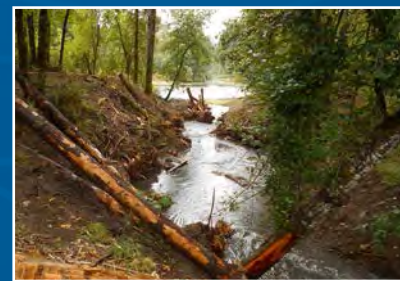


2018 - 2019  
FISCAL YEAR

# Budget Reports

Water Environment Services





## **Water Environment Services**

### **BUDGET COMMITTEE CITIZEN MEMBERS**

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Markley Drake  
William Gifford  
Brenda Perry  
Ron Weigel

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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



*One of WES' Wastewater Plant Operators explains the treatment process to tour participants at the Tri-City Water Resource Recovery Facility in Oregon City, 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 2018-2019**

I am pleased to present the first fully combined proposed budget for Water Environment Services (“WES”) a municipal partnership formed 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”) 2018-19. This budget 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 compromised both TCSD and SWMACC. Beginning July 1, 2018, WES will add CCSD No. 1 and the integration of the three partners into WES will be complete from a budgetary perspective.

The concept of regionalizing wastewater and surface water services by having these three county service districts work together via one entity had been considered for some time. After much public debate, in November of 2016, the Clackamas County Board of County Commissioners (“BCC”) unanimously adopted an Oregon Revised Statute (ORS) 190 agreement (the “Agreement”) creating WES, which is a separate legal entity in the form of a municipal partnership, on behalf of and including CCSD No. 1 and TCSD. The Agreement was amended in May of 2017 to also include SWMACC. All three service districts continue to exist, and their boundaries will continue to change and define the scope of the WES entity. However, pursuant to the Agreement, it is the direction of the Board that the management, operations, regulatory affairs, and financial affairs be integrated.

WES provides sanitary sewer and/or surface water management services to some 170,000 Clackamas County residents. The 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 considering alternative business models and continuing with the integration of the three districts into WES to help stabilize rates and capitalize on the economy of scale aspects of WES' business.

The FY 2018-19 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 110 full-time equivalent (FTE) positions; up from the 106 FTE as approved in the FY 2017-18 budgets. This increase of four FTE reflects the need for support in addressing 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. WES did not add staff in FY 2012-13 after construction of the membrane bio-reactor expansion of the Tri-City Plant in an effort to minimize costs to ratepayers, but does not anticipate being able to do so again as staff work on replacing aging equipment, add new equipment, and support work to meet these increasing demands. 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, 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. 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. You can learn more about the plan on the County's website: <http://www.clackamas.us/performance/>

As part of a continual improvement process, WES is constantly evaluating its entity-specific Performance Clackamas Plan. WES staff are engaged with County Administration in honing the published plan and anticipate developing information systems and approaches during the next fiscal year that will provide even better transparency and clarity about WES and its goals. The revised Performance Clackamas Plan for WES is targeted for completion and adoption during FY 2018-19. The Performance Clackamas section of this document reflects a draft of our revised plan with the progress and work done to date.

### **Water Environment Services – Rate Zone 1**

TCSD is defined as Rate Zone 1 in the Agreement and provides wholesale wastewater treatment services for the Cities of Gladstone (a portion of Gladstone is served by CCSD No. 1), 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 3.9% for FY 2018-19 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 \$0.85, raising the monthly service fee rate from \$22.15 to \$23.00 per Equivalent Dwelling Unit (“EDU”). In addition to this rate adjustment, it is proposed that Oregon City be charged an extra \$1.40 for a rate of \$24.90 per EDU per month and that the City of Gladstone continues to be charged an extra \$1.15 for a rate of \$24.15 per EDU per month, each in order to cover the additional expenses necessitated by their respective franchise fees.

