96,962	116,135	109,865	93,743	114,122	4,257	4%
Operating Expenditure	2,064,262	2,163,119	2,326,595	2,094,157	2,324,427	(2,168)	0%
Total Exp - Including Special Categories	2,064,262	2,163,119	2,326,595	2,094,157	2,324,427	(2,168)	0%

Full Time Equiv Pos (FTE) Budgeted	8.43	8.66	7.52	7.52	7.90	0.38	5%
Full Time Equiv Pos (FTE) Filled at Yr End	9.82	9.53	7.52	7.79			
Full Time Equiv Pos (FTE) Vacant at Yr End	-1.39	-0.87	0.00	-0.27			

The Resource Recovery program proposes a \$2,324,427 operating budget, this is a -\$2,168 decrease from FY 18-19. Largest budget line item decreases are Purchased Repairs and Maint, -\$62,469, Equipment Pool Rental -\$45,000 and Environmental down -\$48,000. The biosolids application equipment, called a TerraGator was lost in an accident during a spreading event. The Resource Recovery program will need to utilize a third party for land application while the program procures the equipment to resume spreading of biosolids in Sherman County, Oregon for the remainder of FY 18-19 while a replacement spreader is procured. Though not reflected in the budget or Performance Clackamas, the Strategic Energy Management Plant 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 first year for the key operating metrics of wastewater treatment effectiveness rate and planned maintenance activities. For wastewater treatment effectiveness rate we were 97.94%. This represents the percentage of samples within control limits, for example, the top of the control limit is 85% of the permit limit. Said another way, we were outside of our control limits 2.06% of the time, or 57 sampling excursions -- this number of control limit excursion resulted in 2 NPDES permit exceedances. The number of permit exceedances are down from the combined 20 exceedances that occurred at the four treatment plants the previous year. The percentage of planned maintenance activities year-to-date is 62%. Though this has not yet reached the desired level of 75% maintenance activities are planned, it is setting a baseline that can be measured and potentially improved upon in the coming years. The number of maintenance sessions was discontinued, there was confusion of what constituted a maintenance session, and there is not a clear relationship between the 1,483 sessions performed in FY 16/17 and 467 sessions performed in FY 17/18 and the actual amount of maintenance performed in the plants.

Key Performance Measures

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 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	NEW	85%	97.94%	100%
Result	75% of all WES Maintenance activities will be planned efforts to address performance deficiencies or enhancements. ¹	NEW	NEW	75%	62%	75%
Output	Billion gallons of treated wastewater	7.22	7.93	7.7	6.43	7.00
Result	NACWA Peak Performance Gold Award Recognition ²	16 violations	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	Not Achieved	Discontinued		
Result	# maintenance sessions performed annually ²	1,483	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. §1251 et seq 1972.) The Oregon Department of Environment Quality issues a NPDES permit for treatment systems to discharge directly to surface waters.

Operations

Plant Operations and Maintenance

Budget Summary

	FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Budget	FY 18-19 Projected Year End	FY 19-20 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	1,798,085	1,952,511	4,001,846	3,829,443	4,281,996	280,150	7%
Materials & Services	3,791,426	3,855,123	4,107,149	4,447,945	4,452,961	345,812	8%
Indirect Costs (Internal Dept Chgs)	289,896	291,558	345,682	347,149	358,331	12,649	4%
Cost Allocation Charges	181,850	201,519	377,333	395,816	481,864	104,531	28%
Operating Expenditure	6,061,257	6,300,711	8,832,010	9,020,353	9,575,152	743,142	8%
Total Exp - Including Special Categories	6,061,257	6,300,711	8,832,010	9,020,353	9,575,152	743,142	8%

General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	16.56	14.86	31.22	31.22	32.06	0.84	3%
Full Time Equiv Pos (FTE) Filled at Yr End	15.63	16.63	31.22	32.25			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.93	-1.77	0.00	-1.03			

Significant Issues and Changes

The Plant Operations and Maintenance Program proposes a \$9,575,152 operating budget which is a \$743,142 or 8% increase from last fiscal year. Increases in the budget are primarily due to increased plant repair & maintenance costs up 19%, or a \$32,000 increase, related to catching up to a backlog of outstanding maintenance issues, increase in chemical & electrical costs up 4.8% or \$40,000, Electrical costs up \$142,000 or 13.3% in anticipation of additional equipment coming online in the second half of the fiscal year, and the biggest increase is County Interagency Fees up 60%, or \$250,000, and an additional \$50,000 was added to the budget for consulting fees to help write a comprehensive Emergency Operations Plan.

In addition, \$150,000 has been added to Professional Services for an electrical contractor of record to perform a backlog of electrical projections. With the current expansion and upgrading of WES treatment facilities, including the addition of modifying warning limits in LabWorks, analyzing and upgrading our control logic, we have improved our weekly monitoring reports optimizing our plant process control and equipment reliability, ensuring a reduction in risk throughout our plant operations. With future support of the recently hired Operator III positions and new Maintenance Coordinator we should greatly enhance our ability to plan and respond to operations and maintenance needs. These additional positions will allow our Water Quality Analyst to function within the intended role. The to be filled Management Analyst position will further enhance our ability to procure and obtain contracted services/goods for the Operation and Maintenance needs of the treatment facilities.

*FY 16-17 and 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.

Operations

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. Seventy-five percent of all maintenance activities being planned rather than reactive will ensure the best preventative maintenance program possible for our collections system assets and establish maintenance activities that allow us to plan for replacement, repairs, and upgrades to the system in the best possible manner. Miles of pipe cleaned and inspected annually was not completely dropped, the measure was changed to a percentage of the system, and recounting the same sections of pipe that are cleaned several times a year is now only being counted one time as a fraction of the overall percentage of pipe cleaned in the system. The other performance measures were dropped because they were too easily attained; therefore, not really measuring something that was going to significantly improve the organization.

Key Performance Measures

		FY 16-17 Actual	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Actuals as of 12/31/18	FY 19-20 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	NEW	33%	20.8%	33%
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	NEW	16.7%	5.5%	16.7%
Result	Miles of pipe cleaned and inspected annually ² (This measure was rolled into the measure above)	45.8	56.7	Discontinued		
Result	75% of all WES Maintenance activities will be planned efforts to address performance deficiencies or enhancements. ¹	NEW	NEW	75%	62%	75%
Result	% maintenance performed that is preventative rather than corrective ²	95.8%	95.3%	Discontinued		
Result	# pump stations cleaned and inspected annually ²	21	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

	FY 16-17 Actual*	FY 17-18 Actual*	FY 18-19 Budget	FY 18-19 Projected Year End	FY 19-20 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	2,011,535	2,053,792	1,593,969	1,401,718	1,719,174	125,205	8%
Materials & Services	1,469,651	1,757,844	2,340,792	1,850,497	1,873,907	(466,885)	-20%
Indirect Costs (Internal Dept Chgs)	179,306	99,466	81,131	81,500	80,113	(1,018)	-1%
Cost Allocation Charges	230,334	274,782	148,415	143,653	174,883	26,468	18%
Operating Expenditure	3,890,826	4,185,884	4,164,307	3,477,368	3,848,077	(316,230)	-8%
Total Exp - Including Special Categories	3,890,826	4,185,884	4,164,307	3,477,368	3,848,077	(316,230)	-8%

General Fund Support (if applicable)	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	20.78	20.23	12.65	12.65	13.39	0.74	6%
Full Time Equiv Pos (FTE) Filled at Yr End	20.95	21.53	12.65	12.34			
Full Time Equiv Pos (FTE) Vacant at Yr End	-0.17	-1.30	0.00	0.31			

The Field Operations and Maintenance Program proposes a \$3,848,077 operating budget for FY 2019-20 which is a -\$316,230 decrease or 8%. More capital projects and surface water projects have been pushed toward the capital program budget reducing the yearly program expense. For example, Repairs & Maint. is down -\$200,000, or a -58.8% reduction, Engineering -\$65,000 or a -59.4% reduction, Professional Services -\$62,000, Equipment Rental -\$115,000 or -82.0% and finally Equipment Pool Rental down -\$64,000 or -18.0%. We have proposed adding one new FTE as a Sanitary & Surface Water Technician to help meet our Performance Clackamas targets for cleaning and inspecting Sanitary Collections systems and Surface Water Maintenance.

*FY 16-17 and 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.



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WES



WES' field operations staff perform collection system repairs in a sewer manhole on HWY 99 in Oregon City, OR

WATER ENVIRONMENT SERVICES OVERVIEW

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. All references and comparisons to 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 for CCSD No. 1, TCSD, and SWMACC showing financial history for FY's 2016-17 and 2017-18 are included in Appendix A.

WATER ENVIRONMENT SERVICES

BUDGET SUMMARY BY FISCAL YEAR – ALL FUNDS

	2017-18 ACTUAL	2018-19 BUDGET	2018-19 ESTIMATE	2019-20 BUDGET
RESOURCES				
Beginning Fund Balance	\$ 15,664,794	\$ 94,176,860 ¹	\$ 96,035,261 ¹	\$ 100,266,428
Sales and Services				
Service Charges	419,095	28,021,200	28,200,700	29,978,200
City Payments	7,997,522	13,505,150	13,548,200	14,200,000
SDCs	827,629	5,862,985	4,426,300	8,574,400
City Right-of-Way Fees	311,418	554,100	593,000	619,000
Assessment Principal	-	179,700	417,000	157,200
Assessment Interest	-	145,000	180,000	145,000
Intergovernmental Revenue	-	244,300	244,300	244,300
Interest Income	171,915	1,867,133	1,736,600	2,005,300
Miscellaneous	806,035	1,209,728	955,883	1,095,388
Subtotal - Revenues	10,533,614	51,589,296	50,301,983	57,018,788
State Revolving Fund Contributions		12,800,000	11,250,916	13,900,000
Transfers IN	2,000,000	17,873,981	17,873,981	24,295,406
TOTAL RESOURCES	\$ 28,198,408	\$ 176,440,137	\$ 175,462,141	\$ 195,480,622
REQUIREMENTS				
WES Labor	\$ 2,639,532	\$ 13,558,561	\$ 12,725,192	\$ 14,489,170
Laboratory Services	247,851	55,000	36,000	55,000
Other County Services	595,158	2,965,113	3,204,998	3,277,230
Professional Services	482,227	3,501,003	2,201,601	4,090,500
Miscellaneous Services	51,652	469,500	404,382	449,360
Supplies	890,632	2,378,080	2,262,119	2,147,630
Utilities	648,309	1,461,500	1,704,100	1,614,250
Repairs and Maintenance	84,000	1,110,000	1,096,127	834,050
Interagency Coordination	523,575	1,202,000	1,011,385	1,212,000
Miscellaneous Expenses	586,502	2,114,810	1,980,408	1,989,679
Subtotal - Expenditures	6,749,438	28,815,567	26,626,312	30,158,869
Capital Outlay	2,199,936	45,865,000	23,707,796	43,523,000
Debt Service - Principal	-	3,821,208	3,821,208	3,891,208
Debt Service - Interest	-	3,166,416	3,166,416	3,367,310
Contingency	-	16,269,250	-	15,907,750
Ending Fund Balance	17,249,034	60,628,715	100,266,428	74,337,079
Transfers OUT	2,000,000	17,873,981	17,873,981	24,295,406
TOTAL REQUIREMENTS	\$ 28,198,408	\$ 176,440,137	\$ 175,462,141	\$ 195,480,622

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

Water Environment Services
CONSOLIDATED FINANCIAL SCHEDULE - ALL FUNDS
2019-20 FISCAL YEAR BUDGET

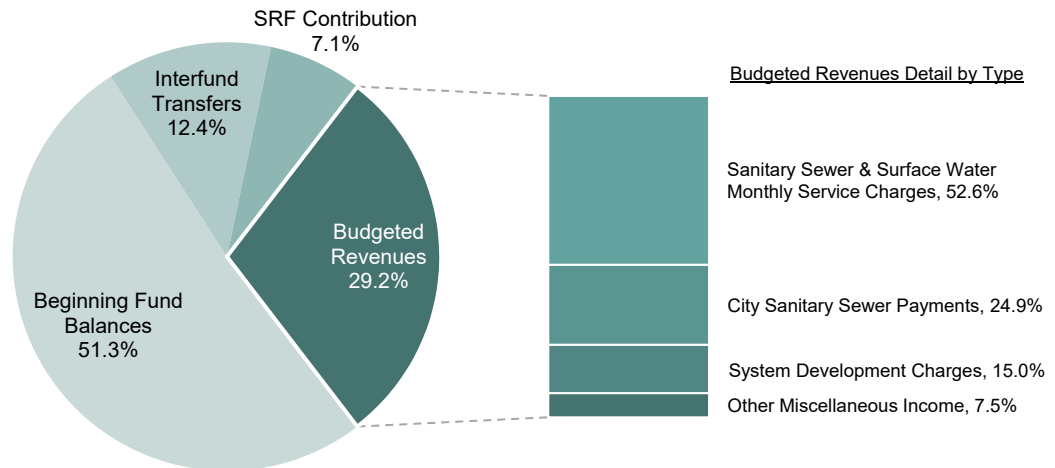
SERVICE CATEGORY	Sanitary Sewer			Surface Water			Debt Service		WATER ENVIRONMENT SERVICES TOTAL
FUND DESCRIPTION	Operating Fund	System Development Charge Fund	Construction Fund	Operating Fund	System Development Charge Fund	Construction Fund	State Loan Fund	Revenue Bond Fund	
RESOURCES									
Estimated Beginning Fund Balance 7/1/2019	\$ 9,591,333	\$ 30,356,431	\$ 46,479,255	\$ 9,305,425	\$ 1,923,464	\$ 1,066,180	\$ 1,169,190	\$ 375,150	\$ 100,266,428
Sales and Services									
Service Charges	24,746,500			5,231,700					29,978,200
City Payments	14,200,000								14,200,000
System Development Charges	255,000	8,203,300			116,100				8,574,400
City Right-of-Way Fees	619,000								619,000
Assessment Principal	-						157,200		157,200
Assessment Interest	10,000						120,000	15,000	145,000
Intergovernmental Revenue	244,300								244,300
Interest Income	191,800	607,100	929,600	186,100	38,500	21,300	23,400	7,500	2,005,300
Miscellaneous	555,220			255,000		285,168			1,095,388
Subtotal	40,821,820	8,810,400	929,600	5,672,800	154,600	306,468	300,600	22,500	57,018,788
SRF Contribution			13,900,000						13,900,000
Transfers IN			14,500,000			3,000,000		6,795,406	24,295,406
TOTAL RESOURCES	\$ 50,413,153	\$ 39,166,831	\$ 75,808,855	\$ 14,978,225	\$ 2,078,064	\$ 4,372,648	\$ 1,469,790	\$ 7,193,056	\$ 195,480,622
REQUIREMENTS									
WES Labor	\$ 12,001,703			\$ 2,487,467					\$ 14,489,170
Laboratory Services	45,000			10,000					55,000
Other County Services	2,593,304			683,926					3,277,230
Professional Services	2,863,100			1,227,400					4,090,500
Miscellaneous Services	358,430			90,930					449,360
Supplies	1,984,180			163,450					2,147,630
Utilities	1,601,400			12,850					1,614,250
Repairs and Maintenance	524,050			310,000					834,050
Interagency Coordination	1,011,500			200,500					1,212,000
Miscellaneous Expenses	1,740,966			248,713					1,989,679
Subtotal	24,723,633	-	-	5,435,236	-	-	-	-	30,158,869
Capital Outlay		4,248,500	38,449,500		50,000	775,000			43,523,000
Debt Service - Principal							106,208	3,785,000	3,891,208
Debt Service - Interest							356,904	3,010,406	3,367,310
Contingency	4,121,000	1,062,125	9,612,375	906,000	12,500	193,750			15,907,750
Reserves & Ending Fund Balance	1,173,114	33,856,206	27,746,980	5,636,989	2,015,564	3,403,898	106,678	397,650	74,337,079
Transfers OUT	20,395,406			3,000,000			900,000		24,295,406
TOTAL REQUIREMENTS	\$ 50,413,153	\$ 39,166,831	\$ 75,808,855	\$ 14,978,225	\$ 2,078,064	\$ 4,372,648	\$ 1,469,790	\$ 7,193,056	\$ 195,480,622
FUND BALANCE									
Net Increase (Decrease) in Fund Balance	\$ (8,418,219)	\$ 3,499,775	\$ (18,732,275)	\$ (3,668,436)	\$ 92,100	\$ 2,337,718	\$ (1,062,512)	\$ 22,500	\$ (25,929,349)
% Change	-88%	12%	-40%	-39%	5%	219%	-91%	6%	-26%

WATER ENVIRONMENT SERVICES

RESOURCES

Total resources are proposed to be \$195,480,622. WES' FY 2019-20 resources are derived from four main sources: beginning fund balances, budgeted revenues, an SRF contribution, and interfund transfers.

WES SANITARY SEWER AND SURFACE WATER FUNDS RESOURCES, PROPOSED FY 2019-20



TOTAL RESOURCES - \$195,480,622

BEGINNING FUND BALANCES – 51.3% 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.

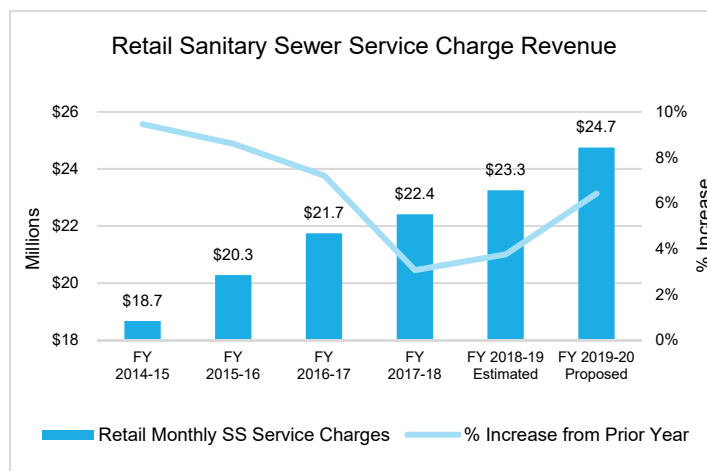
Of the approximately \$100.2 million total in WES' beginning fund balances, \$76.8 million is in the Sanitary Sewer Construction and SDC funds and \$3.0 million is in the Surface Water Construction and SDC Funds. The beginning fund balances in these funds will be used to fund current and future year capital outlay. The beginning balances in the State Loan Fund and Revenue Bond Fund total \$1.5 million; these resources will be used to pay current and future year principal and interest on long term debt. The remaining \$18.9 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 – 29.2% of Resources

WES' budgeted revenues for FY 2019-20 are estimated at \$57.0 million, an increase of 10.5% from the 2018-19 FY budget due to increased service charge rates and growth within the service areas. This total is comprised of Sanitary Sewer revenues of \$50.9 million and Surface Water revenues of \$6.1 million. WES receives 92.5% 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 2019-20 budget reflect estimates based upon historic trend analysis, recent development activity, and a population forecast study completed in 2016.

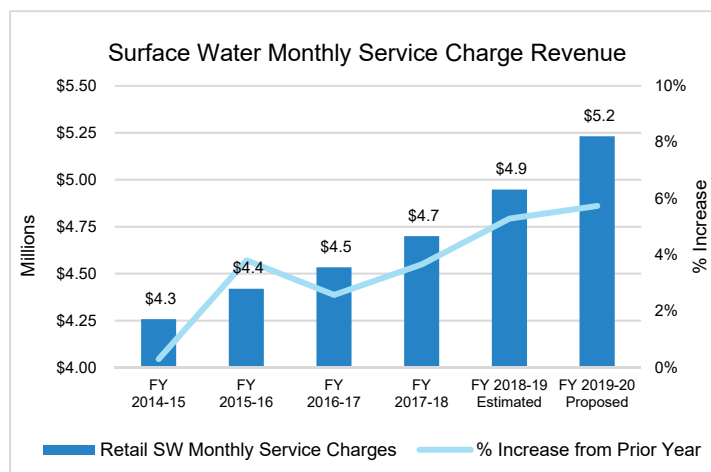
SANITARY SEWER RETAIL MONTHLY SERVICE CHARGES – 43.4% of Budgeted Revenues

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 \$24.7 million for FY 2019-20, an increase of \$1.68 million or 7.3% over WES' FY 2018-19 budget and an increase of \$1.5 million or 6.4% over FY 2018-19's estimated revenue. The additional revenues are driven by both an increase in the monthly service charge rate and growth within the district. The monthly Rate Zone 2 retail service fee of \$48.15 per Equivalent Dwelling Unit (EDU) per month for FY 2018-19 is proposed to increase 5% to \$50.55 per EDU per month in FY 2019-20. The monthly Rate Zone 1 retail rate of \$33.25 per EDU per month is proposed to increase to \$36.40. The monthly rate for customers in Happy Valley is proposed to be approximately \$53.08 per EDU per month in order to cover the City's 5% Right-of-Way fee. Growth in the district for FY 2019-20 is projected to be 550 EDUs, 50 more than were projected for FY 2018-19. 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 which predicted an overall percentage change in Rate Zone 2's retail customer population of 10.3% from 2015 to 2020.



SURFACE WATER MONTHLY SERVICE CHARGES – 9.2% 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 \$5.2 million, an increase of approximately \$0.28 million or 5.6% over the FY 2018-19 budget and estimate.



FY 2019-20's budget is based on providing service to 53,668 Equivalent Service Units (ESUs) in Rate Zone 2, 550 more than the FY 2018-19 budget and 3,782 ESUs in the Rate Zone 3. Rate increases in both service areas are approximately 5%: the monthly rate in Rate Zone 2 for FY 2019-20 is proposed at \$7.30 per ESU from the FY 2018-19 rate of \$6.95 per ESU and the monthly rate in the Rate Zone 3 service area is proposed at \$4.45 per ESU from \$4.25. The monthly rate for customers within the City of Happy Valley in Rate Zone 2 is proposed to be approximately \$7.67 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 \$5.2 million in surface water monthly service charges budgeted for FY 2019-20 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 above illustrates the revenue trend for surface water monthly service charges for FY's 2014-15 – 2017-18 actuals, and the estimated revenues for FY 2018-19 relative to the proposed budget.

CITY PAYMENTS FOR WHOLESALE SANITARY SEWER SERVICE – 24.9% of Budgeted Revenues

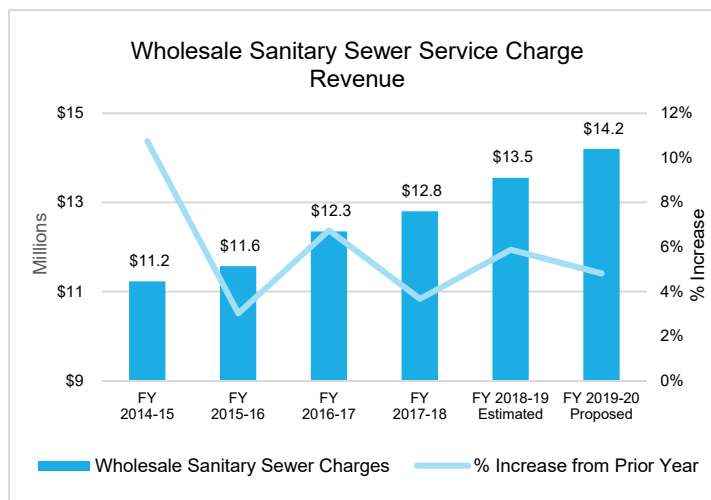
Wholesale sanitary sewer revenues are budgeted at a total of \$14.2 million for FY 2019-20 based on providing service to both Rate Zone 1 and Rate Zone 2 service areas.