### **Water Environment Services – Rate Zone 2**

CCSD No. 1 is defined as Rate Zone 2 in the Agreement and 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 3.9% for FY 2018-19 for the same reasons as mentioned above for Rate Zone 1. The resulting rate increase would be \$1.80, raising the monthly service fee from \$46.35 to \$48.15 per EDU. Staff is also proposing a 3.9% adjustment to the surface water rate for FY 2018-19. The rate is proposed to increase \$0.25 from \$6.70 to \$6.95 per Equivalent Service Unit ("ESU") per month.

In addition to these rate adjustments, it is proposed that the City of Happy Valley continues to be charged an extra \$2.41 per EDU and an additional \$0.35 per ESU on their respective sanitary sewer and surface water monthly service fees for a rate of \$50.56 per EDU per month and a rate of \$7.30 per ESU per month, in order to cover the additional expenses necessitated by the city's franchise 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**

SWMACC is defined as Rate Zone 3 in the Agreement and provides surface water management services to those portions of unincorporated Clackamas County draining into the Tualatin River and the City of Rivergrove. WES will continue 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 will also assume 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 2018-19. Staff recommends a rate increase in the monthly service fee of approximately 3.9% for FY 2018-19 resulting in a rate adjustment of \$0.15 from \$4.10 to \$4.25 per ESU per month.

### **WES Sanitary Sewer Budget**

The budget to fund sanitary sewer services and projects discussed above totals \$140.2 million. Of this total, \$23.6 million is allocated to sanitary sewer program operation, \$42.9 million is allocated to capital projects, \$7 million to debt service, and \$66.7 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 2018-19 will be a year of adding additional employees to manage our expanded and aging facilities. Significant capital improvements include the Tri-City Plant Solids Capacity Expansion project and the refurbishment of major portions of the Kellogg Water Resource Recovery Facility.

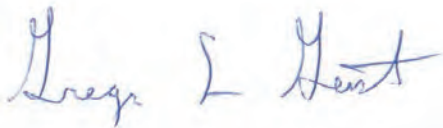
## **WES Surface Water Budget**

The proposed budget to fund the services and projects totals \$18.4 million. This total consists of \$5.2 million for surface water operations, \$3 million for capital projects, and \$10.2 million set aside as contingencies and reserves. The budget for the surface water services to be provided by WES in FY 2018-19 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 2018-19 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 2018-19 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 completing the Carli Creek Regional Surface Water Quality Facility, design and permitting of the Mt. Scott Creek at Oak Bluff Restoration project, and several targeted repairs of the storm system where local flooding occurs.

## **Summary**

We are pleased to present you with this unified budget that demonstrate 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 allow WES to meet our customers' expectations, support economic development, and preserve and enhance the environment. While this budget does reflect upward cost pressures, by utilizing the Performance Clackamas strategic approach and holding rate increases to a WES advisory board inflationary number, 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".

Greg Geist  
Director



## BUDGET OVERVIEW

The following summary data serves to complement the Budget Message and provide a general overview of significant FY 2018-19 budgetary items, highlights and trends for Water Environment Services. A more detailed discussion, including summaries for each fund, is provided in the WES section.

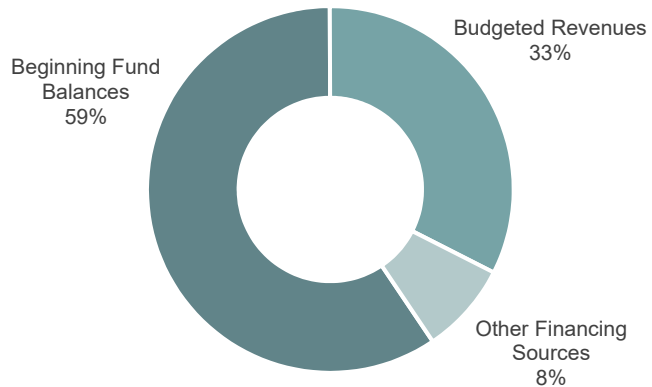
### DEPARTMENT BUDGET SUMMARY

#### FY 2018-19 Total Resources <sup>(1)</sup> \$158,566,156

Total Department resources include budgeted current revenues of approximately \$51.6 million, beginning fund balances of approximately \$94.2 million, and other financing sources of \$12.8 million.