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 \$8.9 million is expected from wholesale service charges to these cities in FY 2019-20, \$0.35 million more than the amount budgeted in FY 2018-19. 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 2019-20 is approximately 3.3%, to a fee of \$23.75 per EDU per month from the current rate of \$23.00 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 \$37.90 for FY 2019-20, an increase of 5% or \$1.80 from FY 2018-19. The FY 2019-20 budget reflects wholesale revenues of approximately \$5.2 million from the City of Milwaukie based on an estimate of about 11,370 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 2019-20, the City of Johnson City will pay the full Rate Zone 2 wholesale rate of \$37.90 per EDU as agreed to in a May 2014 amendment to the IGA. FY 2019-20 budgeted revenues from the City of Johnson City are estimated to be around \$120 thousand.

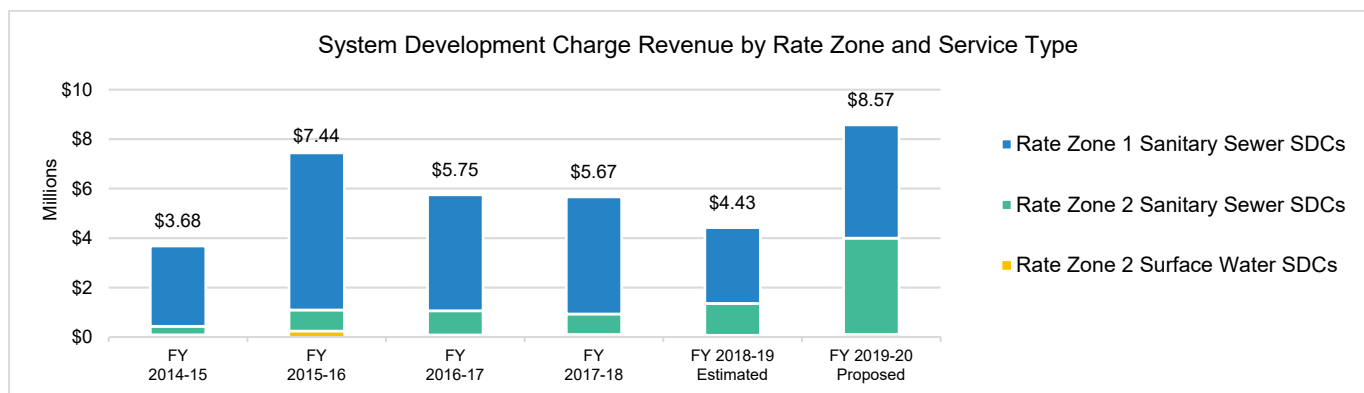


The funds from sanitary sewer service charges provide for the annual operating program, which includes operations, maintenance, and capital maintenance efforts. The approximate 3.3% - 5% rate increases discussed above are needed to pay for the increased costs of operating WES' treatment facilities and 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.

Growth in the member cities of the Rate Zone 1 service area for FY 2019-20 is projected to be 495 EDUs. This estimate is based on an analysis of recent construction trends and on a population forecast by EcoNorthwest completed in FY 2015-16 which predicted a 2% average annual growth rate for Rate Zone 1.

SYSTEM DEVELOPMENT CHARGES – 15.0% 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 \$8.5 million for FY 2019-20 and SDC revenues for new surface water connections are expected to generate approximately \$116 thousand. As SDCs result from growth within the service areas, projected SDC revenue is tied closely to population growth projections. There are 1,045 new connections predicted for FY 2019-20 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 2019-20 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 400 connections this upcoming year.



FY 2019-20's budgeted SDC revenue is based on a harmonized wholesale Sanitary Sewer SDC fee of \$7,850 which will apply to all customer classes in Rate Zones One and Two. This fee represents an increase of 3% from FY 2018-19's Rate Zone Two retail connection fee of \$7,615, an increase of 125% or \$4,360 from FY 2018-19's Rate Zone One wholesale sanitary sewer connection fee of \$3,490 per EDU, and an increase of 20% or \$1,310 from FY 2018-19's Rate Zone Two wholesale connection fee of \$6,540 per EDU. This harmonization in the sanitary sewer SDC fee structure is the result of a recommendation from the Water Environment Services Advisory Committee. The proposed retail surface water connection fee for FY 2019-20 is \$211, which is an increase of 3.0% above the current \$205 retail SDC fee. Surface Water SDCs apply to Rate Zone Two only.

OTHER REVENUE SOURCES –7.5 % of Budgeted Revenues

Other sources of revenue include interest income of approximately \$2 million, \$302 thousand of assessment principal and interest, and approximately \$1.3 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 \$4.3 million which is approximately \$66 thousand or 1.6% higher than the prior year.

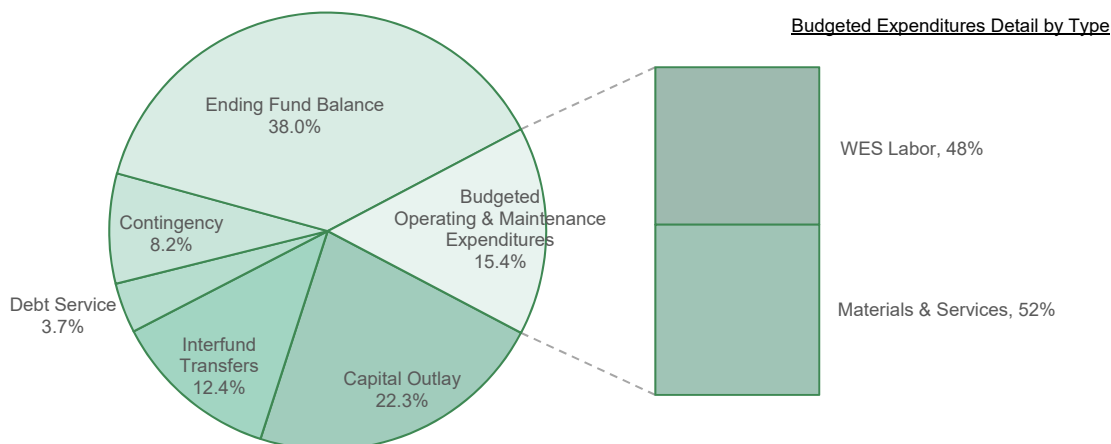
INTERFUND TRANSFERS – 12.6% of Resources

Interfund transfers are made to share resources between funds. For FY 2019-20, interfund transfers total approximately \$24.3 million. This resource includes transfers into the Sanitary Sewer and Surface Water Construction Funds of \$14.5 million and \$3 million respectively as reserves for current and future capital expenditures and transfers into the Revenue Bond Fund of approximately \$6.8 million for payment of FY 2019-20 debt principal and interest.

REQUIREMENTS

Total requirements for WES for FY 2019-20 are proposed to be \$195,480,622. 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 2019-20



TOTAL REQUIREMENTS - \$195,480,622

BUDGETED OPERATING & MAINTENANCE (O&M) EXPENDITURES –15.4% of Requirements

Budgeted expenditures consist of current year outlays for operating and maintenance needs. WES' budgeted expenditures are proposed at approximately \$30.1 million, an increase of 4.7% from the 2018-19 FY budget. Of this total, Sanitary Sewer expenditures account for \$24.7 million and Surface Water expenditures account for \$5.4 million.

WES LABOR – 48.0% of Budgeted O&M 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 \$14.5 million on labor in FY 2019-20 which is \$931 thousand or 6.9% more than the FY 2018-19 budget. This increase is due to increased pension and salary costs and the proposed addition of two FTEs for FY 2019-20. Of the Department's total 112 FTE, approximately 94 FTE are allocated to providing services related to sanitary sewer operations and 18 FTE are allocated to providing services related to surface water operations.

MATERIALS AND SERVICES – 52.0% of Budgeted O&M Expenditures

Budgeted materials and services expenditures for FY 2019-20 are proposed at approximately \$15.6 million. Of this total, sanitary sewer materials and services account for \$12.7 million, which is approximately equal to the FY 2018-19 materials and services budget. Increases in professional services and other County services were offset by decreases in supplies and repairs and maintenance costs.

The FY 2019-20 Materials and Services budget for surface water is \$2.9 million, an increase of approximately \$374 thousand or 14.5% over WES' FY 2018-19 surface water materials and services budget. The increase reflects higher costs for other County services and increased spending for engineering and environmental services.

CAPITAL OUTLAY – 22.3% of Requirements

Capital expenditure funds provide for land acquisition, facility modification and expansion, system improvements, and significant equipment for treatment facilities, collection systems, and maintenance operations. The FY 2019-20 budget includes approximately \$43.5 million for capital expenditures, a decrease of 5.1% from FY 2018-19. Of this total, approximately \$42.7 million will be used for sanitary sewer capital projects and approximately \$0.8 million will be used for surface water capital projects.

The largest uses of capital funds for sanitary sewer projects in FY 2019-20 are \$13.9 million for solids handling improvements at the Tri-City Water Resource Recovery Facility and \$10 million for improvements to the Kellogg Creek Water Resource Recovery Facility. The largest use of surface water capital funds in FY 2019-20 is \$450 thousand for the Mt. Scott Oak Bluff Reach Restoration project.

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

DEBT SERVICE – 3.7% of Requirements

Budgeted debt service consists of FY 2019-20 principal and interest payments for outstanding debt. WES had no debt service requirements in FY 2017-18. WES' debt service for FY 2018-19 and FY 2019-20 stems primarily from the transfer of CCSD No. 1's obligations accompanying the integration of the district into WES. FY 2019-20's debt service increases 3.9% from FY 2018-19's debt service due to a 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 – 12.4% of Requirements

The Interfund Transfers requirement matches the Interfund Transfers resource in terms of absolute dollars. The FY 2019-20 budget is approximately \$24.3 million and consists of a transfer out of the Sanitary Sewer Operating Fund into the Sanitary Sewer Construction Fund of \$14.5 million, a transfer out of the Surface Water Operating Fund into the Surface Water Construction fund of \$3 million, a transfer out of the Sanitary Sewer Operating Fund into the Revenue Bond Fund of \$5.9 million, and a transfer out of the State Loan Fund into the Revenue Bond Fund of \$0.9 million.

CONTINGENCY – 8.2% of Requirements

Contingencies represent funds set aside to provide for unforeseen circumstances which may occur during the year such as increases in costs or drops in revenue. The FY 2019-20 budget includes contingencies of \$15.9 million. These funds are only accessible through a budget transfer to another expenditure category which must be approved by the Board. Amounts not expended during the year are added to reserves at year end.

ENDING FUND BALANCE – 38.0% of Requirements

Ending fund balances represent amounts which are carried over to the next fiscal year. Approximately \$74.3 million is projected as ending fund balances for FY 2019-20, a decrease of approximately \$25.9 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, \$5.6 million in the Surface Water Operating Fund, approximately \$61.6 million in the Sanitary Sewer SDC and Construction funds, approximately \$5.4 million in the Surface Water SDC and Construction funds, and \$0.5 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.



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WATER ENVIRONMENT SERVICES SANITARY SEWER FUND DETAIL

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

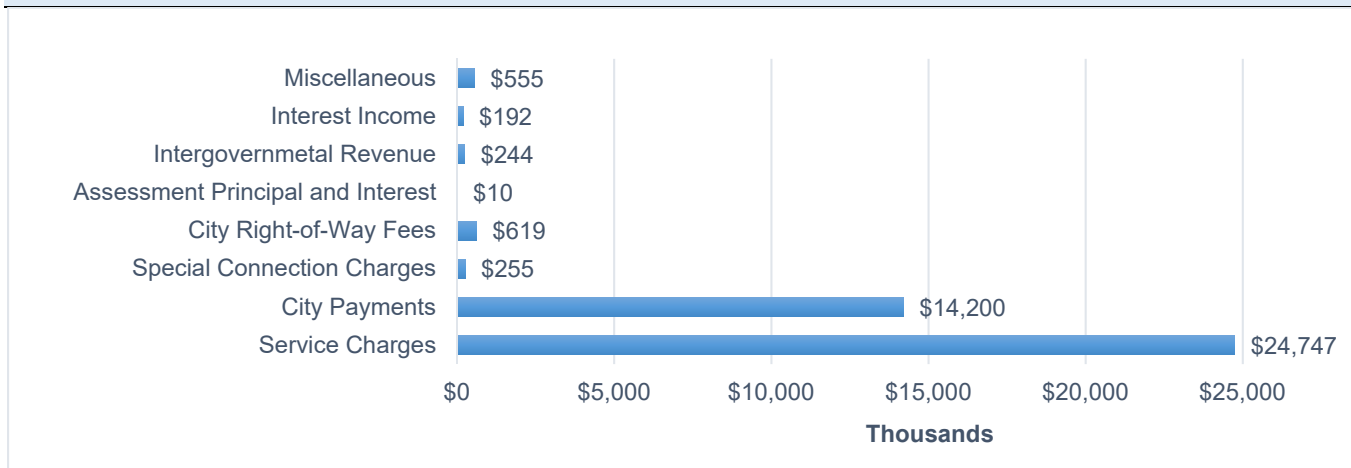
Water Environment Services' Sanitary Sewer Operating Fund accounts for all operating and maintenance expenses for day-to-day sanitary sewer operations.

FY 2019-20 resources in the Sanitary Sewer Operating Fund are approximately \$50.4 million. Primary resources include Monthly Service Charges of \$24.7 million from retail customers, City Payments of \$14.2 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 \$1.9 million, and beginning fund balance carried over from the prior year of \$9.6 million.

The integration of CCSD No. 1 into WES was achieved on July 1, 2018 with the contribution of CCSD No. 1's FY 2017-18 end-of-year reserves. This \$5.2 million contribution from CCSD No. 1 into WES is reflected as a component of FY 2018-19's beginning fund balance.

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 BUDGETED REVENUES



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 2019-20 is proposed to increase approximately 9.5% from \$33.25 per EDU per month to \$36.40 per EDU per month. The proposed budget includes a Rate Zone 2 retail rate increase of approximately 5.0% from \$48.15 per EDU per month to \$50.55 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.

A summary of WES' FY 2019-20 retail sanitary sewer rates and their rate components is as follows:

	WES Wholesale Monthly Rate	WES Collection Charge Rate	WES Legacy Debt Service Component	WES Retail Total	City Right-of-Way Fee Surcharge*	Estimated Monthly Total	Projected FY 2019-20 EDUs
Rate Zone 1	\$ 23.75	\$ 12.65	\$ -	\$ 36.40	\$ -	\$ 36.40	540
Rate Zone 2	\$ 23.75	\$ 12.65	\$ 14.15	\$ 50.55	\$ 2.53	\$ 53.08	40,118

**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.

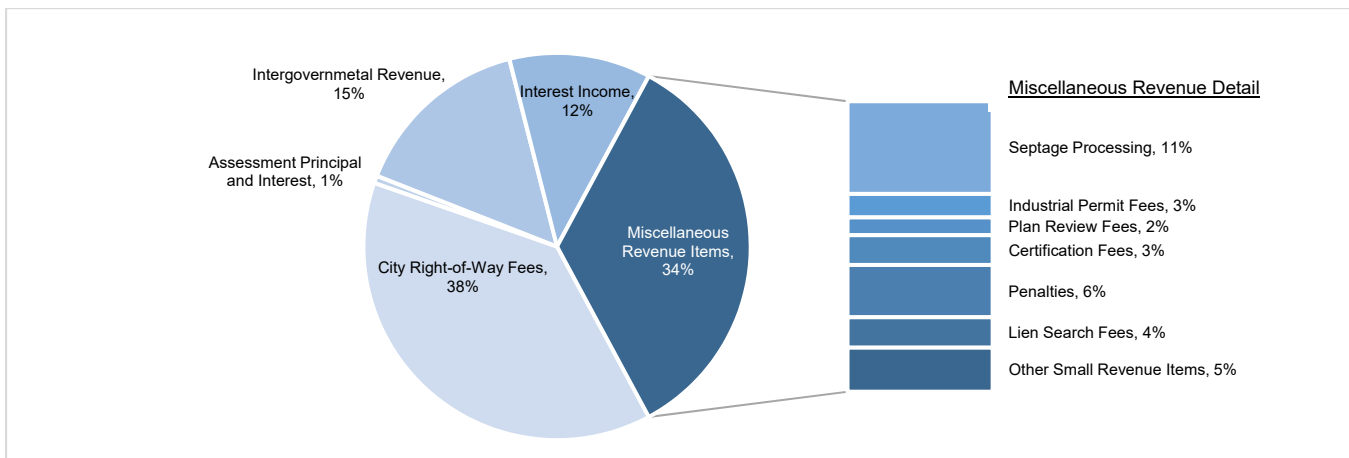
The proposed budget includes a wholesale monthly service charge rate increase of approximately 3.3% from \$23.00 per EDU per month to \$23.75 per EDU per month. The following table combines WES' wholesale rate with the legacy debt service component for Rate Zone 2, applicable city right-of-way fees, and the rate charged by individual cities for their local operating expenses, to arrive at the proposed total user rates for FY 2019-20 that will be charged for a single family unit in each city:

	WES Wholesale Monthly Rate	Legacy Debt Service Component	City Right-of-Way Fee Surcharge	WES Wholesale Subtotal	City Retail Monthly Rate	Estimated Monthly Total	Projected FY 2019-20 EDUs
Rate Zone 1							
Oregon City	\$ 23.75	\$ -	\$ 1.50	\$ 25.25	\$ 31.13*	\$ 56.38	16,534
West Linn	\$ 23.75	-	\$ -	\$ 23.75	\$ 20.76	\$ 44.51	10,400
Gladstone	\$ 23.75	-	\$ 1.20	\$ 24.95	\$ 9.60*	\$ 34.55	4,300
Rate Zone 2							
Milwaukie	\$ 23.75	\$ 14.15	\$ -	\$ 37.90	\$ 24.73*	\$ 62.63	11,372
Johnson City	\$ 23.75	\$ 14.15	\$ -	\$ 37.90	\$ 1.90	\$ 39.80	278

**This is the FY 2018-19 rate. Oregon City, Gladstone, and Milwaukie rates are subject to change.*

Other Revenue Items

The other revenues of approximately \$1.9 million for FY 2019-20 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:



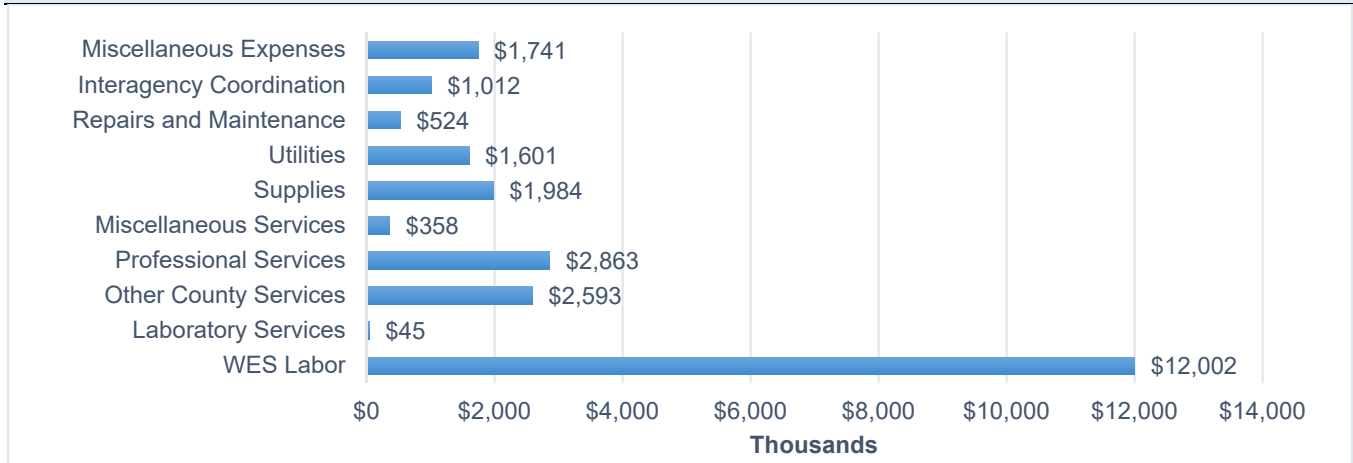
WATER ENVIRONMENT SERVICES SANITARY SEWER FUND DETAIL

SANITARY SEWER OPERATING FUND 631 - CONTINUED

The Sanitary Sewer Operating Fund's budgeted requirements are approximately \$50.4 million and include current year expenditures, transfers, contingency, and reserves.

Budgeted expenditures for FY 2019-20 total approximately \$24.7 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 BUDGETED EXPENDITURES



Budgeted transfers for FY 2019-20 include \$14.5 million to the Sanitary Sewer Construction Fund and approximately \$5.9 million to the Revenue Bond Fund.

The budgeted contingency is approximately \$4.1 million and represents funds set aside for unforeseen circumstances which may arise during the year.

Ending fund balance is budgeted at approximately \$1.2 million, a reduction from anticipated FY 2019-20 beginning fund balance of 88% or approximately \$8.4 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.