Resources	Department
Beginning Fund Balances	\$ 94,176,860
Budgeted Revenues	\$ 51,589,296
Other Financing Sources	\$ 12,800,000
<b>TOTAL</b>	<b>\$ 158,566,156</b>

#### Total Department Resources

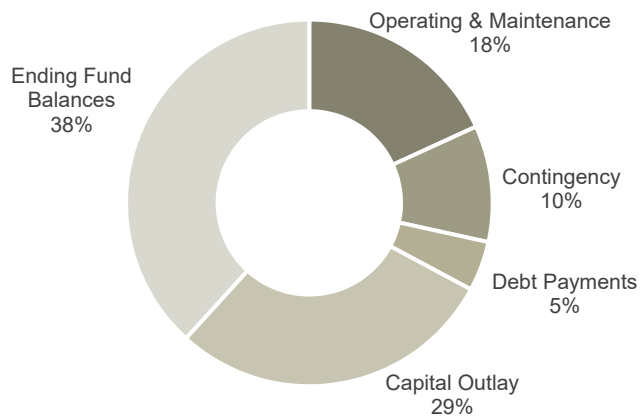


#### FY 2018-19 Total Requirements <sup>(1)</sup> \$158,566,156

Total Department requirements include budgeted expenditures of approximately \$28.8 million, capital outlay of approximately \$45.9 million, debt payments of approximately \$7 million, contingencies of approximately \$16.3 million, and ending fund balances of approximately \$60.6 million.

Requirements	Department
Operating & Maintenance	\$ 28,815,567
Capital Outlay	\$ 45,865,000
Debt Payments	\$ 6,987,624
Contingency	\$ 16,269,250
Ending Fund Balance	\$ 60,628,715
<b>TOTAL</b>	<b>\$ 158,566,156</b>

#### Total Department Requirements



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 DEPARTMENT

## DEPARTMENT BUDGET SUMMARY – ALL FUNDS

	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 BUDGET <sup>2</sup>	2017-18 ESTIMATE	2018-19 BUDGET
<b>RESOURCES</b>					
Beginning Fund Balance	\$ 60,671,441	\$ 74,552,121	\$ 84,369,966	\$ 88,697,001 <sup>3</sup>	\$ 94,176,860 <sup>3</sup>
<b>Revenues</b>					
Sales and Services					
Service Charges	24,498,543	26,229,928	26,845,500	26,736,679	28,018,300
City Payments	11,800,154	12,641,576	13,224,400	13,181,700	13,824,450
SDCs	7,046,777	5,750,719	8,553,375	5,552,375	5,862,985
Other	600,294	230,686	211,700	229,700	237,700
Fees	43,917	66,964	10,000	40,000	10,000
Assessment Principal	793,768	706,662	208,000	520,000	179,700
Assessment Interest	193,011	173,288	115,000	144,000	135,000
Intergovernmental Revenue	-	-	244,300	244,303	244,300
Interest Income	359,096	771,514	843,505	1,596,510	1,867,133
Miscellaneous	2,380,168	1,818,749	1,872,500	1,523,500	1,209,728
<b>Subtotal – Revenues</b>	<b>47,715,728</b>	<b>48,390,086</b>	<b>52,128,280</b>	<b>49,768,767</b>	<b>51,589,296</b>
SRF Contribution	-	-	-	-	12,800,000
Proceeds from Adv. Refunding	-	92,563,147	-	-	-
<b>TOTAL RESOURCES <sup>(1)</sup></b>	<b>\$ 108,387,169</b>	<b>\$ 215,505,354</b>	<b>\$ 136,498,246</b>	<b>\$ 138,465,768</b>	<b>\$ 158,566,156</b>
<b>REQUIREMENTS</b>					
<b>Operating &amp; Maintenance (O&amp;M) Expenditures</b>					
WES Labor	\$ 10,893,401	\$ 11,088,324	\$ 12,194,300	\$ 11,610,839	\$ 13,558,561
Laboratory Services	720,241	705,465	746,068	578,850	55,000
Other County Services	2,405,608	2,559,163	2,706,879	2,785,337	2,965,113
Professional Services	1,659,535	1,513,565	4,225,898	3,304,422	3,501,003
Miscellaneous Services	554,834	387,445	691,880	573,345	469,500
Supplies	1,743,235	1,968,661	2,510,122	2,411,258	2,378,080
Utilities	1,557,744	1,538,698	1,444,799	1,438,121	1,461,500
Repairs and Maintenance	585,567	439,418	616,042	735,724	1,110,000
Interagency Coordination	634,003	945,924	1,103,506	1,108,976	1,202,000
Miscellaneous Expenses	850,696	971,262	1,368,068	1,395,312	2,114,810
<b>Subtotal – O&amp;M Expenditures</b>	<b>21,604,864</b>	<b>22,117,925</b>	<b>27,607,563</b>	<b>25,942,184</b>	<b>28,815,567</b>
Capital Outlay	4,452,668	4,953,307	25,677,000	10,483,800	45,865,000
Debt Service - Principal	3,697,772	96,623,320	4,536,208	4,536,208	3,821,208
Debt Service - Interest	4,079,744	3,113,801	3,326,716	3,326,716	3,166,416
Contingency	-	-	10,996,250	-	16,269,250
Ending Fund Balance	74,552,121	88,697,001	64,354,509	94,176,860	60,628,715
<b>TOTAL REQUIREMENTS <sup>(1)</sup></b>	<b>\$ 108,387,169</b>	<b>\$ 215,505,354</b>	<b>\$ 136,498,246</b>	<b>\$ 138,465,768</b>	<b>\$ 158,566,156</b>

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.

2) FY 2017-18 Budget includes revisions made via a resolution transfer to increase debt service.

3) FY 2017-18 Estimated Beginning Fund Balance includes contributions of TCSD's and SWMACC's FY 2016-17 reserves; FY 2018-19 Budgeted Beginning Fund Balance includes contributions of CCSD No. 1's projected FY 2017-18 reserves.

## TOTAL BUDGET

The total Department budget for FY 2018-19 is \$158.6 million, which is a 16.2% increase over the FY 2017-18 budget of \$136.5 million. The primary driver for this difference is an increase in budgeted sanitary sewer capital outlay. FY 2018-19 marks 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 will be accomplished on July 1, 2018. This integration is expected to result in more efficient delivery of services to WES' customers, improve financial performance and operating efficiencies, reduce capital needs, and improve regulatory management.

The table below summarizes the total FY 2018-19 budget for WES in relation to the prior year budgets for WES and CCSD No. 1.

Entity and Service Category	FY 2018-19 Budget	FY 2017-18 Budget			\$ Increase	% Increase
		CCSD No. 1*	WES	Combined		
WES Sanitary Sewer	\$ 140,178,821	\$ 94,059,410	\$ 24,274,303	\$ 118,333,713	\$ 21,845,108	18.5%
WES Surface Water	\$ 18,387,335	\$ 17,446,019	\$ 718,514	\$ 18,164,533	\$ 222,802	1.2%

Budget Amounts in the table above exclude Interfund Transfers and FY 2017-18 Special Payments from CCSD No. 1 to WES and FY 2017-18 Contributions from CCSD No. 1. When combined, these items have a zero net effect on the Department's overall Resources and Requirements, but were budgeted in each entity's respective budgets in accordance with Oregon Budget Law.