WATER ENVIRONMENT SERVICES
SANITARY SEWER OPERATING FUND DETAIL

	2017-18 <u>ACTUAL</u>	2018-19 <u>BUDGET</u>	2018-19 <u>ESTIMATE</u>	2019-20 <u>BUDGET</u>
RESOURCES				
BEGINNING FUND BALANCE	\$ 4,164,847 ¹	\$ 7,540,172 ²	\$ 10,040,524 ²	\$ 9,591,333
RETAIL MONTHLY SERVICE CHARGES				
RATE ZONE 1	233,449	237,700	240,500	260,900
RATE ZONE 2	0	22,830,300	23,012,400	24,485,600
WHOLESALE MONTHLY SERVICE CHARGES				
MILWAUKIE & JOHNSON CITY	0	4,956,550	5,038,100	5,298,400
OREGON CITY	4,058,402	4,479,500	4,452,900	4,712,100
WEST LINN	2,827,033	2,882,800	2,870,400	2,964,000
GLADSTONE	1,112,087	1,186,300	1,186,800	1,225,500
CITY RIGHT-OF-WAY FEES				
HAPPY VALLEY	0	234,800	263,000	275,000
OREGON CITY	255,380	262,900	271,000	283,000
GLADSTONE	56,038	56,400	59,000	61,000
INTEREST INCOME	55,940	150,800	180,700	191,800
SYSTEM DEVELOPMENT CHARGE	0	5,000	5,000	5,000
SPECIAL CONNECTION CHARGE	0	220,000	350,000	250,000
PRINCIPAL AND INTEREST NON-BONDED INSTALLMENT	0	10,000	40,000	10,000
INTERGOVERNMENTAL REVENUE	0	244,300	244,300	244,300
MISCELLANEOUS INCOME	652,700	672,200	515,220	555,220
TOTAL RESOURCES	13,415,876	45,969,722	48,769,844	50,413,153
REQUIREMENTS				
MATERIALS AND SERVICES				
421000 OFFICE AND ADMINISTRATIVE SUPPLIES	26,018	247,918	169,294	181,765
422000 CHEMICALS, UNIFORMS, OTHER SUPPLIES	688,810	1,158,100	1,164,700	1,199,800
424000 REPAIR AND MAINTENANCE SUPPLIES	152,914	725,485	756,625	560,615
425000 SMALL TOOLS AND EQUIPMENT	20,923	40,000	62,500	42,000
427000 BIOSOLIDS AND SLUDGE REMOVAL	60,823	743,000	743,000	743,000
428000 PERMIT FEES	40,300	128,500	130,340	126,500
PROFESSIONAL AND TECHNICAL SERVICES				
431100 ACCOUNTING AND AUDITING	11,897	40,000	24,475	30,000
431200 MANAGEMENT CONSULTANT	15,566	101,800	14,450	107,550
431340 ENGINEERING	197,798	1,350,000	642,000	1,885,000
431350 ENVIRONMENTAL	26,713	128,000	58,000	15,000
431400 LEGAL	15,810	16,000	16,000	0
431500 MEDICAL	781	2,500	7,216	3,000
431600 FINANCIAL SERVICES	69,405	317,925	263,000	341,000
431700 PROFESSIONAL ADMINISTRATIVE SERVICES	43,454	158,100	96,500	69,250
431740 INFORMATION SERVICES (DATA PROCESSING)	62,957	448,822	322,871	412,300
431750 LABORATORY SERVICES	235,888	45,000	35,000	45,000

WATER ENVIRONMENT SERVICES
SANITARY SEWER OPERATING FUND DETAIL

	2017-18 <u>ACTUAL</u>	2018-19 <u>BUDGET</u>	2018-19 <u>ESTIMATE</u>	2019-20 <u>BUDGET</u>
431800 BUILDINGS AND GROUNDS	6,546	56,500	75,214	30,110
431910 WES LABOR	2,600,700	10,914,701	10,741,498	12,001,703
431920 DTD SERVICES	0	275,250	198,425	213,450
431929 OTHER COUNTY	577,044	2,119,762	2,309,506	2,379,854
432000 COMMUNICATIONS	53,417	290,500	242,800	328,320
433000 TRAVEL	2,702	13,500	10,300	12,000
435000 INSURANCE	162,235	421,467	407,796	419,328
436000 UTILITIES	648,309	1,454,000	1,696,400	1,601,400
437000 REPAIRS AND MAINTENANCE	83,998	825,000	811,127	524,050
438000 FACILITIES AND EQUIPMENT RENTAL	256,782	1,248,777	982,904	1,114,463
439000 MISCELLANEOUS CHARGES	39,440	284,262	265,418	268,925
439920 INTERAGENCY COORDINATION	513,670	1,016,500	832,500	1,011,500
439600 CONTRA ACCOUNTS	0	(973,851)	(775,329)	(943,250)
TOTAL OPERATING & MAINTENANCE	6,614,900	23,597,518	22,304,530	24,723,633
TRANSFERS				
SANITARY SEWER CONSTRUCTION FUND	2,000,000	10,000,000	10,000,000	14,500,000
REVENUE BOND FUND	0	6,873,981	6,873,981	5,895,406
TOTAL TRANSFERS	2,000,000	16,873,981	16,873,981	20,395,406
CONTINGENCY	0	3,933,000	0	4,121,000
ENDING FUND BALANCE	4,800,976	1,565,223	9,591,333	1,173,114
TOTAL REQUIREMENTS	\$ 13,415,876	\$ 45,969,722	\$ 48,769,844	\$ 50,413,153
USER CHARGE ANALYSIS				
ACCOUNTS SERVED (EDU'S)				
RATE ZONE 1 - RETAIL	533	533	540	540
RATE ZONE 1 - WHOLESALE	30,348	31,021	30,779	31,274
RATE ZONE 2 - RETAIL		39,538	39,568	40,118
RATE ZONE 2 - WHOLESALE		11,886	11,630	11,650
MONTHLY SERVICE CHARGE				
WES-WIDE WHOLESALE				\$ 23.75
WES-WIDE RETAIL				\$ 12.65
LEGACY DEBT SERVICE (RATE ZONE 2 ONLY)				\$ 14.15
MONTHLY O&M COST/EDU	\$ 17.85	\$ 23.70	\$ 22.53	\$ 24.65

¹ FY 2017-18 Beginning fund balance consists of the Contribution of TCSD's 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.

Certain line items in the FY 2018-19 Budget column have been updated to conform to FY 2019-20 presentation.

WATER ENVIRONMENT SERVICES SANITARY SEWER FUND DETAIL

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 2019-20 budgeted resources total approximately \$39.2 million and include system development charges (SDCs) of \$8.2 million, interest income of \$0.6 million, and beginning fund balance of approximately \$30.4 million.

The integration of CCSD No. 1 into WES was achieved on July 1, 2018 with the contribution of CCSD No. 1's FY 2017-18 end-of-year reserves. This \$22.9 million contribution from CCSD No. 1 into WES is reflected as a component of FY 2018-19's beginning fund balance.

The primary resources in this fund are SDC revenues for new connections to the system. The largest portion of SDC revenue in FY 2019-20, \$4.3 million, is expected from retail connections within Rate Zone 2. Wholesale SDC revenues of approximately \$3.9 million are anticipated in Rate Zone 1 with \$3.1 million from the City of Oregon City; approximately \$0.6 million from the City of West Linn, and approximately \$160 thousand from the City of Gladstone. These revenues are based on a harmonized connection fee of \$7,850 per EDU which will apply to both retail and wholesale customers in Rate Zones One and Two. The Rate Zone Two retail SDC increase is approximately 3.0%, based on the Engineering News Record's construction inflation index. The increase in the Rate Zone One wholesale SDC is approximately 125% or \$4,360. The increase in the Rate Zone Two wholesale SDC is approximately 20% or \$1,310. The harmonization of sanitary sewer connection fees for FY 2019-20 was 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 2019-20 in this fund include capital outlay of approximately \$4.2 million with the largest proportion of funds directed at the 82nd Drive Bridge – North Approach Project and inflow and infiltration (I/I) reduction.

Contingency is budgeted at approximately \$1 million and ending fund balance is budgeted at approximately \$33.9 million. The \$3.5 million increase in ending fund balance over the projected FY 2019-20 beginning fund balance is reflective of higher anticipated revenues than expenditures. The \$33.9 million will act as a reserve for future capacity-related capital expenditures.

	2017-18 <u>ACTUAL</u>	2018-19 <u>BUDGET</u>	2018-19 <u>ESTIMATE</u>	2019-20 <u>BUDGET</u>
RESOURCES				
BEGINNING FUND BALANCE	\$ 2,769,220 ¹	\$ 25,816,456 ²	\$ 25,993,261 ²	\$ 30,356,431
SYSTEM DEVELOPMENT CHARGES				
RATE ZONE 2 - RETAIL	0	3,807,935	2,708,000	4,317,500
RATE ZONE 1 - OREGON CITY	706,712	1,396,000	1,151,700	3,140,000
RATE ZONE 1 - WEST LINN	81,012	261,750	104,700	588,800
RATE ZONE 1 - GLADSTONE	31,250	69,800	34,900	157,000
OTHER	8,655	0	0	0
INTEREST INCOME	34,364	516,300	467,900	607,100
TOTAL RESOURCES	3,631,213	31,868,241	30,460,461	39,166,831
REQUIREMENTS				
CAPITAL OUTLAY				
CAPITAL CONSTRUCTION	555,818	3,146,500	104,030	4,248,500
TOTAL CAPITAL OUTLAY	555,818	3,146,500	104,030	4,248,500
CONTINGENCY	0	786,625	0	1,062,125
ENDING FUND BALANCE	3,075,395	27,935,116	30,356,431	33,856,206
TOTAL REQUIREMENTS	\$ 3,631,213	\$ 31,868,241	\$ 30,460,461	\$ 39,166,831
CAPITAL OUTLAY DETAIL BY CAPITAL CATEGORY				
Tri-City WRRF	555,818	88,000	57,807	1,022,500
Collection System	0	3,058,500	46,223	3,226,000
TOTAL	555,818	3,146,500	104,030	4,248,500

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.

WATER ENVIRONMENT SERVICES SANITARY SEWER FUND DETAIL

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. The FY 2019-20 budget includes a transfer of \$14.5 million from the Sanitary Sewer Operating Fund.

Total resources for FY 2019-20 are \$75.8 million and include the aforementioned transfer from the Sanitary Sewer Operating Fund of \$14.5 million, interest income of \$929 thousand, a capital project contribution from the State Revolving Fund (SRF) of \$13.9 million, and beginning fund balance of approximately \$46.5 million. The integration of CCSD No. 1 into WES was accomplished on July 1, 2018 with the contribution of CCSD No. 1's FY 2017-18 end-of-year reserves of \$36.9 million. This contribution is included in FY 2018-19's beginning fund balance.

The budgeted resources of \$13.9 million from the State of Oregon Clean Water State Revolving Fund reflects funding for FY 2019-20's budgeted 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 during FY 2020-21 and SRF loan repayment will begin at that time; the FY 2019-20 budget includes a prepayment of interest on this loan which is further discussed in the Debt section.

FY 2019-20 requirements include capital outlay of approximately \$38.4 million. Major projects include the Tri-City WRRF Solids Handling Improvement Project, the Kellogg Creek WRRF Improvements Project, and the Hypochlorite Disinfection System Project at the Tri-City WRRF. Descriptions of all major projects are provided in detail in the separate Capital section.

The FY 2019-20 budget includes a contingency of \$9.6 million to provide for unforeseen capital expenses and an ending fund balance of approximately \$27.7 million which will provide funding for capital expenditures in future years. The decrease of \$18.7 million from the projected FY 2019-20 beginning fund balance reflects the budgeted use of resources for capital outlay expenditures.

WATER ENVIRONMENT SERVICES SANITARY SEWER FUND DETAIL

SANITARY SEWER CONSTRUCTION FUND 639 - CONTINUED

	2017-18 <u>ACTUAL</u>	2018-19 <u>BUDGET</u>	2018-19 <u>ESTIMATE</u>	2019-20 <u>BUDGET</u>
RESOURCES				
BEGINNING FUND BALANCE	\$ 8,167,753 ¹	\$ 47,287,083 ²	\$ 45,713,146 ²	\$ 46,479,255
TRANSFER FROM SEWER OPERATING FUND	2,000,000	10,000,000	10,000,000	14,500,000
INTEREST INCOME	75,705	945,700	822,800	929,600
MISCELLANEOUS	145,208	0	231,663	0
STATE REVOLVING FUND PROJECT CONTRIBUTION	0	12,800,000	11,250,916	13,900,000
TOTAL RESOURCES	10,388,666	71,032,783	68,018,525	75,808,855
REQUIREMENTS				
CAPITAL OUTLAY				
CAPITAL CONSTRUCTION	1,644,118	38,743,500	21,262,614	37,459,500
EQUIPMENT	0	995,000	276,656	990,000
TOTAL CAPITAL OUTLAY	1,644,118	39,738,500	21,539,270	38,449,500
CONTINGENCY	0	9,934,625	0	9,612,375
ENDING FUND BALANCE	8,744,548	21,359,658	46,479,255	27,746,980
TOTAL REQUIREMENTS	\$ 10,388,666	\$ 71,032,783	\$ 68,018,525	\$ 75,808,855
CAPITAL OUTLAY DETAIL BY CAPITAL CATEGORY				
Kellogg Water Resource Recovery Facility	0	9,200,000	6,200,486	11,250,000
Hoodland Water Resource Recovery Facility	0	2,200,000	1,731,087	100,000
Boring Water Resource Recovery Facility	0	50,000	49,876	500,000
Tri-City Water Resource Recovery Facility	1,414,781	18,902,000	12,277,136	20,277,500
Pump Station Upgrades	105,126	450,000	85,590	450,000
Collection System	58,391	6,816,500	719,316	3,784,000
Water Quality Lab	7,981	125,000	81,322	178,000
Blue Heron	1,002	100,000	0	0
Fleet	0	995,000	276,656	1,010,000
Asset Management - Renewal & Replacement	56,837	800,000	117,801	800,000
Development Review	0	100,000	0	100,000
TOTAL	1,644,118	39,738,500	21,539,270	38,449,500

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.

WATER ENVIRONMENT SERVICES SURFACE WATER FUND DETAIL

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

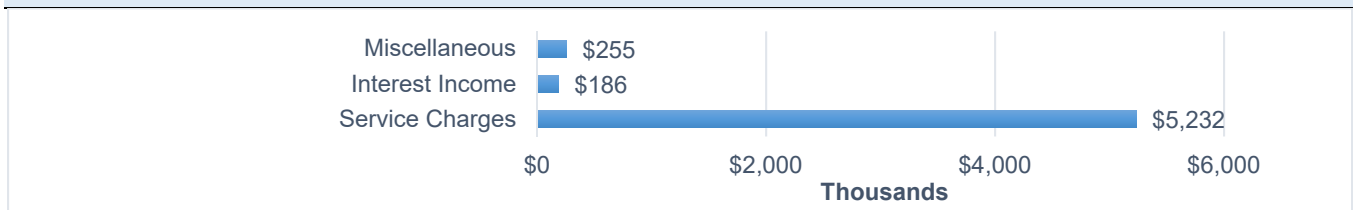
WES' Surface Water Operating Fund provides for all surface water operating and maintenance activities and a source of financing for future capital improvements.

FY 2019-20 resources in the Surface Water Operating Fund are approximately \$15 million. These resources consist of beginning fund balance of \$9.3 million, monthly service charges of approximately \$5.2 million, miscellaneous income of \$255 thousand, and interest earnings of \$186 thousand.

The integration of CCSD No. 1 into WES was achieved on July 1, 2018 with the contribution of CCSD No. 1's FY 2017-18 end-of-year reserves. This approximate \$8.7 million contribution from CCSD No. 1 into WES is reflected as a component of FY 2018-19's beginning fund balance.

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 2019-20 amount to approximately \$5.2 million, including \$5.0 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, \$4.7 million is expected in monthly user fees charged to residents and businesses and \$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. This fee is expected to generate approximately \$0.3 million which will be 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 \$6.95 per ESU per month to \$7.30 per ESU per month. The monthly rate for customers in the City of Happy Valley is proposed to be approximately \$7.67 per ESU per month in order to cover the City's 5% Right-of-Way fee.

Rate Zone 3, SWMACC Service Area

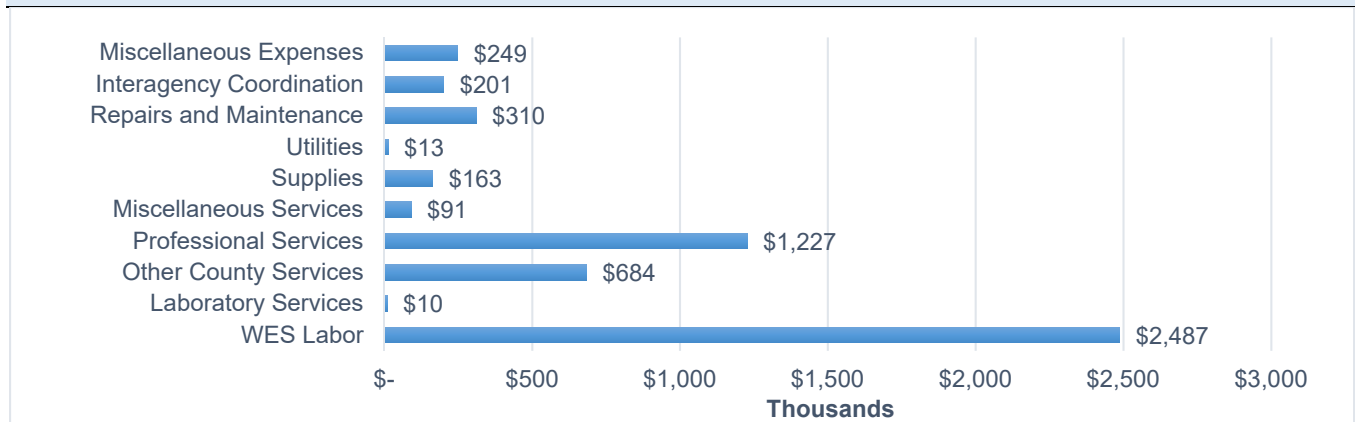
Within Rate Zone 3, \$0.2 million is budgeted for monthly user fees from residents and businesses within the service area boundaries. The base fee of \$4.25 per month per single-family dwelling currently being charged is proposed to increase approximately 5.0% to \$4.45 for FY 2019-20. Business and institutional 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 3,782 accounts.

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	\$ 7.30	\$ 0.37	\$ 7.67	53,668
Rate Zone 3	\$ 4.45	\$ -	\$ 4.45	3,782
<i>*Right-of-Way Fee Surcharge applies only to Rate Zone 2 ratepayers within the City of Happy Valley.</i>				

Requirements for the Surface Water Operating Fund total approximately \$15 million and include current year expenditures, contingency, and a transfer to the Surface Water Construction Fund of \$3 million.

SURFACE WATER OPERATING FUND BUDGETED EXPENDITURES



Expenditures for FY 2019-20 are budgeted at approximately \$5.4 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 \$0.9 million and represents funds set aside for unforeseen circumstances which may arise during the year. The ending fund balance of \$5.6 million will act as a reserve for operating and capital expenditures in future years. The decrease in reserves of 39% over the beginning fund balance is a result of the budgeted transfer of \$3 million to the Surface Water Construction Fund.

WATER ENVIRONMENT SERVICES
SURFACE WATER OPERATING FUND DETAIL

	2017-18 <u>ACTUAL</u>	2018-19 <u>BUDGET</u>	2018-19 <u>ESTIMATE</u>	2019-20 <u>BUDGET</u>
RESOURCES				
BEGINNING FUND BALANCE	\$ 562,433 ¹	\$ 8,666,707 ²	\$ 9,302,907 ²	\$ 9,305,425
MONTHLY SERVICE CHARGES				
RATE ZONE 2	0	4,439,600	4,430,000	4,699,700
RATE ZONE 3	185,646	192,600	192,800	202,000
SURFACE WATER ONSITE MAINTENANCE CONTRACTS	0	321,000	325,000	330,000
INTEREST INCOME	5,899	157,000	167,500	186,100
MISCELLANEOUS INCOME	8,127	255,000	209,000	255,000
TOTAL RESOURCES	762,105	14,031,907	14,627,207	14,978,225
REQUIREMENTS				
MATERIALS AND SERVICES				
421000 OFFICE AND ADMINISTRATIVE SUPPLIES	1,816	97,077	54,250	58,450
422000 CHEMICALS, UNIFORMS, OTHER SUPPLIES	151	37,000	25,500	31,000
424000 REPAIR AND MAINTENANCE SUPPLIES	0	57,500	16,250	58,000
425000 SMALL TOOLS AND EQUIPMENT	0	15,000	13,000	16,000
428000 PERMIT FEES	623	12,000	16,600	16,000
PROFESSIONAL AND TECHNICAL SERVICES				
431100 ACCOUNTING AND AUDITING	3,442	6,000	11,620	8,000
431200 MANAGEMENT CONSULTANT	0	63,200	2,550	7,450
431340 ENGINEERING	45	385,000	410,000	695,000
431350 ENVIRONMENTAL	36,074	305,000	185,000	410,000
431400 LEGAL	1,104	5,000	5,000	0
431500 MEDICAL	20	2,500	750	2,500
431600 FINANCIAL SERVICES	6,260	66,575	76,000	42,500
431700 MISC PROFESSIONAL SERVICES	162	34,900	27,800	10,750
431740 INFORMATION SERV (DATA PROC)	1,639	69,681	38,369	51,200
431750 LABORATORY SERVICES	11,963	10,000	1,000	10,000
431800 BUILDINGS AND GROUNDS	0	7,000	30,018	16,000
431910 WES LABOR	38,832	2,643,860	1,983,694	2,487,467
431920 DTD	231	65,000	30,000	65,000
431929 OTHER COUNTY	17,883	505,101	667,067	618,926
432000 COMMUNICATIONS	471	115,500	56,350	74,930
433000 TRAVEL	24	3,900	3,090	3,650
435000 INSURANCE	1,245	16,782	15,534	17,732
436000 UTILITIES	0	7,500	7,700	12,850
437000 REPAIRS AND MAINTENANCE	2	285,000	285,000	310,000
438000 FACILITIES AND EQUIPMENT RENTAL	1,352	158,125	139,847	151,031
439000 MISCELLANEOUS CHARGES	1,294	58,348	40,908	60,300
439920 INTERAGENCY COORDINATION	9,905	185,500	178,885	200,500
TOTAL OPERATING & MAINTENANCE	134,538	5,218,049	4,321,782	5,435,236
TRANSFERS				
SURFACE WATER CONSTRUCTION FUND	0	1,000,000	1,000,000	3,000,000
TOTAL TRANSFERS	0	1,000,000	1,000,000	3,000,000
CONTINGENCY	0	870,000	0	906,000
ENDING FUND BALANCE	627,567	6,943,858	9,305,425	5,636,989
TOTAL REQUIREMENTS	\$ 762,105	\$ 14,031,907	\$ 14,627,207	\$ 14,978,225
USER CHARGE ANALYSIS				
ACCOUNTS SERVED (ESU'S)				
RATE ZONE 2		53,233	53,118	53,668
RATE ZONE 3	3,813	3,777	3,781	3,782
MONTHLY SERVICE CHARGE				
RATE ZONE 2		6.95	6.95	7.30
RATE ZONE 3	4.10	4.25	4.25	4.45
MONTHLY O&M COST/ESU	2.94	7.63	6.33	7.88

¹ FY 2017-18 Beginning fund balance consists of the 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.

WATER ENVIRONMENT SERVICES SURFACE WATER FUND DETAIL

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 2019-20 budget includes resources of approximately \$2.1 million consisting of system development charges, interest income, and beginning fund balance. The integration of CCSD No. 1 into WES was completed on July 1, 2018 with the contribution of CCSD No. 1's FY 2017-18 end-of-year reserves. This approximate \$1.9 million contribution from CCSD No. 1 into WES is reflected as FY 2018-19's beginning fund balance.

The primary revenue source is SDC charges for new connections to the system; these charges are estimated at approximately \$116 thousand for FY 2019-20. The current surface water SDC of \$205 per ESU is proposed to increase by an inflationary index of approximately 3% to \$211 per ESU for FY 2019-20.

Requirements total approximately \$2.1 million and are comprised of capital outlay, contingency, and ending fund balance. Expenditures of SDC funds are restricted to capacity-improving capital outlay by Oregon Revised Statutes. Currently planned surface water capacity-improving projects include the design and construction of a regional decant facility; FY 2019-20 budgeted capital outlay for this project is \$50 thousand.