\*FY 2017-18 Budget Data for Clackamas County Service District No. 1 shown for comparison data with Water Environment Services' FY 2018-19 Sanitary Sewer and Surface Water Budgets.

## REVENUE HIGHLIGHTS

### BUDGETED REVENUES - \$51,589,296

As of July 1, 2018, all sanitary sewer and surface water services which were provided by CCSD No. 1 in prior years will be provided by Water Environment Services. As a result of this full transfer of operations, CCSD No. 1's and WES' combined prior year budget amounts may be used for comparison with the FY 2018-19 Water Environment Services' budget.

WES' primary revenue sources are monthly retail and wholesale service charges and System Development Charges (SDCs) for sanitary sewer and surface water. Together, these three sources account for 93% of the approximately \$51.6 million of revenue budgeted for FY 2018-19.

Other revenue sources include non-operating revenue such as interest earnings on investments, assessment principal and interest, intergovernmental revenue, and miscellaneous fees and charges.

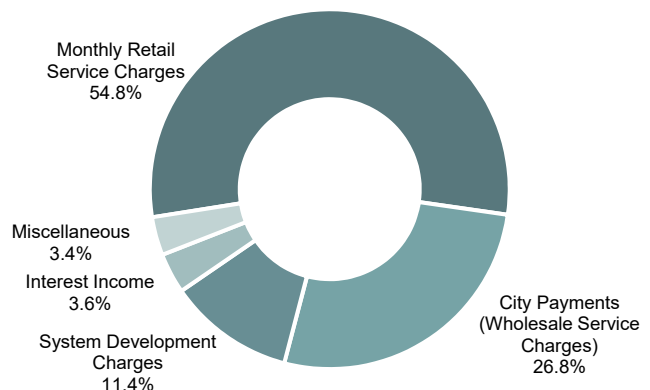
FY 2018-19 budgeted revenues are projected to decrease \$539 thousand or 1.0% from CCSD No. 1's and WES' combined FY 2017-18 budgets. This decrease is driven by a reduction in sanitary sewer system development charge revenues of approximately \$2.5 million which is partially offset by increases in retail monthly service charge revenue of \$976 thousand, wholesale monthly service charge revenue of \$600 thousand, and interest income of \$1 million.

Staff recommends sanitary sewer and surface water monthly rate increases of approximately 3.9% 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 - \$12,800,000

The FY 2018-19 budget includes other financing sources of \$12.8 million in the form of capital financing from the State of Oregon Clean Water State Revolving Fund for the Tri-City Solids Handling Project. This funding is discussed in detail in the separate Debt section.

### Water Environment Services Revenues



## EXPENDITURE HIGHLIGHTS

### BUDGETED EXPENDITURES - \$81,668,191

Water Environment Services' estimated expenditures for FY 2018-19 reflect an increase of 33.6% over CCSD No. 1's and WES' combined FY 2017-18 budgets. The majority of this increase (\$20.2 million) is in Capital Outlay.

The increase in the WES Department labor budget is 11.2%, or \$1.36 million from CCSD No. 1's and WES' combined FY 2017-18 adopted budgets. This increase is due to the addition of 4 FTE, fewer vacancies, and higher costs related to benefits and salary expense.

Although the FY 2018-19 Materials and Services budget reflects a decrease of 1.0% or approximately \$156 thousand due to reduced professional services spending, 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 2018-19 Debt Service budget reflects a decrease of 11.1% over CCSD No. 1's and WES' combined FY 2017-18 budgets. This reduction is the result of the early payoff of Series 2002A bonds in May 2018 to facilitate the integration of CCSD No. 1 into WES. The payoff resulted in an additional approximate \$700 thousand of debt service in FY 2017-18 over what was originally budgeted. A revision to the FY 2017-18 budget was made via a resolution transfer from the special payments category to the debt service category in CCSD No. 1's Revenue Bond Fund in order to enable the early payoff. WES continues to benefit from CCSD No. 1's refinancing of the majority of its existing debt in FY 2016-17, which, without factoring in the early payoff of Series 2002A, resulted in annual debt service savings of approximately \$625,000 starting in FY 2017-18.