From a reserve perspective, the ending fund balance is an increase of \$92.1 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>BUDGET</u>	2018-19 <u>ESTIMATE</u>	2019-20 <u>BUDGET</u>
RESOURCES				
BEGINNING FUND BALANCE	\$ 0	\$ 1,862,978 ¹	\$ 1,912,064 ¹	\$ 1,923,464
SYSTEM DEVELOPMENT CHARGES	0	102,500	72,000	116,100
INTEREST INCOME	0	37,300	34,400	38,500
TOTAL RESOURCES	0	2,002,778	2,018,464	2,078,064
REQUIREMENTS				
CAPITAL OUTLAY				
CAPITAL CONSTRUCTION	0	500,000	95,000	50,000
TOTAL CAPITAL OUTLAY	0	500,000	95,000	50,000
CONTINGENCY	0	125,000	0	12,500
ENDING FUND BALANCE	0	1,377,778	1,923,464	2,015,564
TOTAL REQUIREMENTS	\$ 0	\$ 2,002,778	\$ 2,018,464	\$ 2,078,064
CAPITAL OUTLAY DETAIL				
Surface Water				
Storm System Master Plan for CCSD1/Happy Valley	0	300,000	75,000	0
Decant Facility	0	200,000	20,000	50,000
TOTAL	0	500,000	95,000	50,000

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

WATER ENVIRONMENT SERVICES SURFACE WATER FUND DETAIL

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 2019-20 total approximately \$4.4 million and include capital project participation of \$285 thousand, interest income on fund balance of \$21 thousand, a transfer from the Surface Water Operating Fund of \$3 million, and beginning fund balance of approximately \$1.1 million.

The integration of CCSD No. 1 into WES was completed on July 1, 2018 with the contribution of CCSD No. 1's FY 2017-18 end-of-year reserves. This \$1.99 million contribution from CCSD No. 1 into WES is reflected as FY 2018-19's beginning fund balance.

Budgeted capital project participation of \$285 thousand relates to grants from Metro and The Oregon Watershed Enhancement Board for the Mt. Scott Creek Oak Bluff Reach Restoration project.

Requirements for FY 2019-20 include contingency of approximately \$194 thousand for unforeseen capital expenditures, ending fund balance of \$3.4 million, and capital outlay of \$775 thousand, \$450 thousand of which is for the Mt. Scott Oak Bluff Reach Restoration 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 \$2.3 million or 219% is due to the transfer from the Surface Water Operating Fund exceeding current year capital outlay.

	2017-18 <u>ACTUAL</u>	2018-19 <u>BUDGET</u>	2018-19 <u>ESTIMATE</u>	2019-20 <u>BUDGET</u>
RESOURCES				
BEGINNING FUND BALANCE	\$ 0	\$ 2,029,522 ¹	\$ 1,991,876 ¹	\$ 1,066,180
TRANSFER FROM SURFACE WATER OPERATING FUND	0	1,000,000	1,000,000	3,000,000
CAPITAL PROJECT PARTICIPATION	0	282,528	0	285,168
INTEREST INCOME	0	40,600	43,800	21,300
TOTAL RESOURCES	0	3,352,650	3,035,676	4,372,648
REQUIREMENTS				
CAPITAL OUTLAY				
CAPITAL CONSTRUCTION	0	2,480,000	1,969,496	775,000
TOTAL CAPITAL OUTLAY	0	2,480,000	1,969,496	775,000
CONTINGENCY	0	620,000	0	193,750
ENDING FUND BALANCE	0	252,650	1,066,180	3,403,898
TOTAL REQUIREMENTS	\$ 0	\$ 3,352,650	\$ 3,035,676	\$ 4,372,648
CAPITAL OUTLAY DETAIL				
Surface Water				
Carli Creek Water Quality Project	0	1,250,000	1,188,310	75,000
Mt. Scott Oak Bluff Reach Restoration	0	520,000	13,568	450,000
Rock Creek Restoration	0	10,000	22,824	0
Small Projects - Drainage System Modifications	0	450,000	601,936	100,000
Detention Pond Repair / Rehab	0	250,000	142,858	100,000
3-Creeks Water Quality Project	0	0	0	50,000
TOTAL	0	2,480,000	1,969,496	775,000

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

WATER ENVIRONMENT SERVICES DEBT SERVICE FUND DETAIL

STATE LOAN FUND 635

The State Loan Debt Service Fund provides for the payment of WES' Department of Environmental Quality loans. These loans financed the NCRA assessment district in Rate Zone 2 and the primary resources are the interest and principal payments associated with these loans received from beneficiaries in that assessment district.

The proposed budget for FY 2019-20 includes resources of approximately \$1.5 million, consisting of beginning fund balance of approximately \$1.2 million, assessment principal and interest payments of approximately \$277 thousand, and interest income of \$23 thousand.

The integration of CCSD No. 1 into WES was achieved on July 1, 2018 with the contribution of CCSD No. 1's FY 2017-18 end-of-year reserves. This approximate \$727 thousand contribution from CCSD No. 1 into WES is reflected as a component of FY 2018-19's beginning fund balance.

Requirements include debt service payments of approximately \$463 thousand, reserves of approximately \$106 thousand, and a transfer to the Revenue Bond Fund of \$900 thousand. The transferred funds 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 2019-20 debt service in this fund consists of \$113 thousand for existing state loan payments and \$350 thousand for a prepayment of interest related to the new SRF loan for the Tri-City Solids Handling Improvements project. WES has budgeted a contribution for FY 2019-20 into the Sanitary Sewer Construction Fund of \$13.9 million from the State Revolving Fund for capital financing of the Tri-City Solids Handling Improvement project. This contribution is essentially a loan that accrues interest during construction and becomes payable upon completion of the project, currently estimated to occur in FY 2020-21. 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.

The decrease in reserves of approximately \$1 million or 91% from the beginning fund balance is a result of the transfer to the Revenue Bond fund exceeding budgeted revenues.

	2017-18 <u>ACTUAL</u>	2018-19 <u>BUDGET</u>	2018-19 <u>ESTIMATE</u>	2019-20 <u>BUDGET</u>
RESOURCES				
BEGINNING FUND BALANCE	\$ 541 ¹	\$ 756,636 ²	\$ 727,733 ²	\$ 1,169,190
ASSESSMENT PRINCIPAL	0	179,700	417,000	157,200
ASSESSMENT INTEREST	0	120,000	125,000	120,000
INTEREST INCOME	7	15,133	13,100	23,400
TOTAL RESOURCES	548	1,071,469	1,282,833	1,469,790
REQUIREMENTS				
TRANSFER TO REVENUE BOND FUND	0	0	0	900,000
PRINCIPAL PAYMENTS	0	106,208	106,208	106,208
INTEREST PAYMENTS	0	7,435	7,435	356,904
RESERVE REQUIREMENTS	0	53,104	53,104	53,104
ENDING FUND BALANCE	548	904,722	1,116,086	53,574
TOTAL REQUIREMENTS	\$ 548	\$ 1,071,469	\$ 1,282,833	\$ 1,469,790

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.

WATER ENVIRONMENT SERVICES DEBT SERVICE FUND DETAIL

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 2019-20 Revenue Bond Fund resources total approximately \$7.2 million, including a \$5.9 million transfer in from the Sanitary Sewer Operating Fund, a \$0.9 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 integration of CCSD No. 1 into WES was achieved on July 1, 2018 with the contribution of CCSD No. 1's FY 2017-18 end-of-year reserves. This approximate \$354 thousand contribution from CCSD No. 1 into WES is reflected as FY 2018-19's beginning fund balance.

The proposed FY 2019-20 budget anticipates approximately \$6.8 million in debt service payments for outstanding revenue bonds and revenue obligations. These include revenue obligations sold in February and November of 2009 and 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 the state revolving fund loan R22403. The debt service for the 2009, 2010, and 2016 revenue bonds is paid from sanitary sewer user charges via transfers in from other funds. As all existing debt was originally incurred by CCSD No. 1, only ratepayers within Rate Zone 2 are responsible for the debt in FY 2019-20.

Ending fund balance is budgeted at approximately \$0.4 million for FY 2019-20. Viewed from a reserve perspective, this is approximately equal to the beginning fund balance.

	2017-18 <u>ACTUAL</u>	2018-19 <u>BUDGET</u>	2018-19 <u>ESTIMATE</u>	2019-20 <u>BUDGET</u>
RESOURCES				
BEGINNING FUND BALANCE	\$ 0	\$ 217,306 ¹	\$ 353,750 ¹	\$ 375,150
TRANSFER FROM SEWER OPERATING FUND	0	6,873,981	6,873,981	5,895,406
TRANSFER FROM STATE LOAN FUND	0	0	0	900,000
INTEREST COLLECTIONS	0	15,000	15,000	15,000
INTEREST INCOME	0	4,300	6,400	7,500
TOTAL RESOURCES	0	7,110,587	7,249,131	7,193,056
REQUIREMENTS				
PRINCIPAL PAYMENTS				
2009A	0	1,210,000	1,210,000	0
2009B	0	1,415,000	1,415,000	1,470,000
2010	0	805,000	805,000	820,000
2016	0	285,000	285,000	1,495,000
TOTAL PRINCIPAL	0	3,715,000	3,715,000	3,785,000
INTEREST PAYMENTS				
2009A	0	18,150	18,150	0
2009B	0	87,100	87,100	29,400
2010	0	82,500	82,500	50,000
2016	0	2,971,231	2,971,231	2,931,006
TOTAL INTEREST	0	3,158,981	3,158,981	3,010,406
ENDING FUND BALANCE	0	236,606	375,150	397,650
TOTAL REQUIREMENTS	\$ 0	\$ 7,110,587	\$ 7,249,131	\$ 7,193,056

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



RESOURCES

FORM LB-20

**SANITARY SEWER
OPERATING FUND**

FUND

WATER ENVIRONMENT SERVICES

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2		0	7,540,172	2. *NET WORKING CAPITAL (ACCRUAL BASIS)	9,591,333	9,591,333	9,591,333	2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4		55,940	150,800	4. INTEREST	191,800	191,800	191,800	4
5				5. OTHER RESOURCES				5
6		233,449	23,302,800	6. MONTHLY SERVICE CHARGE REVENUE - RETAIL	24,746,500	24,746,500	24,746,500	6
7		7,997,522	13,824,450	7. OPERATION PAYMENTS-CITIES	14,200,000	14,200,000	14,200,000	7
8		311,418		8. CITY RIGHT-OF-WAY FEES	619,000	619,000	619,000	8
9		184,920	5,200	9. RENTAL INCOME	5,220	5,220	5,220	9
10		467,780	667,000	10. MISCELLANEOUS INCOME	550,000	550,000	550,000	10
11			5,000	11. SYSTEM DEVELOPMENT CHARGE REVENUE	5,000	5,000	5,000	11
12			220,000	12. SPECIAL CONNECTION CHARGE REVENUE	250,000	250,000	250,000	12
13			10,000	13. FEES				13
14				14. PRINCIPAL NON-BONDED INSTALLMENT				14
15				15. INTEREST NON-BONDED INSTALLMENT	10,000	10,000	10,000	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		0	244,300	21. INTERGOVERNMENTAL REVENUE	244,300	244,300	244,300	21
22				22. TRANSFER FROM OTHER FUNDS				22
23		4,164,847		23. CONTRIBUTION FROM TCSD				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28. FROM OTHER ENTITIES				28
29	0	13,415,876	45,969,722	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	50,413,153	50,413,153	50,413,153	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	0	13,415,876	45,969,722	32. TOTAL RESOURCES	50,413,153	50,413,153	50,413,153	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		ADOPTED BUDGET THIS YEAR 2018-2019	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	ACTUAL				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	23,597,518	1.	24,723,633	24,723,633	24,723,633	1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	6,614,900	23,597,518	7. TOTAL MATERIALS AND SERVICES	24,723,633	24,723,633	24,723,633	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				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	2. TO CONSTRUCTION FUND	14,500,000	14,500,000	14,500,000	2
3		0	6,873,981	3. TO DEBT FUNDS	5,895,406	5,895,406	5,895,406	3
				4.				
4		-	3,933,000	5. GENERAL OPERATING CONTINGENCY	4,121,000	4,121,000	4,121,000	4
5	0	2,000,000	20,806,981	6. TOTAL TRANSFERS & CONTINGENCY	24,516,406	24,516,406	24,516,406	5
	0	8,614,900	44,404,499	TOTAL EXPENDITURES	49,240,039	49,240,039	49,240,039	
	0	4,800,976	1,565,223	UNAPPROPRIATED ENDING FUND BALANCE	1,173,114	1,173,114	1,173,114	
	0	13,415,876	45,969,722	TOTAL	50,413,153	50,413,153	50,413,153	

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 2019-2020			
	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								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3		2,833,819	10,914,701	3. WES SERVICES			12,001,703	12,001,703	12,001,703	3
4		577,044	2,395,012	4. OTHER COUNTY SERVICES			2,593,304	2,593,304	2,593,304	4
5		424,795	2,563,147	5. PROFESSIONAL SERVICES			3,005,420	3,005,420	3,005,420	5
6		62,732	392,000	6. MISCELLANEOUS SERVICES			261,110	261,110	261,110	6
7	0	3,898,390	16,264,860	7. TOTAL SERVICES			17,861,537	17,861,537	17,861,537	7
8										8
9		884,837	2,171,503	9. SUPPLIES			1,984,180	1,984,180	1,984,180	9
10		60,823	743,000	10. SLUDGE DISPOSAL & SEWAGE TREATMENT			743,000	743,000	743,000	10
11		648,309	1,454,000	11. UTILITIES			1,601,400	1,601,400	1,601,400	11
12		872,369	2,812,229	12. MISCELLANEOUS EXPENSE			2,398,803	2,398,803	2,398,803	12
13		250,172	151,926	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	0	6,614,900	23,597,518	31. TOTAL EXPENDITURES			24,723,633	24,723,633	24,723,633	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	6,614,900	23,597,518	TOTAL	0		24,723,633	24,723,633	24,723,633	

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 2019-2020			
	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								
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	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

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2		0	25,816,456	2. *NET WORKING CAPITAL (ACCRUAL BASIS)	30,356,431	30,356,431	30,356,431	2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4		34,364	516,300	4. INTEREST	607,100	607,100	607,100	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	5,535,485	11. SYSTEM DEVELOPMENT CHARGE REVENUE	6,214,800	6,214,800	8,203,300	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		0	0	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	0	3,631,213	31,868,241	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	37,178,331	37,178,331	39,166,831	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	0	3,631,213	31,868,241	32. TOTAL RESOURCES	37,178,331	37,178,331	39,166,831	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)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2018-2019	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	ACTUAL				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				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	3,146,500	1.	4,248,500	4,248,500	4,248,500	1
2				2.				2
3				3.				3
4	0	555,818	3,146,500	4. TOTAL CAPITAL OUTLAY	4,248,500	4,248,500	4,248,500	4
				SPECIAL PAYMENTS				
1				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		-	786,625	4. GENERAL OPERATING CONTINGENCY	1,062,125	1,062,125	1,062,125	4
5	0	0	786,625	5. TOTAL TRANSFERS & CONTINGENCY	1,062,125	1,062,125	1,062,125	5
	0	555,818	3,933,125	TOTAL EXPENDITURES	5,310,625	5,310,625	5,310,625	
	0	3,075,395	27,935,116	UNAPPROPRIATED ENDING FUND BALANCE	31,867,729	31,867,729	33,856,206	
	0	3,631,213	31,868,241	TOTAL	37,178,354	37,178,354	39,166,831	

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 2019-2020			
	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								
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 2019-2020			
	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								
1				1. LAND						1
2				2.						2
3				3. BUILDING AND BLDG IMPROVEMENTS						3
4				4.						4
5		555,818	88,000	5. TREATMENT PLANT			1,022,500	1,022,500	1,022,500	5
6				6.						6
7				7. PUMP STATIONS						7
8				8.						8
9			1,828,500	9. FORCE MAINS			1,512,000	1,512,000	1,512,000	9
10				10.						10
11			1,230,000	11. TRUNKS & INTERCEPTORS			1,214,000	1,214,000	1,214,000	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				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	0	555,818	3,146,500	31. TOTAL EXPENDITURES			4,248,500	4,248,500	4,248,500	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	555,818	3,146,500	TOTAL			4,248,500	4,248,500	4,248,500	

RESOURCES

FORM LB-20

**SANITARY SEWER
CONSTRUCTION FUND**
FUND

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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						
1				BEGINNING FUND BALANCE:				1
2		0	47,287,083	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR	46,479,255	46,479,255	46,479,255	2
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)				3
4		75,705	945,700	3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				4
5				4. INTEREST	929,600	929,600	929,600	5
6				5. OTHER RESOURCES				6
7				6. MONTHLY SERVICE CHARGE REVENUE				7
8				7. OPERATION PAYMENTS-CITIES				8
9				8. BANCROFT BOND SALE PROCEEDS				9
10		145,208		9. RENTAL INCOME				10
11				10. MISCELLANEOUS INCOME				11
12				11. SYSTEM DEVELOPMENT CHARGE REVENUE				12
13				12. SPECIAL CONNECTION CHARGE REVENUE				13
14				13. CAPITAL OUTLAY PAYMENTS CITIES				14
15				14. PRINCIPAL NON-BONDED INSTALLMENT				15
16				15. INTEREST NON-BONDED INSTALLMENT				16
17				16. STATE GRANT (DEQ)				17
18			12,800,000	17. FEDERAL GRANT (EPA)				18
19				18. SRF STATE LOAN PROJECT CONTRIBUTION	13,900,000	13,900,000	13,900,000	19
20				19. REVENUE BONDS PROCEEDS				20
21				20. INSURANCE PROCEEDS				21
22		2,000,000	10,000,000	21. INTERGOVERNMENTAL REVENUE				22
23		8,167,753		22. TRANSFERS FROM GENERAL FUND	14,500,000	14,500,000	14,500,000	23
24				23. CONTRIBUTION FROM TCSD				24
25				24. CONTRIBUTION FROM CCSD NO. 1				25
26				25.				26
27				26.				27
28				27.				28
29	0	10,388,666	71,032,783	28. FROM OTHER ENTITIES				29
30				29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	75,808,855	75,808,855	75,808,855	30
31				30. TAXES NECESSARY TO BALANCE BUDGET				31
32	0	10,388,666	71,032,783	31. TAXES COLLECTED IN YEAR LEVIED				32
				32. TOTAL RESOURCES	75,808,855	75,808,855	75,808,855	

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		ADOPTED BUDGET THIS YEAR 2018-2019	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	ACTUAL				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				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	39,738,500	1.	38,449,500	38,449,500	38,449,500	1
2				2.				2
3				3.				3
4	0	1,644,118	39,738,500	4. TOTAL CAPITAL OUTLAY	38,449,500	38,449,500	38,449,500	4
				SPECIAL PAYMENTS				
1				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	0	1. RESERVE FOR CAPITAL IMPROVEMENT				1
2				2. TO DEBT SERVICE FUNDS				2
3				3. TO OTHER FUNDS				3
4		-	9,934,625	4. GENERAL OPERATING CONTINGENCY	9,612,375	9,612,375	9,612,375	4
5	0	0	9,934,625	5. TOTAL TRANSFERS & CONTINGENCY	9,612,375	9,612,375	9,612,375	5
	0	1,644,118	49,673,125	TOTAL EXPENDITURES	48,061,875	48,061,875	48,061,875	
		8,744,548	21,359,658	UNAPPROPRIATED ENDING FUND BALANCE	27,746,980	27,746,980	27,746,980	
	0	10,388,666	71,032,783	TOTAL	75,808,855	75,808,855	75,808,855	

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 2019-2020			
	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								
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 2019-2020			
	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								
1				1. LAND						1
2				2.						2
3				3. BUILDING AND BLDG IMPROVEMENTS						3
4				4.						4
5		1,414,781	30,352,000	5. TREATMENT PLANT			32,127,500	32,127,500	32,127,500	5
6				6.						6
7		105,126	450,000	7. PUMP STATIONS			450,000	450,000	450,000	7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11		59,393	6,916,500	11. TRUNKS & INTERCEPTORS			3,784,000	3,784,000	3,784,000	11
12				12.						12
13			995,000	13. EQUIPMENT CAPITAL			1,010,000	1,010,000	1,010,000	13
14				14.						14
15				15. MASTER PLANS/STUDIES						15
16				16.						16
17		7,981	125,000	17. WATER QUALITY LAB			178,000	178,000	178,000	17
18				18.						18
19		56,837	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	0	1,644,118	39,738,500	31. TOTAL EXPENDITURES			38,449,500	38,449,500	38,449,500	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	1,644,118	39,738,500	TOTAL	0		38,449,500	38,449,500	38,449,500	

RESOURCES

FORM LB-20

**SURFACE WATER
OPERATING FUND**

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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						
1				BEGINNING FUND BALANCE:				1
2		0	8,666,707	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR	9,305,425	9,305,425	9,305,425	2
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)				3
4		5,899	157,000	3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				4
5				4. INTEREST	186,100	186,100	186,100	5
6				5. OTHER RESOURCES				6
7		185,646	4,953,200	6. SERVICE CHARGES	5,231,700	5,231,700	5,231,700	7
8		8,127		7. PERMITS				8
9				8. GRANT REVENUE				9
10			255,000	9. MISCELLANEOUS INCOME	255,000	255,000	255,000	10
11				10. CONTRIBUTION FROM CCSD NO. 1				11
12		562,433		11. CONTRIBUTION FROM SWMACC				12
13				12.				13
14				13.				14
15				14.				15
16				15.				16
17				16.				17
18				17.				18
19				18.				19
20				19.				20
21				20.				21
22				21.				22
23				22.				23
24				23.				24
25				24.				25
26				25.				26
27				26.				27
28				27.				28
29	0	762,105	14,031,907	28.				29
30				29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	14,978,225	14,978,225	14,978,225	30
31				30. TAXES NECESSARY TO BALANCE BUDGET				31
32	0	762,105	14,031,907	31. TAXES COLLECTED IN YEAR LEVIED				32
				32. TOTAL RESOURCES	14,978,225	14,978,225	14,978,225	

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		ADOPTED BUDGET THIS YEAR 2018-2019	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	ACTUAL				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		134,538	5,218,049	1.	5,435,236	5,435,236	5,435,236	1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	134,538	5,218,049	7. TOTAL MATERIALS AND SERVICES	5,435,236	5,435,236	5,435,236	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				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	1. RESERVE FOR CAPITAL IMPROVEMENT	3,000,000	3,000,000	3,000,000	1
2				2.				2
3				3.				3
4		-	870,000	4. GENERAL OPERATING CONTINGENCY	906,000	906,000	906,000	4
5	0	0	1,870,000	5. TOTAL TRANSFERS & CONTINGENCY	3,906,000	3,906,000	3,906,000	5
	0	134,538	7,088,049	TOTAL EXPENDITURES	9,341,236	9,341,236	9,341,236	
	0	627,567	6,943,858	UNAPPROPRIATED ENDING FUND BALANCE	5,636,989	5,636,989	5,636,989	
	0	762,105	14,031,907	TOTAL	14,978,225	14,978,225	14,978,225	

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 2019-2020			
	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								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3		50,795	2,643,860	3. WES SERVICES			2,487,467	2,487,467	2,487,467	3
4		18,114	570,101	4. OTHER COUNTY SERVICES			683,926	683,926	683,926	4
5		48,653	937,856	5. PROFESSIONAL SERVICES			1,252,580	1,252,580	1,252,580	5
6		470	132,500	6. MISCELLANEOUS SERVICES			75,750	75,750	75,750	6
7	0	118,032	4,284,317	7. TOTAL SERVICES			4,499,723	4,499,723	4,499,723	7
8										8
9		1,856	206,577	9. SUPPLIES			163,450	163,450	163,450	9
10		0	0	10. SLUDGE DISPOSAL			0	0	0	10
11		0	7,500	11. UTILITIES			12,850	12,850	12,850	11
12		13,350	603,530	12. MISCELLANEOUS EXPENSE			615,182	615,182	615,182	12
13		1,300	116,125	13. ALLOCATED OVERHEAD			144,031	144,031	144,031	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	134,538	5,218,049	31. TOTAL EXPENDITURES			5,435,236	5,435,236	5,435,236	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	134,538	5,218,049	TOTAL			5,435,236	5,435,236	5,435,236	

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 2019-2020				
	ACTUAL		ADOPTED BUDGET THIS YEAR 2018-2019		BUDGET FOR NEXT YEAR 2019-2020				
	SECOND PRECEDING YEAR 2016-2017	FIRST PRECEDING YEAR 2017-2018			PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY		
				BEGINNING FUND BALANCE:					
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR					1
2			1,862,978	2. *NET WORKING CAPITAL (ACCRUAL BASIS)	1,923,464	1,923,464	1,923,464		2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD					3
4			37,300	4. INTEREST	38,500	38,500	38,500		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			102,500	11. CONNECTION CHARGE REVENUE	112,800	112,800	116,100		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. 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	0	2,002,778	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	2,074,764	2,074,764	2,078,064		29
30				30. TAXES NECESSARY TO BALANCE BUDGET					30
31				31. TAXES COLLECTED IN YEAR LEVIED					31
32	0	0	2,002,778	32. TOTAL RESOURCES	2,074,764	2,074,764	2,078,064		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			EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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				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			500,000	1.	50,000	50,000	50,000	1
2				2.				2
3				3.				3
4	0	0	500,000	4. TOTAL CAPITAL OUTLAY	50,000	50,000	50,000	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			125,000	4. GENERAL OPERATING CONTINGENCY	12,500	12,500	12,500	4
5	0	0	125,000	5. TOTAL TRANSFERS & CONTINGENCY	12,500	12,500	12,500	5
	0	0	625,000	TOTAL EXPENDITURES	62,500	62,500	62,500	
	0	0	1,377,778	UNAPPROPRIATED ENDING FUND BALANCE	2,012,264	2,012,264	2,015,564	
	0	0	2,002,778	TOTAL	2,074,764	2,074,764	2,078,064	

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 2019-2020			
	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								
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 2019-2020			
	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								
1				1. LAND						1
2				2.						2
3				3. BUILDINGS						3
4				4.						4
5			200,000	5. TREATMENT PLANT			50,000	50,000	50,000	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			300,000	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	500,000	31. TOTAL EXPENDITURES			50,000	50,000	50,000	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	500,000	TOTAL	0		50,000	50,000	50,000	

RESOURCES

FORM LB-20

**SURFACE WATER
CONSTRUCTION FUND**
FUND

WATER ENVIRONMENT SERVICES
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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						
////	////////////////////////////////////	////////////////////////////////////	////////////////////////////////////	BEGINNING FUND BALANCE:	////////////////////////////////////	////////////////////////////////////	////////////////////////////////////	////
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2			2,029,522	2. *NET WORKING CAPITAL (ACCRUAL BASIS)	1,066,180	1,066,180	1,066,180	2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4			40,600	4. INTEREST	21,300	21,300	21,300	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				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			282,528	16. STATE GRANTS	285,168	285,168	285,168	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			1,000,000	22. TRANSFER FROM GENERAL FUND	3,000,000	3,000,000	3,000,000	22
23				23. CONTRIBUTION FROM CCSD NO. 1				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28. FROM OTHER ENTITIES				28
29	0	0	3,352,650	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	4,372,648	4,372,648	4,372,648	29
30	////////////////////////////////////	////////////////////////////////////		30. TAXES NECESSARY TO BALANCE BUDGET				30
31			////////////////////////////////////	31. TAXES COLLECTED IN YEAR LEVIED	////////////////////////////////////	////////////////////////////////////	////////////////////////////////////	31
32	0	0	3,352,650	32. TOTAL RESOURCES	4,372,648	4,372,648	4,372,648	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			EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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
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			2,480,000	1.	775,000	775,000	775,000	1
2				2.				2
3				3.				3
4	0	0	2,480,000	4. TOTAL CAPITAL OUTLAY	775,000	775,000	775,000	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			620,000	4. GENERAL OPERATING CONTINGENCY	193,750	193,750	193,750	4
5	0	0	620,000	5. TOTAL TRANSFERS & CONTINGENCY	193,750	193,750	193,750	5
	0	0	3,100,000	TOTAL EXPENDITURES	968,750	968,750	968,750	
	0	0	252,650	UNAPPROPRIATED ENDING FUND BALANCE	3,403,898	3,403,898	3,403,898	
	0	0	3,352,650	TOTAL	4,372,648	4,372,648	4,372,648	

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 2019-2020			
	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								
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
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 2019-2020			
	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								
1			1,250,000	1. WATER QUALITY FACILITIES			125,000	125,000	125,000	1
2				2.						2
3			530,000	3. WATERSHED RESTORATION			450,000	450,000	450,000	3
4				4.						4
5			450,000	5. DRAINAGE IMPROVEMENTS			100,000	100,000	100,000	5
6				6.						6
7			250,000	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	0	2,480,000	31. TOTAL EXPENDITURES			775,000	775,000	775,000	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	2,480,000	TOTAL	0		775,000	775,000	775,000	

FORM LB-35

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 2019-2020				
	ACTUAL		ADOPTED BUDGET THIS YEAR 2018-2019		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY		
	SECOND PRECEDING 2016-2017	FIRST PRECEDING 2017-2018							
	RESOURCES								
				BEGINNING FUND BALANCE:					
1				1. CASH ON HAND*(CASH BASIS), OR				1	
2			756,636	2. WORKING CAPITAL(ACCRUAL BASIS)	1,169,190	1,169,190	1,169,190	2	
3			179,700	3. PRINCIPAL COLLECTIONS	157,200	157,200	157,200	3	
4			120,000	4. INTEREST COLLECTIONS	120,000	120,000	120,000	4	
5		7	15,133	5. EARNINGS FROM TEMPORARY INVESTMENTS	23,400	23,400	23,400	5	
6				6. TRANSFERRED FROM OTHER FUNDS				6	
7		541		7. CONTRIBUTION FROM TCSD				7	
8	0	548	1,071,469	8. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	1,469,790	1,469,790	1,469,790	8	
9			0	9. TAXES NECESSARY TO BALANCE	0	0	0	9	
10				10. TAXES COLLECTED IN YEAR LEVIED				10	
	0	548	1,071,469	TOTAL RESOURCES	1,469,790	1,469,790	1,469,790		
	REQUIREMENTS								
				BOND PRINCIPAL PAYMENTS					
				ISSUE DATE	BUDGETED PAYMENT DATE				
1			106,208	1. STATE LOAN R06224	09/01/19, 03/01/20	106,208	106,208	106,208	1
2				1. STATE LOAN R95030					2
3				3.					3
4	0	0	106,208	4. TOTAL PRINCIPAL		106,208	106,208	106,208	4
				BOND INTEREST PAYMENTS					
				ISSUE DATE	BUDGETED PAYMENT DATE				
1			7,435	1. STATE LOAN R06224	09/01/19, 03/01/20	6,904	6,904	6,904	1
2				1. STATE LOAN R95030	12/01/19, 06/01/20	350,000	350,000	350,000	2
3				3.					3
4	0	0	7,435	4. TOTAL INTEREST		356,904	356,904	356,904	4
				SPECIAL PAYMENTS					
1				1.					1
2	0	0	0	2. TOTAL SPECIAL PAYMENTS		0	0	0	2
				TRANSFERRED TO OTHER FUNDS					
1				1. TO REVENUE BOND FUND		900,000	900,000	900,000	1
2	0	0	0	2. TOTAL TRANSFERS		900,000	900,000	900,000	2
				UNAPPROPRIATED BALANCE FOR FOLLOWING BY YEAR					
				ISSUE DATE	PAYMENT DATE				
1		0	53,104	1. RESERVE REQUIREMENT	R06224	53,104	53,104	53,104	1
2			0	2. RESERVE REQUIREMENT	R95030	0	0	0	2
3			0	3. RESERVE REQUIREMENT		0	0	0	3
4				4.					4
5	0	548	904,722	5. TOTAL UAPPROPRIATED ENDING FUND BALANCE		53,574	53,574	53,574	5
	0	548	1,071,469	TOTAL REQUIREMENTS		1,469,790	1,469,790	1,469,790	

FORM LB-35

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 2019-2020				
	ACTUAL		ADOPTED BUDGET THIS YEAR 2018-2019		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY		
	SECOND PRECEDING 2016-2017	FIRST PRECEDING 2017-2018							
	RESOURCES								
				BEGINNING FUND BALANCE:					
1				1. CASH ON HAND*(CASH BASIS), OR				1	
2			217,306	2. WORKING CAPITAL(ACCRUAL BASIS)	375,150	375,150	375,150	2	
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3	
4			4,300	4. EARNINGS FROM TEMPORARY INVESTMENTS	7,500	7,500	7,500	4	
5			6,873,981	5. TRANSFERRED FROM OTHER FUNDS	6,795,406	6,795,406	6,795,406	5	
6				6. CONTRIBUTION FROM CCSD NO. 1				6	
7				7. PRINCIPAL COLLECTIONS				7	
8			15,000	8. INTEREST COLLECTIONS	15,000	15,000	15,000	8	
9	0	0	7,110,587	9. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	7,193,056	7,193,056	7,193,056	9	
10				10. TAXES NECESSARY TO BALANCE				10	
11				11. TAXES COLLECTED IN YEAR LEVIED				11	
	0	0	7,110,587	TOTAL RESOURCES	7,193,056	7,193,056	7,193,056		
	REQUIREMENTS								
				BOND PRINCIPAL PAYMENTS					
				ISSUE DATE	BUDGETED PAYMENT DATE				
1			0	1. 2002A 06/04/02		0	0	0 1	
2			1,210,000	2. 2009A 03/04/09		0	0	0 2	
3			1,415,000	3. 2009B 11/24/09	12/1/2019	1,470,000	1,470,000	1,470,000 3	
4			805,000	4. 2010 12/22/10	12/1/2019	820,000	820,000	820,000 4	
5			285,000	5. 2016 08/30/16	12/1/2019	1,495,000	1,495,000	1,495,000 5	
6	0	0	3,715,000	6. TOTAL PRINCIPAL		3,785,000	3,785,000	3,785,000 6	
				BOND INTEREST PAYMENTS					
				ISSUE DATE	BUDGETED PAYMENT DATE				
1			0	1. 2002A 06/04/02		0	0	0 1	
2			18,150	2. 2009A 03/04/09		0	0	0 2	
3			87,100	3. 2009B 11/24/09	12/1/2019, 6/1/2020	29,400	29,400	29,400 3	
4			82,500	4. 2010 12/22/10	12/1/2019, 6/1/2020	50,000	50,000	50,000 4	
5			2,971,231	5. 2016 08/30/16	12/1/2019, 6/1/2020	2,931,006	2,931,006	2,931,006 5	
6	0	0	3,158,981	6. TOTAL INTEREST		3,010,406	3,010,406	3,010,406 6	
				SPECIAL PAYMENTS					
1				1.		0	0	0 1	
2	0	0	0	2. TOTAL SPECIAL PAYMENTS		0	0	0 2	
				UNAPPROPRIATED BALANCE FOR FOLLOWING BY YEAR					
1			0	1.		0	0	0 1	
2			0	2.		0	0	0 2	
3			0	3.		0	0	0 3	
4			0	4.		0	0	0 4	
5			0	5.		0	0	0 5	
6	0	0	236,606	6. UNAPPROPRIATED ENDING FUND BALANCE		397,650	397,650	397,650 6	
	0	0	7,110,587	TOTAL REQUIREMENTS		7,193,056	7,193,056	7,193,056	



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Debt



New back-up generator being placed at Kellogg Creek Water Resource Recovery Facility in Milwaukie, OR

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 in WES' rate structure based on annual debt service requirements. 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, 2019, WES' long term indebtedness consists of the following:

	Issue Date	Date of Maturity	Amount Issued	June 30, 2019 Principal Outstanding	FY 2019-20 Debt Service	
					Principal	Interest
Revenue Bonds						
2009A	03/04/2009	12/01/2018	\$ 38,460,000	\$ 0	\$ 0	\$ 0
2009B	11/24/2009	12/01/2019	44,365,000	1,470,000	1,470,000	29,400
2010	12/22/2010	12/01/2020	23,710,000	1,660,000	820,000	50,000
2016 Refunding	08/30/2016	12/01/2035	83,250,000	81,670,000	1,495,000	2,931,006
Revenue Bonds Subtotal					3,785,000	3,010,406
State Loans						
R06224	10/26/2009	09/01/2032	4,142,142	1,433,823	106,208	6,904
R95030 ¹	01/09/2019			0	0	350,000
State Loans Subtotal				1,433,823	106,208	356,904
Total				\$ 86,233,823	\$ 3,891,208	\$ 3,367,310

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 will be used to finance needed capital projects. The final payment for Revenue Bond 2009A was made in December 2018.

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 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, 2019 Principal Outstanding amount for this loan is an estimate based on expected disbursements received during FY 2018-19. WES has budgeted to receive an additional \$13.9 million of loan proceeds during FY 2019-20. While repayment of principal and interest is not required until the project is complete, the FY 2019-20 budget includes a prepayment of \$350,000 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. 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 112 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 2019-20.

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, 2018 is \$26,653,748,888 which calculates to a legal debt limit of approximately \$3.465 billion. WES has no outstanding general obligation debt so there is currently no debt subject to this limit.

IMPACT OF DEBT ON USER CHARGES

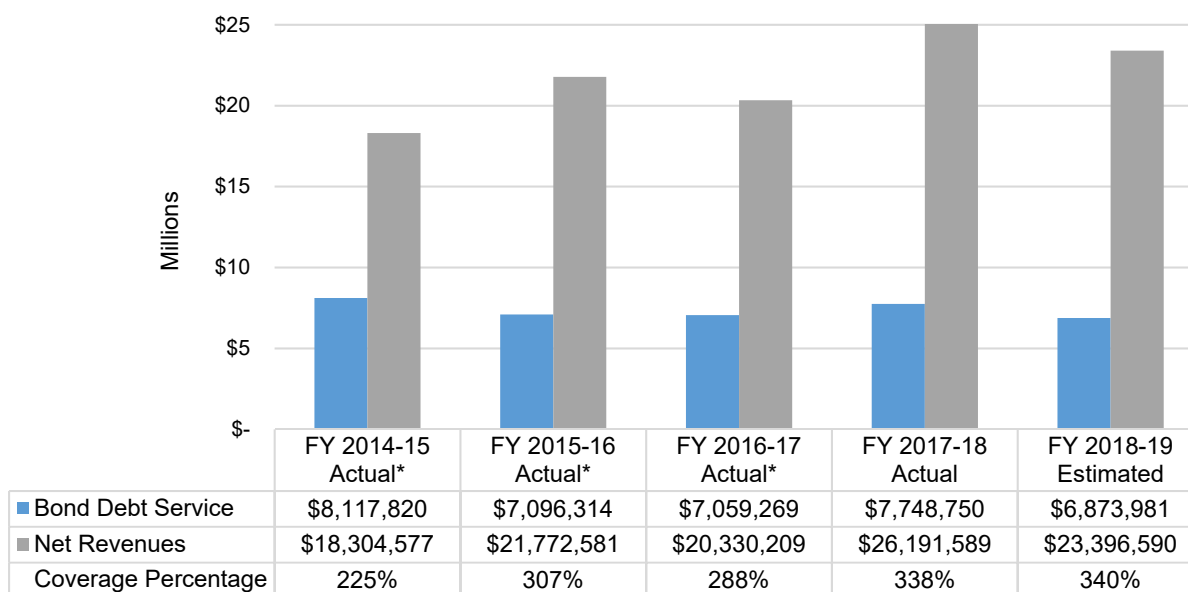
Rate Zone 2 sanitary sewer rates include a legacy debt service component for the debt incurred before WES was formed. This component is calculated for each budget year based on the total legacy debt service for the coming fiscal year and the projected number of EDUs in Rate Zone 2. For FY 2019-20, the legacy debt service component of Rate Zone 2's rate is \$14.15 per month based on approximately \$6.9 million in legacy debt principal and interest payments and service to approximately 40,000 EDUs.

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 2014-15 through 2016-17 and WES' combined bond coverage for fiscal years 2017-18 and 2018-19.

WES Bond Debt Service Coverage

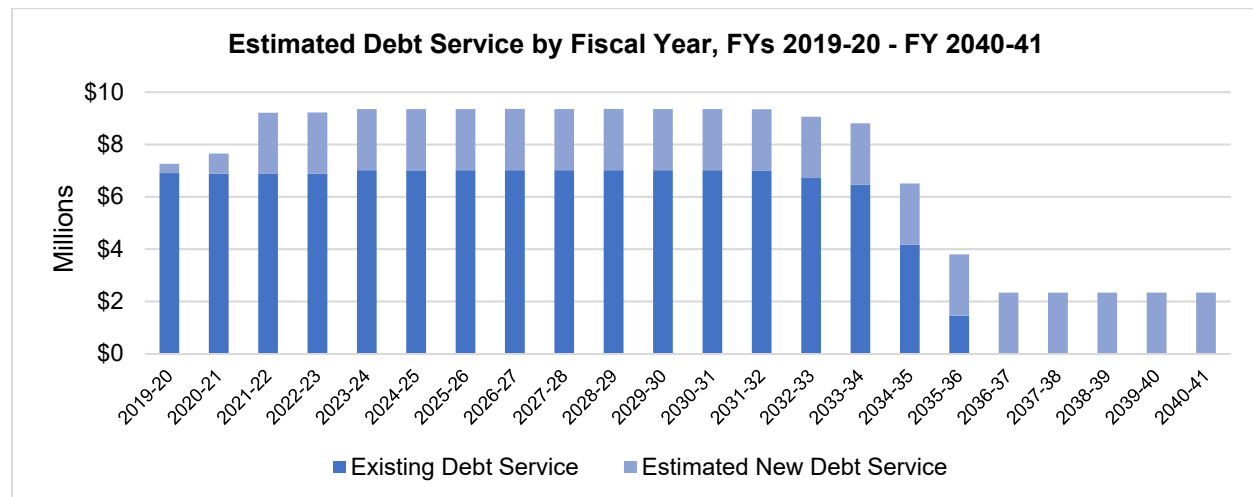


*FY 2014-15 through FY 2016-17 Actuals coverage shown for CCSD No. 1

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
2019-20	\$ 3,891,208	\$ 3,017,310	\$ 6,908,518	\$ 350,000	\$ 7,258,518
2020-21	4,041,208	2,839,429	6,880,637	770,000	7,650,637
2021-22	4,231,208	2,641,599	6,872,807	2,339,570	9,212,377
2022-23	4,451,208	2,429,317	6,880,525	2,339,570	9,220,095
2023-24	4,811,208	2,202,536	7,013,744	2,339,570	9,353,314
2024-25	5,051,208	1,960,754	7,011,962	2,339,570	9,351,532
2025-26	5,306,208	1,706,598	7,012,806	2,339,570	9,352,376
2026-27	5,576,208	1,439,317	7,015,525	2,339,570	9,355,095
2027-28	5,826,208	1,187,636	7,013,844	2,339,570	9,353,414
2028-29	6,031,208	983,830	7,015,038	2,339,570	9,354,608
2029-30	6,181,208	833,674	7,014,882	2,339,570	9,354,452
2030-31	6,306,208	706,518	7,012,726	2,339,570	9,352,296
2031-32	6,441,208	564,884	7,006,092	2,339,570	9,345,662
2032-33	6,323,119	395,075	6,718,194	2,339,570	9,057,764
2033-34	6,245,000	222,963	6,467,963	2,339,570	8,807,533
2034-35	4,080,000	91,350	4,171,350	2,339,570	6,510,920
2035-36	1,440,000	18,900	1,458,900	2,339,570	3,798,470
2036-37	-	-	-	2,339,570	2,339,570
2037-38	-	-	-	2,339,570	2,339,570
2038-39	-	-	-	2,339,570	2,339,570
2039-40	-	-	-	2,339,570	2,339,570
2040-41	-	-	-	2,339,570	2,339,570
	\$ 86,233,823	\$ 23,241,690	\$ 109,475,513	\$ 47,911,400	\$ 157,386,910





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Capital



Construction of a new digester at the Tri-City Water Resource Recovery Facility in Oregon City, OR

CAPITAL

The Department's overall budget for FY 2019-20 is comprised of the Operating Budget and the Capital Budget. The FY 2019-20 Capital Budget is based upon the Department's 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.

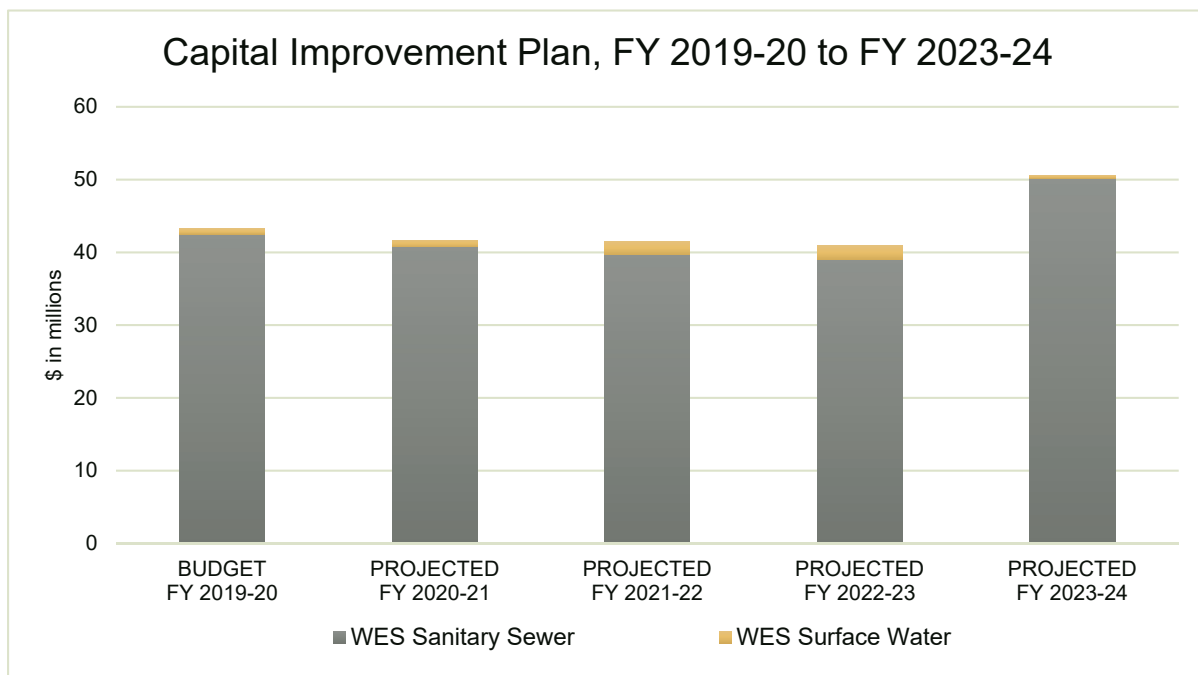
The FY 2019-24 CIP is a result of input from Department leadership, management and operations staff. The wastewater engineering and operations group met several times mid-year to itemize ongoing and anticipated projects, then prioritized the projects according to the following criteria:

- 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' FY 2019 - 2024 CIP:



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 2019-20 – 2023-24					
	Budget		Projected		
Project Category	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Tri-City WRRF	\$ 21,300,000	\$ 20,050,000	\$ 17,900,000	\$ 13,000,000	\$ 20,630,000
Kellogg Creek WRRF	11,250,000	7,292,000	3,500,000	3,000,000	-
Hoodland WRRF	100,000	250,000	500,000	2,750,000	-
Boring WRRF	500,000	1,500,000	-	-	-
Collection System	7,010,000	9,170,000	15,350,000	17,650,000	22,250,000
Blue Heron	-	-	-	-	6,000,000
Fleet	1,010,000	1,071,000	1,152,000	1,275,000	1,285,000
Asset Management	800,000	800,000	800,000	800,000	800,000
Pump Stations	450,000	450,000	450,000	450,000	450,000
Water Quality Lab	178,000	23,000	-	60,000	-
Development Review	100,000	100,000	100,000	100,000	100,000
Total	\$ 42,698,000	\$ 40,706,000	\$ 39,752,000	\$ 39,085,000	\$ 51,515,000

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, off-setting small demands of new equipment, and providing heat for the process and area buildings. The hypochlorite project replaces gaseous chlorine with liquid sodium hypochlorite for disinfection, removing a safety hazard from the site. 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.

FY 2019-20 PROJECT SUMMARIES

Of the \$42.698 million in the FY 2019-20 Sanitary Sewer Capital Budget, \$40.440 million is expected to be spent on the following projects:

Tri-City WRRF Solids Handling Improvement Project

WES has identified the need to expand and refurbish the solids handling processes at the Tri-Cities 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 December 2020.

Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 13,900,000
WES Sanitary Sewer SDC	\$ -
2019-20 Budget	\$ 13,900,000

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
WES Sanitary Sewer Construction	\$ 500,000
WES Sanitary Sewer SDC	\$ -
2019-20 Budget	\$ 500,000

Tri-City WRRF Hypochlorite Disinfection System

The gaseous chlorine disinfection at the TC WRRF is original to the facility and for years was industry standard. Current best practice is to use either sodium hypochlorite or ultraviolet light for disinfection to avoid the need for emergency scrubbers to contain an accidental release of chlorine gas. A sodium hypochlorite feed system was determined to be the preferred disinfection system at the TC WRRF. Construction is expected to begin in Spring of 2019.

Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 3,420,000
WES Sanitary Sewer SDC	\$ -
2019-20 Budget	\$ 3,420,000

Tri-City WRRF Wet Weather 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. Current flows are nearing the 75 MGD capacity of the existing TC WRRF outfall. This project will provide a route study to select a preferred route to the Willamette River, acquire the necessary permits, and with design and construction of an additional outfall pipe from the WES Tri-City WRRF to the Willamette River to follow.

Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 1,000,000
WES Sanitary Sewer SDC	\$ 1,000,000
2019-20 Budget	\$ 2,000,000

Tri-City WRRF Admin Building Remodel

The administration building was constructed in the 1990s and is in need of an upgrade to provide more efficient office and meeting space for operations staff. HVAC and plumbing systems will also be updated.

Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 500,000
WES Sanitary Sewer SDC	\$ -
2019-20 Budget	\$ 500,000

Tri-City WRRF Primary Clarifier Rehabilitation

This project provides a rehabilitation of the mechanical equipment associated with the Primary Clarifiers and the application of a protective coating to the interior of the basins. The concrete surface of the primary clarifiers are exposed to continuous wear from grit and hydrogen sulfide. The coating will help maintain the integrity of the structure and the mechanical rehab will provide an upgrade to equipment that is original to the plant. Work on the six basins will be phased over three years.

Tri-City WRRF New Aeration Basin Mixers

Mixers in the anoxic zones of the four aeration basins operate continuously to keep solids in suspension. The existing mixers are at the end of their useful life and will be replaced over two years.

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 2020.

Kellogg Creek WRRF Secondary Mechanisms and Weirs

The sludge collection system mechanisms and weirs are at the end of their useful life and will be replaced.

Kellogg Creek WRRF Admin Lab and Lunch Room

This project would refurbish the process lab and lunch room which are original to the facility.

Boring WRRF Upgrades

The Boring facility requires excessive operation and maintenance hours and cannot reliably meet permit several months of the year requiring hauling to treatment elsewhere. A facilities plan is being prepared in FY 18/19 to develop a recommended plan forward. This is a placeholder budget to begin implementation in FY 19/20.

Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 400,000
WES Sanitary Sewer SDC	\$ -
2019-20 Budget	\$ 400,000

Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 250,000
WES Sanitary Sewer SDC	\$ -
2019-20 Budget	\$ 250,000

Sanitary Sewer Project Category: KC WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 10,000,000
WES Sanitary Sewer SDC	\$ -
2019-20 Budget	\$ 10,000,000

Sanitary Sewer Project Category: KC WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 800,000
WES Sanitary Sewer SDC	\$ -
2019-20 Budget	\$ 800,000

Sanitary Sewer Project Category: KC WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 250,000
WES Sanitary Sewer SDC	\$ -
2019-20 Budget	\$ 250,000

Sanitary Sewer Project Category: Boring WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 500,000
WES Sanitary Sewer SDC	\$ -
2019-20 Budget	\$ 500,000

82nd Drive Bridge - North Approach

The north approach to the bridge is failing and must be replaced. Since the bridge will be closed for the work, WES will construct a 30 inch diameter force main required for future diversion of flow from northern Clackamas county to the TC WRRF at the same time. In addition, the bridge will be structurally reinforced to allow passage of emergency vehicles after a seismic event. Construction will occur in FY 2019/2020.

Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 1,288,000
WES Sanitary Sewer SDC	\$ 1,512,000
2019-20 Budget	\$ 2,800,000

Pump Station Improvements

These funds are reserved for renewal and replacement of pump station assets to increase reliability. Specific efforts in this project class include electrical updates, pump replacements, and instrumentation upgrades.

Sanitary Sewer Project Category: Pump Stations

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 450,000
WES Sanitary Sewer SDC	\$ -
2019-20 Budget	\$ 450,000

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 pipes and manholes 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 and manholes utilizing methods including lining, pipe bursting and replacement.

Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 500,000
WES Sanitary Sewer SDC	\$ 500,000
2019-20 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. When the amount of I/I becomes excessive it is more cost effective to remove the I/I than upsize infrastructure or treatment facilities to transport and treat the extraneous clean water. This project will involve activities to identify areas of high I/I and their sources and includes design and construction of sewer rehabilitation projects to abate the I/I.

Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ -
WES Sanitary Sewer SDC	\$ 1,000,000
2019-20 Budget	\$ 1,000,000

Gladstone Pump Station and Force Main Upgrade

The Gladstone Pump Station was constructed in 1985 and has significant needs for upgrades ranging from updating obsolete MCCs and controls to pumps that are beyond their useful life. Current planning efforts will provide a condition assessment, design and recommendations for improvements. Construction is anticipated in FY 20/21.

Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 360,000
WES Sanitary Sewer SDC	\$ -
2019-20 Budget	\$ 360,000

Emergency Generator for River Street

This project will provide an emergency generator at the River Street Pump Station in West Linn for reliable operation.

Sanitary Sewer Project Category: Collection System

Funding Sources		Amount
WES Sanitary Sewer Construction	\$	250,000
WES Sanitary Sewer SDC	\$	-
2019-20 Budget		\$ 250,000

Willamette Pump Station Upgrade

Over the past several years, the Willamette Pump Station, constructed in 1986, has experienced a variety of electrical, mechanical, hydraulic, and pipeline conveyance issues. These issues have resulted in increased labor costs due to maintenance, sanitary sewer overflows, and concerns over design capacity. This project replaces critical pump station components that are failing or at risk of failure to address capacity issues, reduce maintenance costs, provide reliable service, and meet DEQ regulatory requirements.

Sanitary Sewer Project Category: Collection System

Funding Sources		Amount
WES Sanitary Sewer Construction	\$	250,000
WES Sanitary Sewer SDC	\$	-
2019-20 Budget		\$ 250,000

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
WES Sanitary Sewer Construction	\$	800,000
WES Sanitary Sewer SDC	\$	-
2019-20 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 2019-2020 includes the purchase of one new tractor trailer for biosolids delivery, one tractor and spreader for biosolids field application, an electrical maintenance truck, one plant maintenance electric utility vehicle, one administrative utility van and the replacement of two pickup trucks; one for operations and one for infrastructure utility locates.

Sanitary Sewer Project Category: Fleet

Funding Sources		Amount
WES Sanitary Sewer Construction	\$	1,010,000
WES Sanitary Sewer SDC	\$	-
2019-20 Budget		\$ 1,010,000

Further information regarding Sanitary Sewer CIP projects can be found on WES' website:
<http://www.clackamas.us/wes>

SURFACE WATER CIP

WES' goals for stormwater capital projects include:

- Protect and enhance streams and wetlands through planning and constructing modifications to the storm system WES owns and/or operates.
- 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 2019-20 – 2023-24					
	Budget		Projected		
Project Category	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Carli Creek Water Quality Project	\$ 75,000	\$ 50,000	\$ 45,000	\$ 30,000	\$ 50,000
Decant Facility	50,000	50,000	-	-	-
Detention Pond Repair / Rehab	100,000	100,000	100,000	100,000	100,000
Small Projects - Drainage System Modifications	100,000	250,000	250,000	250,000	250,000
Mt. Scott Oak Bluff Reach Restoration	450,000	10,000	8,000	5,000	3,000
3-Creeks Water Quality Project	50,000	500,000	1,500,000	1,500,000	50,000
Total	\$ 825,000	\$ 960,000	\$ 1,903,000	\$ 1,885,000	\$ 453,000

FY 2019-20 PROJECT SUMMARIES

The FY 2019-20 Surface Water Capital Budget includes the following projects:

Carli Creek Water Quality Project

WES purchased the 15-acre Carli Property in January 2012 in order to construct a regional water quality facility that will remove pollutants in runoff from developed industrial areas. This project will re-route urban runoff through a regional stormwater quality facility that will reduce negative impacts of high storm flows and pollutants in the creek; restore nearly 3,000 feet of critical salmon and steelhead rearing habitat; and provide regional stormwater management for future development in the Carli Creek watershed.

Funding Sources	Amount
WES Surface Water Construction	\$ 75,000
WES Surface Water SDC	\$ -
2019-20 Budget	\$ 75,000

Operating Budget Impact

Annual Cost	Type of Impact
\$ 25,000	Initial ongoing maintenance for 5-7 years after establishment (capital expense); impact decreases after year 7 to \$5,000 a year

Decant Facility

Project includes design and construction of a regional decant facility that would potentially serve multiple entities including local jurisdictions. The existing decant facility is under-sized and an assessment of potential facility location, partners, regional needs and customer relationships will be performed.

Funding Sources	Amount
WES Surface Water Construction	\$ -
WES Surface Water SDC	\$ 50,000
2019-20 Budget	\$ 50,000

Operating Budget Impact

Annual Cost	Type of Impact
TBD	Ongoing facility operation costs are influenced by the design

Detention Pond Repair / Rehab

WES is planning to remove sediment and vegetation from 3-5 detention ponds to return the ponds to their original design. Since the original installation, the ponds have become overgrown with vegetation and accumulated sediment to the point of reduced capacity to hold water. Rehab projects restore pond dimensions to original design specifications and remove unwanted trees and shrubs.

Funding Sources		Amount
WES Surface Water Construction	\$	100,000
WES Surface Water SDC	\$	-
2019-20 Budget		\$ 100,000

Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

Small Projects - Drainage System Modifications

Small Projects include analysis, design, and construction of storm system conveyances to address problems that result in water quality and flooding. Projects may include work to improve drainage issues when flooding is caused by WES-operated infrastructure, installing small low impact development facilities such as rain gardens, and repairs of existing stormwater infrastructure.

Funding Sources		Amount
WES Surface Water Construction	\$	100,000
WES Surface Water SDC	\$	-
2019-20 Budget		\$ 100,000

Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

Mt. Scott Oak Bluff Reach Restoration

Development in the Mt. Scott Creek watershed has significantly altered hydrology and sediment inputs, resulting in flashier peak flows, flooding and transport of sediment out of the project reach. Reduction of riparian vegetation and wood from the channel has reduced stream complexity. Steelhead, cutthroat and coho salmon use this reach, but in low numbers. Banks are unstable in portions of the project area. This project will improve habitat and stabilize streambanks by installing large woody debris (LWD), creating a meander cutoff channel and off-channel habitat, and replacing invasive vegetation with native plants over approximately 12 acres. Project also partnerships with the watershed council, North Clackamas Parks & Recreation, and Oregon Department of Fish and Wildlife, new trail and interpretive signs, and monitoring to ensure the project meets objectives.

Funding Sources		Amount
WES Surface Water Construction	\$	450,000
WES Surface Water SDC	\$	-
2019-20 Budget		\$ 450,000

Operating Budget Impact

Annual Cost	Type of Impact
\$ 10,000	Initial ongoing maintenance for 5 years after establishment (capital expense); impact decreases after year 5 to \$2,000 a year

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. This project would 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 would 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.

Funding Sources		Amount
WES Surface Water Construction	\$	50,000
WES Surface Water SDC	\$	-
2019-20 Budget		\$ 50,000

Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

Further information regarding Surface Water CIP projects can be found on WES' website:
<http://www.clackamas.us/wes>

SANITARY SEWER CAPITAL PROJECT LIST

		FY 2018-19	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FYs 2019-2024
LOCATION/ FUNCTION	PROJECT DESCRIPTION	Budget	Estimate	Budget	Projected	Projected	Projected	Projected	Projected
Tri-City Water Resource Recovery Facility									
	Solids Handling Improvement Project	\$ 12,800,000	\$ 11,250,916	\$ 13,900,000	\$ 8,100,000				\$ 22,000,000
	Hypchlorite Disinfection System	4,220,000	757,128	3,420,000					3,420,000
	Wet Weather Outfall	400,000	262,758	2,000,000	8,000,000	8,000,000			18,000,000
	Admin Building Remodel	100,000	50,000	500,000	500,000	500,000			1,500,000
	Influent Pump Station Variable Frequency Drives (IPS VFDs)			500,000	500,000				1,000,000
	Primary Clarifier Rehabilitation			400,000	400,000	400,000			1,200,000
	New Aeration Basin Mixers			250,000	250,000				500,000
	New Grit Pumps			150,000					150,000
	Process Software (Data Management)	100,000		100,000					100,000
	Security Locks Internal to Plant	50,000		50,000	50,000				100,000
	Mitigation Landscape (TCSHI and 82nd Av Bridge)			30,000	250,000				280,000
	Lab Fume Hoods	400,000							-
	Landfill Mitigation					1,000,000	5,000,000		6,000,000
	Liquids Expansion				2,000,000	3,000,000	3,000,000	20,000,000	28,000,000
	MBR Cassette Replacement							630,000	630,000
	PLCs 3A (Blower, CI, RAS)	120,000							-
	Tri-City Administration Building					5,000,000	5,000,000		10,000,000
	Tri City MBR and CASH W3 Evaluation		11,576						
	Tri City Polymer Relocation		2,565						
	W3 Improvements	800,000							-
	TOTAL	18,990,000	12,334,943	21,300,000	20,050,000	17,900,000	13,000,000	20,630,000	92,880,000
Kellogg Creek Water Resource Recovery Facility									
	Kellogg Improvements	9,000,000	6,199,397	10,000,000	4,000,000				14,000,000
	Secondary Mechanisms and Weirs			800,000	800,000				1,600,000
	Admin Lab and Lunch Room	50,000		250,000					250,000
	Grit Loading Improvements			200,000	400,000				600,000
	Access Gates and Security System		1,089						
	Dewatering and Digester Complex Improvements				1,500,000	3,500,000	3,000,000		8,000,000
	KC Bridge	150,000							-
	Primary Sludge PS				284,000				284,000
	W3 Project				308,000				308,000
	TOTAL	9,200,000	6,200,486	11,250,000	7,292,000	3,500,000	3,000,000	-	25,042,000

SANITARY SEWER CAPITAL PROJECT LIST

LOCATION/ FUNCTION		FY 2018-19	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FYs 2019-2024
FUNCTION	PROJECT DESCRIPTION	Budget	Estimate	Budget	Projected	Projected	Projected	Projected	Projected
Hoodland Water Resource Recovery Facility									
	RBC Access	100,000		100,000	250,000				350,000
	Hoodland Secondary Treatment Upgrade					500,000	2,750,000		3,250,000
	Hoodland Plant Modernization (MCCs, PLC, HMI, Dispatchable Power, Programming) combined with Arrah Wanna Pump Station Upgrades (Pumps and VFDs)	2,100,000	1,719,029						-
	Timberline Rim & Sandy PS Relocation/Upgrade		12,058						
	TOTAL	2,200,000	1,731,087	100,000	250,000	500,000	2,750,000	-	3,600,000
Boring Water Resource Recovery Facility									
	Upgrades	50,000	49,876	500,000	1,500,000				2,000,000
	TOTAL	50,000	49,876	500,000	1,500,000	-	-	-	2,000,000
Collection System									
	Clackamas Interceptor Capacity Improvements	3,000,000		200,000	2,500,000	6,000,000	6,000,000	12,000,000	26,700,000
	Willamette Interceptor - Oregon City/West Linn Bridge Capacity Upgrade	350,000		200,000	2,000,000	4,300,000	5,000,000	5,000,000	16,500,000
	Extend Rock Creek Interceptor				1,000,000	3,000,000	3,000,000		7,000,000
	I/I Reduction Program			1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
	Pipe Rehabilitation and Replacement	750,000	303,497	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
	Sieben Lane Pump Station Alternatives			200,000	800,000				1,000,000
	Gladstone Pump Station and Force Main Upgrade			360,000	720,000				1,080,000
	Flow Monitoring (SCADA Master Plan Recommendations and Meter Upgrades)	150,000	147,705	150,000	150,000	50,000	50,000	50,000	450,000
	82nd Dr. Bridge - N. Approach	3,200,000	85,599	2,800,000					2,800,000
	Carver Sewer	150,000	151,727						-
	CIA and Clackamas PS	400,000							-
	Clackamas PS Electrical			200,000					200,000
	Emergency Generator for River St	250,000		250,000					250,000
	Hoodland Pump Stations	1,000,000							-
	Hoodland Pump Stations Property Acquisition			200,000					200,000
	Jennifer Rd - Clackamas PS to CL9-6 and CL9-6 to CL9.2-8 -								
	Pipe Rehab - Possible Capacity Deficiencies - 6200' +/-	300,000							-
	LAST ROAD - Clackamas PS to CL8-2, CL8-2 to CL8.1-3 - Pipe Rehabilitation - 1650' +/-	130,000							-
	LAST ROAD Evelyn Road South of Clackamas PS - Clackamas PS to CL510 - Pipe Rehabilitation - 1700' +/-	30,000							-
	Linwood Pump Station (Lents)						1,600,000	3,200,000	4,800,000
	Lucity Mobile Software	15,000							-
	Manhole Rehabilitation (\$8000 per)	150,000	-						-
	Mt. Talbert SSES		77,011						-
	South Welches PS			200,000					200,000
	Willamette Pump Station Upgrade			250,000					250,000
	TOTAL	9,875,000	765,539	7,010,000	9,170,000	15,350,000	17,650,000	22,250,000	71,430,000

SANITARY SEWER CAPITAL PROJECT LIST

LOCATION/ FUNCTION		FY 2018-19	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FYs 2019-2024
FUNCTION	PROJECT DESCRIPTION	Budget	Estimate	Budget	Projected	Projected	Projected	Projected	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									
	Light Duty Fleet								
	Operations - Treatment, Maintenance & Line Crew	205,000	173,500	260,000	276,000	522,000	400,000	105,000	1,563,000
	Asset Management - Pool Vehicles			50,000	35,000	80,000			165,000
	Regulatory Management & Compliance				40,000				40,000
	Watershed Protection	70,000							-
	Total Light Duty Vehicles	275,000	173,500	310,000	351,000	602,000	400,000	105,000	1,768,000
	Heavy Equipment								
	Operations - Treatment, Maintenance & Line Crew	-		700,000	720,000	550,000	875,000	1,180,000	4,025,000
	Resource Recovery	720,000	103,156						-
	Total Heavy Equipment	720,000	103,156	700,000	720,000	550,000	875,000	1,180,000	4,025,000
	TOTAL	995,000	276,656	1,010,000	1,071,000	1,152,000	1,275,000	1,285,000	5,793,000
Water Quality Laboratory									
	ICPMS			163,000					163,000
	Analytical Balances		81,322	15,000	15,000				30,000
	Dishwasher				8,000				8,000
	BOD Instruments						60,000		60,000
	QA400 Discreet Analyzer (SEAL)	60,000							-
	Samplers for IPT	15,000							-
	Upgrades	50,000							-
	TOTAL	125,000	81,322	178,000	23,000	-	60,000	-	261,000
Operations & Maintenance Asset Management									
	Asset Management - Renewal and Replacement	800,000	117,801	800,000	800,000	800,000	800,000	800,000	4,000,000
	TOTAL	800,000	117,801	800,000	800,000	800,000	800,000	800,000	4,000,000
Pump Station Upgrades									
	Pump Station Improvements	450,000	85,590	450,000	450,000	450,000	450,000	450,000	2,250,000
	TOTAL	450,000	85,590	450,000	450,000	450,000	450,000	450,000	2,250,000
Development Review									
	Developer-Installed Assets	100,000		100,000	100,000	100,000	100,000	100,000	500,000
	TOTAL	100,000	-	100,000	100,000	100,000	100,000	100,000	500,000
TOTAL - ALL SANITARY SEWER PROJECTS		\$ 42,885,000	\$ 21,643,300	\$ 42,698,000	\$ 40,706,000	\$ 39,752,000	\$ 39,085,000	\$ 51,515,000	\$ 213,756,000

SURFACE WATER CAPITAL PROJECT LIST

		FY 2018-19	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FYs 2019-2024
LOCATION/ FUNCTION	PROJECT DESCRIPTION	Budget	Estimate	Budget	Projected	Projected	Projected	Projected	Projected
SURFACE WATER									
	Carli Creek Water Quality Project	\$ 1,250,000	\$ 1,188,310	\$ 75,000	\$ 50,000	\$ 45,000	\$ 30,000	\$ 50,000	\$ 250,000
	3-Creeks Water Quality Project	-		50,000	500,000	1,500,000	1,500,000	50,000	3,600,000
	Decant Facility	200,000	20,000	50,000	50,000				100,000
	Detention Pond Repair / Rehab	250,000	142,858	100,000	100,000	100,000	100,000	100,000	500,000
	Mt. Scott Oak Bluff Reach Restoration	520,000	13,568	450,000	10,000	8,000	5,000	3,000	476,000
	Rock Creek Confluence Site Maintenance	10,000	22,824						-
	Small Projects - Drainage System Modifications	450,000	601,936	100,000	250,000	250,000	250,000	250,000	1,100,000
	Storm System Master Plan for CCSD No. 1 / Happy Valley	300,000	75,000						-
	TOTAL	2,980,000	2,064,496	825,000	960,000	1,903,000	1,885,000	453,000	6,026,000
TOTAL - ALL SURFACE WATER PROJECTS		\$ 2,980,000	\$ 2,064,496	\$ 825,000	\$ 960,000	\$ 1,903,000	\$ 1,885,000	\$ 453,000	\$ 6,026,000

Long-Range Financial Plan



Plantings at the Carli Creek Treatment Wetland in Clackamas, OR

LONG-RANGE FINANCIAL PLAN

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 adopt budgets, rates and financial plans that generate net revenues such that coverage shall equal a minimum of 150% annual debt service (120% is required) and coverage with stabilized net revenues shall also 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.

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 \$325 million in capital investments through FY 2027-28. Capital investments are essential to provide safe and reliable environmental stewardship and protection of 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, conservative earnings rates for investment income, and inflationary adjustments for the costs of construction.

FORECASTED FINANCIAL PERFORMANCE FOR THE FY 2019-20 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.

Water Environment Services
LONG-RANGE FINANCIAL PLAN

(All figures in \$1,000s)

FY 19/20 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

SANITARY SEWER OPERATING FUND

REVENUES

TOTAL REVENUES	\$	40,822	\$	40,712	\$	42,540	\$	44,783	\$	47,177	\$	49,324	\$	51,459	\$	53,610	\$	56,094	\$	58,645
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EXPENDITURES

TOTAL OPERATING AND MAINTENANCE EXPENSES		24,724		25,995		27,341		28,766		30,052		31,401		32,814		34,293		35,845		37,470
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TRANSFERS

Construction Fund - Cash Funding of Asset Replacement		14,500		9,473		6,099		4,337		2,885		3,598		3,882		4,550		5,484		6,408
Debt Service Funds		5,895		7,538		9,100		11,680		14,240		14,325		14,763		14,767		14,765		14,767
TOTAL TRANSFERS		20,395		17,011		15,199		16,017		17,125		17,923		18,645		19,317		20,249		21,175

BEGINNING FUND BALANCE

	9,591	5,294	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
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ENDING FUND BALANCE*

\$	5,294	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000
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SANITARY SEWER SDC FUND

REVENUES

TOTAL REVENUES	\$	8,810	\$	11,109	\$	11,770	\$	12,351	\$	12,996	\$	9,212	\$	9,561	\$	10,027	\$	10,468	\$	11,033
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EXPENDITURES

TOTAL CAPITAL OUTLAY EXPENDITURES		4,248		22,019		16,895		14,623		13,809		17,000		7,791		12,918		3,366		-
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BEGINNING FUND BALANCE

	30,356	34,918	24,008	18,883	16,611	15,798	8,010	9,780	6,889	13,991
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ENDING FUND BALANCE*

\$	34,918	\$	24,008	\$	18,883	\$	16,611	\$	15,798	\$	8,010	\$	9,780	\$	6,889	\$	13,991	\$	25,024
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SANITARY SEWER CONSTRUCTION FUND

REVENUES

TOTAL REVENUES	\$	930	\$	374	\$	303	\$	76	\$	44	\$	29	\$	36	\$	39	\$	53	\$	100
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Other Financing: SRF Loan Proceeds		13,900		8,100		-		-		-		-		-		-		-		-
New Borrowings (Net of Financing Costs)		-		-		-		39,180		36,955		1,321		6,651		-		-		-
Transfer from Sanitary Sewer Operating Fund		14,500		9,473		6,099		4,337		2,885		3,598		3,882		4,550		5,484		6,408

EXPENDITURES

TOTAL CAPITAL OUTLAY EXPENDITURES		38,450		24,973		29,094		46,822		41,368		4,250		10,278		3,229		842		-
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BEGINNING FUND BALANCE

	46,479	37,359	30,333	7,641	4,412	2,928	3,626	3,917	5,277	9,972
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ENDING FUND BALANCE*

\$	37,359	\$	30,333	\$	7,641	\$	4,412	\$	2,928	\$	3,626	\$	3,917	\$	5,277	\$	9,972	\$	16,480
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*Ending Fund Balances include Contingencies/Reserves

Water Environment Services
LONG-RANGE FINANCIAL PLAN

(All figures in \$1,000s)

	FY 19/20	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
SURFACE WATER OPERATING FUND										
REVENUES										
TOTAL REVENUES	\$ 5,673	\$ 5,891	\$ 6,249	\$ 6,630	\$ 7,036	\$ 7,423	\$ 7,832	\$ 8,265	\$ 8,723	\$ 9,207
EXPENDITURES										
TOTAL OPERATING AND MAINTENANCE EXPENSES	5,435	5,708	5,997	6,302	6,579	6,869	7,173	7,491	7,825	8,174
TRANSFERS										
Construction Fund - Cash Funding of Asset Replacement	3,000	183	252	328	457	554	659	774	898	1,033
TOTAL TRANSFERS	3,000	183	252	328	457	554	659	774	898	1,033
BEGINNING FUND BALANCE	9,305	6,543	6,543	6,543	6,543	6,543	6,543	6,543	6,543	6,543
ENDING FUND BALANCE*	\$ 6,543	\$ 6,543	\$ 6,543	\$ 6,543	\$ 6,543	\$ 6,543	\$ 6,543	\$ 6,543	\$ 6,543	\$ 6,543
SURFACE WATER SDC FUND										
REVENUES										
TOTAL REVENUES	\$ 155	\$ 238	\$ 244	\$ 250	\$ 259	\$ 179	\$ 183	\$ 187	\$ 191	\$ 195
EXPENDITURES										
TOTAL CAPITAL OUTLAY EXPENDITURES	50	50	-	-	-	-	-	-	-	-
BEGINNING FUND BALANCE	1,923	2,028	2,216	2,460	2,710	2,969	3,148	3,331	3,518	3,709
ENDING FUND BALANCE*	\$ 2,028	\$ 2,216	\$ 2,460	\$ 2,710	\$ 2,969	\$ 3,148	\$ 3,331	\$ 3,518	\$ 3,709	\$ 3,904
SURFACE WATER CONSTRUCTION FUND										
REVENUES										
TOTAL REVENUES	\$ 306	\$ 36	\$ 29	\$ 287	\$ 64	\$ 45	\$ 35	\$ 43	\$ 47	\$ 62
Transfer from Surface Water Operating Fund	3,000	183	252	328	457	554	659	774	898	1,033
EXPENDITURES										
TOTAL CAPITAL OUTLAY EXPENDITURES	775	910	1,903	1,885	453	-	-	-	-	-
BEGINNING FUND BALANCE	1,066	3,597	2,906	1,284	14	82	681	1,375	2,192	3,137
ENDING FUND BALANCE*	\$ 3,597	\$ 2,906	\$ 1,284	\$ 14	\$ 82	\$ 681	\$ 1,375	\$ 2,192	\$ 3,137	\$ 4,232

*Ending Fund Balances include Contingencies/Reserves

Water Environment Services
LONG-RANGE FINANCIAL PLAN

(All figures in \$1,000s)

	FY 19/20	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
REVENUE BOND AND STATE LOAN FUNDS										
REVENUES										
TOTAL REVENUES	\$ 323	\$ 283	\$ 270	\$ 259	\$ 248	\$ 237	\$ 227	\$ 218	\$ 209	\$ 200
Transfer from Sanitary Sewer Operating Fund	5,895	\$ 7,538	9,100	11,680	14,240	14,325	14,763	14,767	14,765	14,767
DEBT SERVICE										
Existing Debt Service	6,908	\$ 6,881	6,873	6,881	7,014	7,012	7,013	7,016	7,014	7,015
Future Debt Service	350	\$ 770	2,340	4,911	7,337	7,424	7,860	7,860	7,860	7,860
TOTAL DEBT SERVICE	7,258	\$ 7,651	9,213	11,792	14,351	14,436	14,873	14,876	14,874	14,875
BEGINNING FUND BALANCE	1,544	\$ 504	\$ 674	\$ 831	\$ 978	\$ 1,115	\$ 1,241	\$ 1,358	\$ 1,467	\$ 1,567
ENDING FUND BALANCE*	\$ 504	\$ 674	\$ 831	\$ 978	\$ 1,115	\$ 1,241	\$ 1,358	\$ 1,467	\$ 1,567	\$ 1,659
WES COMBINED ENDING FUND BALANCES	\$ 90,245	\$ 67,688	\$ 38,650	\$ 32,276	\$ 30,443	\$ 24,257	\$ 27,312	\$ 26,894	\$ 39,927	\$ 58,850
TEST OF COVERAGE REQUIREMENTS										
Total Operating Revenues	\$ 54,814	\$ 57,601	\$ 60,560	\$ 63,820	\$ 67,294	\$ 65,971	\$ 68,944	\$ 71,978	\$ 75,392	\$ 78,923
Operating Expenses	\$ 30,159	\$ 31,703	\$ 33,338	\$ 35,068	\$ 36,631	\$ 38,270	\$ 39,987	\$ 41,784	\$ 43,670	\$ 45,644
Net revenues available for debt service	\$ 24,655	\$ 25,898	\$ 27,222	\$ 28,752	\$ 30,663	\$ 27,701	\$ 28,957	\$ 30,194	\$ 31,722	\$ 33,279
Debt Service	7,258	7,651	9,213	11,792	14,351	14,436	14,873	14,876	14,874	14,875
Projected Debt Coverage Recognized	340%	338%	295%	244%	214%	192%	195%	203%	213%	224%
Debt Coverage Required	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%

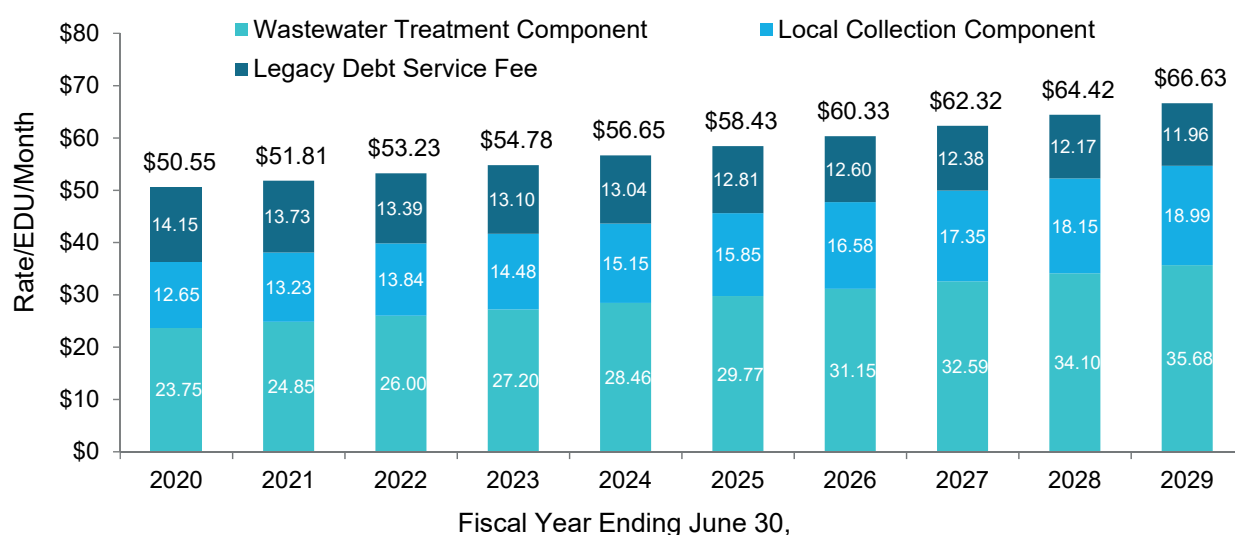
*Ending Fund Balances include Contingencies/Reserves

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 2019-20, 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.

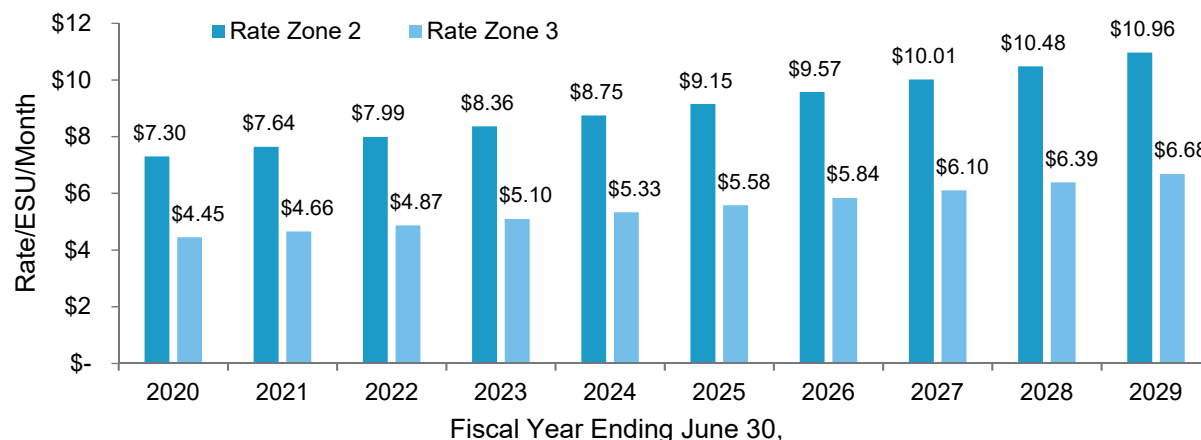
FORECASTED SANITARY SEWER MONTHLY CHARGES

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



Pup Creek, Clackamas County, OR

Clackamas County Service District No. 1



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 2019-2020			
	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						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	6,485,106	5,239,548	0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	160,911	193,584	0	4. INTEREST				4
5				5. OTHER RESOURCES				5
6	21,696,747	22,415,502	0	6. MONTHLY SERVICE CHARGE REVENUE				6
7	4,676,605	4,798,975	0	7. OPERATION PAYMENTS-CITIES				7
8				8. BANCROFT BOND SALE PROCEEDS				8
9		0	0	9. RENTAL INCOME				9
10	836,575	674,331	0	10. MISCELLANEOUS INCOME				10
11	31,837	0	0	11. CONNECTION CHARGE REVENUE				11
12	285,847	222,334	0	12. SPECIAL CONNECTION CHARGE REVENUE				12
13				13. CAPITAL OUTLAY PAYMENTS CITIES				13
14				14. PRINCIPAL NON-BONDED INSTALLMENT				14
15	66,964	109,545	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	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	34,240,592	33,653,819	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	34,240,592	33,653,819	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 2018-2019	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	ACTUAL				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	12,119,503	13,109,762	0	1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	12,119,503	13,109,762	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	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	14,800,000	16,000,000	0	2. TO DEBT SERVICE FUNDS				2
3	106,088	1,400,000	0	3. TO OTHER FUNDS				3
4			0	4. GENERAL OPERATING CONTINGENCY				4
5	14,906,088	17,400,000	0	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	27,025,591	30,509,762	0	TOTAL EXPENDITURES	0	0	0	
	7,215,001	5,239,548	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	34,240,592	35,749,310	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 2019-2020			
	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								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3	7,232,306	7,446,471	0	3. WES SERVICES						3
4	1,369,983	1,620,251	0	4. OTHER COUNTY SERVICES						4
5	799,631	871,531	0	5. PROFESSIONAL SERVICES						5
6	285,106	317,887	0	6. MISCELLANEOUS SERVICES						6
7	9,687,026	10,256,140	0	7. TOTAL SERVICES			0	0	0	7
8										8
9	1,031,435	1,163,719	0	9. SUPPLIES						9
10	410,639	467,196	0	10. SLUDGE DISPOSAL						10
11	853,292	859,918	0	11. UTILITIES						11
12	926,200	1,138,483	0	12. MISCELLANEOUS EXPENSE						12
13	(789,089)	(775,694)	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	12,119,503	13,109,762	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	12,119,503	13,109,762	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 2019-2020			
	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								
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 2019-2020			
	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						
1				BEGINNING FUND BALANCE:				
2	15,214,951	19,176,742	0	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
4	140,539	230,642	0	3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
5				4. INTEREST				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		0	0	9. RENTAL INCOME				9
11	4,371,217	4,514,673	0	10. MISCELLANEOUS INCOME				10
12				11. 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				15. INTEREST NON-BONDED INSTALLMENT				15
17				16. STATE GRANT (DEQ)				16
18				17. FEDERAL GRANT (EPA)				17
19				18. STATE LOAN				18
20				19. BONDS PROCEEDS				19
21				20. INSURANCE PROCEEDS				20
22				21. INTERIM FINANCING				21
23				22.				22
24				23.				23
25				24.				24
26				25.				25
27				26.				26
28				27.				27
29	19,726,707	23,922,057	0	28. TRANSFER FROM OTHER FUNDS				28
30				29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	0	0	0	29
31				30. TAXES NECESSARY TO BALANCE BUDGET				30
32				31. TAXES COLLECTED IN YEAR LEVIED				31
33	19,726,707	23,922,057	0	32. TOTAL RESOURCES	0	0	0	32

FORM LB-30

EXPENDITURE SUMMARY

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 2019-2020			
	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				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	549,965	1,004,191	0	1.				1
2				2.				2
3				3.				3
4	549,965	1,004,191	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
	549,965	1,004,191	0	TOTAL EXPENDITURES	0	0	0	
	19,176,742	22,917,866	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	19,726,707	23,922,057	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 2019-2020			
	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								
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 2019-2020			
	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								
1				1. LAND						1
2				2.						2
3				3. BUILDINGS						3
4				4.						4
5	549,965	1,004,191	0	5. TREATMENT PLANT						5
6				6.						6
7				7. PUMP STATIONS						7
8				8.						8
9		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	549,965	1,004,191	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	549,965	1,004,191	0	TOTAL	0		0	0	0	

RESOURCES

FORM LB-20

**SANITARY SEWER
CONSTRUCTION FUND**

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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						
1				BEGINNING FUND BALANCE:				1
2	15,488,968	27,002,274	0	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				2
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)				3
4	108,556	263,193	0	3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				4
5				4. INTEREST				5
6				5. OTHER RESOURCES				6
7				6. MONTHLY SERVICE CHARGE REVENUE				7
8				7. OPERATION PAYMENTS-CITIES				8
9				8. BOND SALE PROCEEDS				9
10	17,865	49,740	0	9. RENTAL INCOME				10
11				10. MISCELLANEOUS INCOME				11
12				11. SEWER CONNECTION CHARGE REVENUE				12
13				12. SPECIAL CONNECTION CHARGE REVENUE				13
14				13. CAPITAL OUTLAY PAYMENTS CITIES				14
15				14. PRINCIPAL NON-BONDED INSTALLMENT				15
16				15. INTEREST NON-BONDED INSTALLMENT				16
17				16. STATE GRANT (DEQ)				17
18				17. FEDERAL GRANT (EPA)				18
19				18. STATE LOAN				19
20				19. BONDS PROCEEDS				20
21				20. INSURANCE PROCEEDS				21
22	14,800,000	16,000,000	0	21. INTERIM FINANCING				22
23				22. TRANSFER FROM GENERAL FUND				23
24				23. TRANSFER FROM SDC FUND				24
25				24.				25
26				25.				26
27				26.				27
28				27.				28
29	30,415,389	43,315,207	0	28. FROM OTHER ENTITIES				29
30				29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	0	0	0	30
31				30. TAXES NECESSARY TO BALANCE BUDGET				31
32	30,415,389	43,315,207	0	31. TAXES COLLECTED IN YEAR LEVIED				32
				32. TOTAL RESOURCES	0	0	0	

FORM LB-30

EXPENDITURE SUMMARY

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 2019-2020			
	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				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	3,413,115	6,346,609	0	1.				1
2				2.				2
3				3.				3
4	3,413,115	6,346,609	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	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	4. GENERAL OPERATING CONTINGENCY				4
5	0	0	0	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	3,413,115	6,346,609	0	TOTAL EXPENDITURES	0	0	0	
	27,002,274	36,968,598	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	30,415,389	43,315,207	0	TOTAL	0	0	0	

FORM LB-31

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 2019-2020			
	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								
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
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 2019-2020			
	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								
1				1. LAND						1
2				2.						2
3				3. BUILDINGS						3
4				4.						4
5	2,525,046	5,275,768	0	5. TREATMENT PLANT						5
6				6.						6
7	0	110,609	0	7. PUMP STATIONS						7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11	407,211	311,552	0	11. TRUNKS & INTERCEPTORS						11
12				12.						12
13	480,858	648,680	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	3,413,115	6,346,609	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	3,413,115	6,346,609	0	TOTAL	0		0	0	0	

RESOURCES

FORM LB-20

**SURFACE WATER
OPERATING FUND**
FUND

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

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	5,834,749	7,065,700	0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	49,359	81,484	0	4. INTEREST				4
5				5. OTHER RESOURCES				5
6	4,353,166	4,513,652	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	247,473	524,843	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	10,484,747	12,185,679	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	10,484,747	12,185,679	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 2019-2020			
	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	3,419,047	3,510,339	0	1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	3,419,047	3,510,339	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	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	4. GENERAL OPERATING CONTINGENCY				4
5	0	0	0	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	3,419,047	3,510,339	0	TOTAL EXPENDITURES	0	0	0	
	7,065,700	8,675,340	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	10,484,747	12,185,679	0	TOTAL	0	0	0	

FORM LB-31

**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 2019-2020			
	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								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3	1,755,794	1,642,973	0	3. WES SERVICES						3
4	470,001	536,937	0	4. OTHER COUNTY SERVICES						4
5	404,039	530,122	0	5. PROFESSIONAL SERVICES						5
6	29,665	22,738	0	6. MISCELLANEOUS SERVICES						6
7	2,659,499	2,732,770	0	7. TOTAL SERVICES						7
8										8
9	57,560	65,119	0	9. SUPPLIES						9
10	0	0	0	10. SLUDGE DISPOSAL						10
11	1,376	879	0	11. UTILITIES						11
12	467,135	490,343	0	12. MISCELLANEOUS EXPENSE						12
13	233,477	221,228	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	3,419,047	3,510,339	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	3,419,047	3,510,339	0	TOTAL	0		0	0	0	

FORM LB-31

**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 2019-2020			
	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								
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

FORM LB-20

**SURFACE WATER
SYSTEM DEVELOPMENT CHARGE FUND**

FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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						
1				BEGINNING FUND BALANCE:				1
2	1,689,105	1,788,278	0	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				2
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)				3
4	13,628	20,076	0	3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				4
5				4. INTEREST				5
6				5. OTHER RESOURCES				6
7				6. MONTHLY SERVICE CHARGE REVENUE				7
8				7. OPERATION PAYMENTS-CITIES				8
9				8. BANCROFT BOND SALE PROCEEDS				9
10		0	0	9. RENTAL INCOME				10
11	85,545	103,710	0	10. MISCELLANEOUS INCOME				11
12				11. CONNECTION CHARGE REVENUE				12
13				12. SPECIAL CONNECTION CHARGE REVENUE				13
14				13. CAPITAL OUTLAY PAYMENTS CITIES				14
15				14. PRINCIPAL NON-BONDED INSTALLMENT				15
16				15. INTEREST NON-BONDED INSTALLMENT				16
17				16. STATE GRANT (DEQ)				17
18				17. FEDERAL GRANT (EPA)				18
19				18. STATE LOAN				19
20				19. BONDS PROCEEDS				20
21				20. INSURANCE PROCEEDS				21
22				21. INTERIM FINANCING				22
23				22.				23
24				23.				24
25				24.				25
26				25.				26
27				26.				27
28				27.				28
29	1,788,278	1,912,064	0	28. FROM OTHER ENTITIES				29
30				29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	0	0	0	30
31				30. TAXES NECESSARY TO BALANCE BUDGET				31
32	1,788,278	1,912,064	0	31. TAXES COLLECTED IN YEAR LEVIED				32
				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 2019-2020			
	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				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	
	1,788,278	1,912,064	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	1,788,278	1,912,064	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 2019-2020			
	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								
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 2019-2020			
	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								
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	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL	0		0	0	0	

RESOURCES

FORM LB-20

**SURFACE WATER
CONSTRUCTION FUND**

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

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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						
1				BEGINNING FUND BALANCE:				1
2	4,234,389	4,131,597	0	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				2
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)				3
4	32,632	32,658	0	3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				4
5				4. INTEREST				5
6				5. OTHER RESOURCES				6
7				6. MONTHLY SERVICE CHARGE REVENUE				7
8				7. OPERATION PAYMENTS-CITIES				8
9				8. BANCROFT BOND SALE PROCEEDS				9
10	10,886	11,831	0	9. RENTAL INCOME				10
11				10. MISCELLANEOUS INCOME				11
12				11. SEWER CONNECTION CHARGE REVENUE				12
13				12. SPECIAL CONNECTION CHARGE REVENUE				13
14				13. CAPITAL OUTLAY PAYMENTS CITIES				14
15				14. PRINCIPAL NON-BONDED INSTALLMENT				15
16	12,837	22,000	0	15. INTEREST NON-BONDED INSTALLMENT				16
17				16. STATE GRANTS				17
18				17. FEDERAL GRANTS				18
19				18. STATE LOAN				19
20				19. BOND PROCEEDS				20
21				20. INSURANCE PROCEEDS				21
22				21. INTERIM FINANCING				22
23				22. TRANSFER FROM GENERAL FUND				23
24				23.				24
25				24.				25
26				25.				26
27				26.				27
28				27.				28
29	4,290,744	4,198,086	0	28. FROM OTHER ENTITIES				29
30				29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	0	0	0	30
31				30. TAXES NECESSARY TO BALANCE BUDGET				31
32	4,290,744	4,198,086	0	31. TAXES COLLECTED IN YEAR LEVIED				32
				32. TOTAL RESOURCES	0	0	0	

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

SURFACE WATER**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 2019-2020			
	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
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	159,147	2,206,210	0	1.				1
2				2.				2
3				3.				3
4	159,147	2,206,210	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
	159,147	2,206,210	0	TOTAL EXPENDITURES	0	0	0	
	4,131,597	1,991,876	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	4,290,744	4,198,086	0	TOTAL	0	0	0	

FORM LB-31

**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 2019-2020			
	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								
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
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 2019-2020			
	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								
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	159,147	2,206,210	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	159,147	2,206,210	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	159,147	2,206,210	0	TOTAL	0		0	0	0	

FORM LB-35

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 2019-2020				
	ACTUAL		ADOPTED BUDGET THIS YEAR 2018-2019		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY		
	SECOND PRECEDING 2016-2017	FIRST PRECEDING 2017-2018							
	RESOURCES								
				BEGINNING FUND BALANCE:					
1				1. CASH ON HAND*(CASH BASIS), OR				1	
2	4,346,409	5,128,959	0	2. WORKING CAPITAL(ACCRUAL BASIS)				2	
3	706,662	550,058	0	3. PRINCIPAL COLLECTIONS				3	
4	152,894	136,860	0	4. INTEREST COLLECTIONS				4	
5	37,617	25,482	0	5. EARNINGS FROM TEMPORARY INVESTMENTS				5	
6	82	0	0	6. MISCELLANEOUS				6	
7	6,377,468			7. TRANSFER FROM REVENUE BOND FUND				7	
8	11,621,132	5,841,359	0	8. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED				8	
9			0	9. TAXES NECESSARY TO BALANCE				9	
10				10. TAXES COLLECTED IN YEAR LEVIED				10	
	11,621,132	5,841,359	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	106,208	0	2. STATE LOAN R06224	09/01/17, 03/01/18			2	
3	6,290,582	0	0	3. STATE LOAN R22403				3	
4	6,396,790	106,208	0	TOTAL PRINCIPAL		0	0	0 4	
				BOND INTEREST PAYMENTS					
				ISSUE DATE	BUDGETED PAYMENT DATE				
1	0	0	0	1. STATE LOAN R22401				1	
2	8,497	7,966	0	2. STATE LOAN R06224				2	
3	86,886	0	0	3. STATE LOAN R22403				3	
4	95,383	7,966	0	TOTAL INTEREST		0	0	0 4	
				SPECIAL PAYMENTS					
1		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	1. TO REVENUE BOND FUND				1	
2	0	5,000,000	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.	5,128,959	727,185	0	5. TOTAL UAPPROPRIATED ENDING FUND BALANCE		0	0	0 5	
	11,621,132	5,841,359	0	TOTAL REQUIREMENTS		0	0	0	

BONDED DEBT
RESOURCES AND REQUIREMENTS

BONDED DEBT PAYMENTS ARE FOR:
REVENUE BONDS

FORM LB-35

DEBT SERVICE - REVENUE BONDS
FUND

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

	HISTORICAL DATA			DESCRIPTION OF RESOURCES AND REQUIREMENTS	BUDGET FOR NEXT YEAR 2019-2020		
	ACTUAL		ADOPTED BUDGET THIS YEAR 2018-2019		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
	SECOND PRECEDING 2016-2017	FIRST PRECEDING 2017-2018					
				RESOURCES			
				BEGINNING FUND BALANCE:			
1				1. CASH ON HAND*(CASH BASIS), OR			1
2	8,333,124	1,523,656	0	2. WORKING CAPITAL(ACCRUAL BASIS)			2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD			3
4	123,319	155,390	0	4. EARNINGS FROM TEMPORARY INVESTMENTS			4
5	106,088	6,400,000	0	5. TRANSFERRED FROM OTHER FUNDS			5
6	92,563,147			6. PROCEEDS FROM ADVANCE REFUNDING			6
		0	0	7. MISCELLANEOUS INCOME			
	20,394	23,454	0	8. INTEREST COLLECTIONS			
7	101,146,072	8,102,500	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
	101,146,072	8,102,500	0	TOTAL RESOURCES	0	0	0
				REQUIREMENTS			
				BOND PRINCIPAL PAYMENTS			
				ISSUE DATE	BUDGETED PAYMENT DATE		
1	140,000	840,000	0	1. 2002A 06/04/02			1
2	0	0	0	2. 2002B 09/19/02			2
3	32,406,480	1,160,000	0	3. 2009A 03/04/09			3
4	36,741,025	1,360,000	0	4. 2009B 11/24/09			4
5	19,924,025	790,000	0	5. 2010 12/22/10			5
6	1,015,000	280,000	0	6. 2016 08/30/16			6
7	90,226,530	4,430,000	0	7. TOTAL PRINCIPAL	0	0	0 7
				BOND INTEREST PAYMENTS			
				ISSUE DATE	BUDGETED PAYMENT DATE		
1	43,400	35,119	0	1. 2002A 06/04/02			1
2	0	0	0	2. 2002B 09/19/02			2
3	200,799	53,700	0	3. 2009A 03/04/09			3
4	320,332	142,600	0	4. 2009B 11/24/09			4
5	205,718	110,450	0	5. 2010 12/22/10			5
6	2,248,169	2,976,881	0	6. 2016 08/30/16			6
7	3,018,418	3,318,750	0	7. TOTAL INTEREST	0	0	0 7
				SPECIAL PAYMENTS			
1		0	0	1.			1
2	0	0	0	2. TOTAL SPECIAL PAYMENTS	0	0	0 2
				TRANSFERRED TO OTHER FUNDS			
1	6,377,468	0	0	1. TO STATE LOAN FUND			1
2	6,377,468	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	1,523,656	353,750	0	6. UNAPPROPRIATED ENDING FUND BALANCE	0	0	0
	101,146,072	8,102,500	0	TOTAL REQUIREMENTS	0	0	0

Tri-City Service District



FORM LB-20

RESOURCES

SANITARY SEWER

OPERATING FUND

FUND

TRI-CITY SERVICE DISTRICT

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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						
1				BEGINNING FUND BALANCE:				1
2	4,233,289	0	0	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				2
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)				3
4	37,933	0	0	3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				4
5				4. INTEREST				5
6	8,195,657	0	0	5. OTHER RESOURCES				6
7	1,049	0	0	6. MONTHLY SERVICE CHARGE REVENUE				7
8				7. OPERATION PAYMENTS-CITIES				8
9	179,610	0	0	8. BANCROFT BOND SALE PROCEEDS				9
10	107,481	0	0	9. RENTAL INCOME				10
11				10. MISCELLANEOUS INCOME				11
12				11. SYSTEM DEVELOPMENT CHARGE REVENUE				12
13				12. SPECIAL CONNECTION CHARGE REVENUE				13
14				13. CAPITAL OUTLAY PAYMENTS CITIES				14
15				14. PRINCIPAL NON-BONDED INSTALLMENT				15
16				15. INTEREST NON-BONDED INSTALLMENT				16
17				16. STATE GRANT (DEQ)				17
18				17. FEDERAL GRANT (EPA)				18
19				18. STATE LOAN				19
20				19. REVENUE BONDS PROCEEDS				20
21	354,963	0	0	20. INSURANCE PROCEEDS				21
22				21. INTERGOVERNMENTAL REVENUE				22
23				22. TRANSFER FROM OTHER FUNDS				23
24				23. CONTRIBUTION FROM CCSD NO. 1				24
25				24.				25
26				25.				26
27				26.				27
28				27.				28
29	13,109,982	0	0	28. FROM OTHER ENTITIES		0	0	29
30				29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED				30
31				30. TAXES NECESSARY TO BALANCE BUDGET				31
32	13,109,982	0	0	31. TAXES COLLECTED IN YEAR LEVIED				32
				32. TOTAL RESOURCES	0	0	0	

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

SANITARY SEWER**OPERATING FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

TRI-CITY SERVICE DISTRICT

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2018-2019	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	ACTUAL				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	6,445,135	0	0	1.	0			1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	6,445,135	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	1.	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	2,500,000	0	0	2. TO CONSTRUCTION FUND	0			2
3	0	0	0	3. TO DEBT FUNDS	0			3
				4.				
4			0	5. GENERAL OPERATING CONTINGENCY	0			4
5	2,500,000	0	0	6. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	8,945,135	0	0	TOTAL EXPENDITURES	0	0	0	
	4,164,847	0	0	UNAPPROPRIATED ENDING FUND BALANCE	0			
	13,109,982	0	0	TOTAL	0	0	0	

DETAILED EXPENDITURES

FORM LB-31

**SANITARY SEWER
OPERATING FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

TRI-CITY SERVICE DISTRICT

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2019-2020			
	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								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3	2,729,043	0	0	3. WES SERVICES						3
4	502,346	0	0	4. OTHER COUNTY SERVICES						4
5	489,724	0	0	5. PROFESSIONAL SERVICES						5
6	69,936	0	0	6. MISCELLANEOUS SERVICES						6
7	3,791,049	0	0	7. TOTAL SERVICES			0			7
8										8
9	878,345	0	0	9. SUPPLIES						9
10	72,416	0	0	10. SLUDGE DISPOSAL						10
11	684,030	0	0	11. UTILITIES						11
12	770,376	0	0	12. MISCELLANEOUS EXPENSE						12
13	248,919	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	6,445,135	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	6,445,135	0	0	TOTAL	0		0	0	0	

DETAILED EXPENDITURES

FORM LB-31

**SANITARY SEWER
OPERATING FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

TRI-CITY SERVICE DISTRICT

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2019-2020			
	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								
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	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

TRI-CITY SERVICE DISTRICT
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	2,166,687	0	0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	18,827	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	10. MISCELLANEOUS INCOME				10
11	976,273	0	0	11. SYSTEM DEVELOPMENT 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. REVENUE BONDS PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERGOVERNMENTAL REVENUE				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	3,161,787	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	3,161,787	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

TRI-CITY SERVICE DISTRICT
 (NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2018-2019	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	ACTUAL				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				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	392,567	0	0	1.	0			1
2				2.				2
3				3.				3
4	392,567	0	0	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1			0	1.	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			0	4. GENERAL OPERATING CONTINGENCY	0			4
5	0	0	0	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	392,567	0	0	TOTAL EXPENDITURES	0	0	0	
	2,769,220	0	0	UNAPPROPRIATED ENDING FUND BALANCE	0			
	3,161,787	0	0	TOTAL	0	0	0	

DETAILED EXPENDITURES

FORM LB-31

**SANITARY SEWER
SYSTEM DEVELOPMENT CHARGE FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

TRI-CITY SERVICE DISTRICT

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2019-2020			
	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								
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

TRI-CITY SERVICE DISTRICT
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2019-2020			
	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								
1	392,567	0		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	392,567	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	392,567	0	0	TOTAL			0	0	0	

RESOURCES

FORM LB-20

**SANITARY SEWER
CONSTRUCTION FUND
FUND**

TRI-CITY SERVICE DISTRICT
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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						
1				BEGINNING FUND BALANCE:				1
2	6,028,858	0	0	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				2
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)				3
4	43,962	0	0	3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				4
5				4. INTEREST				5
6				5. OTHER RESOURCES				6
7				6. MONTHLY SERVICE CHARGE REVENUE				7
8				7. OPERATION PAYMENTS-CITIES				8
9				8. BANCROFT BOND SALE PROCEEDS				9
10	33,446	0	0	9. RENTAL INCOME				10
11				10. MISCELLANEOUS INCOME				11
12				11. SYSTEM DEVELOPMENT CHARGE REVENUE				12
13				12. SPECIAL CONNECTION CHARGE REVENUE				13
14				13. CAPITAL OUTLAY PAYMENTS CITIES				14
15				14. PRINCIPAL NON-BONDED INSTALLMENT				15
16				15. INTEREST NON-BONDED INSTALLMENT				16
17				16. STATE GRANT (DEQ)				17
18				17. FEDERAL GRANT (EPA)				18
19				18. STATE LOAN				19
20				19. REVENUE BONDS PROCEEDS				20
21				20. INSURANCE PROCEEDS				21
22	2,500,000	0	0	21. INTERGOVERNMENTAL REVENUE				22
23				22. TRANSFERS FROM GENERAL FUND				23
24				23.				24
25				24.				25
26				25.				26
27				26.				27
28				27.				28
29	8,606,266	0	0	28. FROM OTHER ENTITIES				29
30				29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	0	0	0	30
31				30. TAXES NECESSARY TO BALANCE BUDGET				31
32	8,606,266	0	0	31. TAXES COLLECTED IN YEAR LEVIED				32
				32. TOTAL RESOURCES	0	0	0	

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

SANITARY SEWER**CONSTRUCTION FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

TRI-CITY SERVICE DISTRICT

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2018-2019	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	ACTUAL				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				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	438,513	0	0	1.	0			1
2				2.				2
3				3.				3
4	438,513	0	0	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1			0	1.	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	0	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	0			4
5	0	0	0	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	438,513	0	0	TOTAL EXPENDITURES	0	0	0	
	8,167,753	0	0	UNAPPROPRIATED ENDING FUND BALANCE	0			
	8,606,266	0	0	TOTAL	0	0	0	

DETAILED EXPENDITURES

FORM LB-31

**SANITARY SEWER
CONSTRUCTION FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

TRI-CITY SERVICE DISTRICT

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2019-2020			
	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								
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

TRI-CITY SERVICE DISTRICT
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2019-2020			
	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								
1				1. LAND						1
2				2.						2
3				3. BUILDING AND BLDG IMPROVEMENTS						3
4				4.						4
5	367,985	0	0	5. TREATMENT PLANT						5
6				6.						6
7	24,992	0	0	7. PUMP STATIONS						7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11	24,536	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. BIOSOLIDS						17
18				18.						18
19	21,000	0	0	19. RENEWAL & 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	438,513	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	438,513	0	0	TOTAL	0		0	0	0	

BONDED DEBT
RESOURCES AND REQUIREMENTS

DEBT SERVICE - STATE LOAN
FUND

TRI-CITY SERVICE DISTRICT
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			DESCRIPTION OF RESOURCES AND REQUIREMENTS	BUDGET FOR NEXT YEAR 2019-2020				
	ACTUAL		ADOPTED BUDGET THIS YEAR 2018-2019		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY		
	SECOND PRECEDING 2016-2017	FIRST PRECEDING 2017-2018							
	RESOURCES								
				BEGINNING FUND BALANCE:					
1				1. CASH ON HAND*(CASH BASIS), OR				1	
2	537	0	0	2. WORKING CAPITAL(ACCRUAL BASIS)				2	
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3	
4	4	0	0	4. EARNINGS FROM TEMPORARY INVESTMENTS				4	
5	0	0		5. TRANSFERRED FROM OTHER FUNDS				5	
6			0	6. MISCELLANEOUS INCOME				6	
7	541	0	0	7. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED		0		0 7	
8				8. TAXES NECESSARY TO BALANCE				8	
9				9. TAXES COLLECTED IN YEAR LEVIED				9	
	541	0	0	TOTAL RESOURCES	0	0	0		
	REQUIREMENTS								
				BOND PRINCIPAL PAYMENTS					
				ISSUE DATE	BUDGETED PAYMENT DATE				
1	0	0	0	1. STATE LOAN	0	0	0	1	
2				2.				2	
3				3.				3	
4	0	0	0	4. TOTAL PRINCIPAL		0	0	0	4
				BOND INTEREST PAYMENTS					
				ISSUE DATE	BUDGETED PAYMENT DATE				
1	0	0	0	1. STATE LOAN	0	0	0	1	
2				2.				2	
3				3.				3	
4	0	0	0	4. TOTAL INTEREST		0	0	0	4
				SPECIAL PAYMENTS					
1			0	1.					1
2	0	0	0	2. TOTAL SPECIAL PAYMENTS		0	0	0	2
				UNAPPROPRIATED BALANCE FOR FOLLOWING BY YEAR					
				ISSUE DATE	PAYMENT DATE				
1			0	1. RESERVE REQUIREMENT	R92262	0	0	0	1
2				2.					2
3				3.					3
4				4.					4
5.	541	0	0	5. TOTAL UNAPPROPRIATED ENDING FUND BALANCE		0	0	0	5
	541	0	0	TOTAL REQUIREMENTS		0	0	0	



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Surface Water Management Agency of Clackamas County



FORM LB-20

RESOURCES

**SURFACE WATER
OPERATING FUND**
FUND

**SURFACE WATER MANAGEMENT AGENCY
OF CLACKAMAS COUNTY**
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	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						
1				BEGINNING FUND BALANCE:				1
2	495,949	0	0	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				2
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)				3
4	4,227	0	0	3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				4
5				4. INTEREST				5
6	180,015	0	0	5. OTHER RESOURCES				6
7	16,482	0	0	6. SERVICE ASSESSMENTS				7
8				7. PERMITS				8
9			0	8. GRANT REVENUE				9
10				9. MISCELLANEOUS INCOME				10
11				10.				11
12				11.				12
13				12.				13
14				13.				14
15				14.				15
16				15.				16
17				16.				17
18				17.				18
19				18.				19
20				19.				20
21				20.				21
22				21.				22
23				22.				23
24				23.				24
25				24.				25
26				25.				26
27				26.				27
28				27.				28
29	696,673	0	0	28.				29
30				29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	0	0	0	30
31				30. TAXES NECESSARY TO BALANCE BUDGET				31
32	696,673	0	0	31. TAXES COLLECTED IN YEAR LEVIED				32
				32. TOTAL RESOURCES	0	0	0	

EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

SURFACE WATER**OPERATING FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

SURFACE WATER MANAGEMENT AGENCY**OF CLACKAMAS COUNTY**

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2018-2019	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2019-2020			
	ACTUAL				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	134,240	0	0	1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	134,240	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	1.	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.				2
3				3.				3
4			0	4. GENERAL OPERATING CONTINGENCY				4
5	0	0	0	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	134,240	0	0	TOTAL EXPENDITURES	0	0	0	
	562,433	0	0	UNAPPROPRIATED ENDING FUND BALANCE	0			
	696,673	0	0	TOTAL	0	0	0	

DETAILED EXPENDITURES

FORM LB-31

**SURFACE WATER
OPERATING FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

**SURFACE WATER MANAGEMENT AGENCY
OF CLACKAMAS COUNTY**

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	NO OF EMPS	R A N G E	BUDGET FOR NEXT YEAR 2019-2020			
	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								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3	76,646	0	0	3. WES SERVICES						3
4	18,810	0	0	4. OTHER COUNTY SERVICES						4
5	18,193	0	0	5. PROFESSIONAL SERVICES						5
6	2,738	0	0	6. MISCELLANEOUS SERVICES						6
7	116,387	0	0	7. TOTAL SERVICES			0			7
8										8
9	1,321	0	0	9. SUPPLIES						9
10				10. SLUDGE DISPOSAL						10
11				11. UTILITIES						11
12	9,663	0	0	12. MISCELLANEOUS EXPENSE						12
13	6,869	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	134,240	0	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	134,240	0	0	TOTAL			0	0	0	



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Appendix B



Pup Creek, Clackamas County, OR

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 Budget	FY 2019-20 Proposed
Account Services ⁽³⁾	-	4.40	4.17	4.79	2.83
Administrative Services ⁽³⁾	-	13.64	11.35	12.43	12.64
Asset Management ⁽³⁾	-	8.03	7.04	8.35	8.28
Environmental Monitoring	-	9.33	6.64	6.07	5.71
Financial Management ⁽³⁾	-	6.56	5.93	5.39	6.78
Permit Services ⁽³⁾	-	6.69	10.05	8.97	8.61
Capital Delivery ⁽²⁾	-	4.69	6.39	8.05	8.70
Plant Operations and Maintenance ^(3,4)	-	15.64	28.81	31.22	32.06
Resource Recovery	-	9.82	8.29	7.52	7.90
Field Operations and Maintenance ^(3,4)	-	20.96	13.24	12.65	13.39
Watershed Protection	-	6.24	4.09	4.56	5.10
Totals		106.00	106.00	110.00	112.00

(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 Budget	FY 2019-20 Proposed
Director	3.00	2.00	3.00	5.00	3.00
Financial Management and Administrative Services	16.00	16.00	17.00	19.00	21.00
Capital Program	13.00	15.00	16.00	14.00	16.00
Operations	50.00	49.00	49.00	52.00	52.00
Environmental Services	21.00	24.00	21.00	20.00	20.00
Soils	4.00	0.00	0.00	0.00	0.00
Totals	107.00	106.00	106.00	110.00	112.00

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

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.

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).

LINE ITEM DESCRIPTIONS

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.

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.

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

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.

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.

LINE ITEM DESCRIPTIONS

Operating Expenditures: Professional and Technical Services - Continued

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.

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.

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.

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 and contributions to the Milwaukie Good Neighbor Fund and the Tri-City Good Neighbor Fund.

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.