WES' budget includes approximately \$45.9 million for capital outlay, an increase of 78.6% or \$20.2 million over CCSD No. 1's and WES' combined FY 2017-18 budgets. Planned expenditures include projects related to maintaining existing facilities, increasing the efficiency of treatment processes, meeting regulatory requirements for water quality, and increasing system capacity. The largest share of capital expenditures for FY 2018-19 includes the replacement of assets at the Kellogg Creek Water Resource Recovery Facility and the Tri-City Water Resource Recovery Facility Solids Handling Improvement Project.

Expenditures for WES for all funds for FY 2015-16 and FY 2016-17 actuals, with the current budget and the proposed budget for FY 2018-19 are shown in the following table:

	<b>FY 2015-16 Actual<sup>1</sup></b>	<b>FY 2016-17 Actual<sup>1</sup></b>	<b>FY 2017-18 Budget<sup>1,3</sup></b>	<b>FY 2018-19 Proposed Budget</b>
WES Department Labor	\$ 10,893,401	\$ 11,088,324	\$ 12,194,300	\$ 13,558,561
Materials & Services	10,711,463	11,029,601	15,413,263	15,257,006
Capital Outlay	4,452,668	4,953,307	25,677,000	45,865,000
Debt Service	7,777,516	99,737,121 <sup>2</sup>	7,862,924	6,987,624
<b>Total</b>	<b>\$ 33,835,048</b>	<b>\$ 126,808,353</b>	<b>\$ 61,147,487</b>	<b>\$ 81,668,191</b>

<sup>1</sup> Prior year data for WES' three member districts are combined and shown for comparison with Water Environment Services' FY 2018-19 budget.

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

<sup>3</sup> FY 2017-18 Budget includes changes made via a resolution transfer to increase Debt Service.

Expenditures increased for both FY 2017-18's budget and FY 2018-19's budget due primarily to increases in capital outlay and an increase in materials and services driven by engineering costs, chemical costs, and repairs and maintenance costs.

### SPECIAL PAYMENTS

Special payments was a new appropriation category in the FY 2017-18 budget. The category is used for payments to other organizations for which goods or services are not received in return. CCSD No. 1's budget for FY 2017-18 included special payments equal to the district's projected remaining reserves at the end of FY 2017-18 to provide for the integration of the district into the Water Environment Services partnership. FY 2018-19's budget includes CCSD No. 1's estimated FY 2017-18 reserves of \$78.5 million as a component of FY 2018-19 Beginning Fund Balance. Amounts contributed by specific funds from CCSD No. 1 into WES' funds are discussed in detail in the separate WES section of this document. There are no special payments budgeted for FY 2018-19.

## CONTINGENCIES

Contingencies are funds set aside to provide for unforeseen circumstances that may arise during the year. The FY 2018-19 budget includes contingencies of approximately \$16.3 million, with \$4.8 million budgeted as contingency for the operating funds and the remaining \$11.5 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 2015-16 and FY 2016-17 actuals, projected FY 2017-18, and the FY 2018-19 proposed budget.

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Projected	FY 2018-19 Proposed Budget
<b>BEGINNING FUND BALANCES</b>				
CCSD No. 1	\$ 49,559,349	\$ 61,626,801	\$ 73,032,207	\$ -
TCSD	10,705,487	12,429,310	-	-
SWMACC	406,605	495,949	-	-
WES	-	-	15,664,794	94,176,860
<b>TOTAL BEGINNING FUND BALANCE</b>	<b>\$ 60,671,441</b>	<b>\$ 74,552,060</b>	<b>\$ 88,697,001</b>	<b>\$ 94,176,860</b>
<b>ENDING FUND BALANCES</b>				
CCSD No. 1	\$ 61,626,801	\$ 73,032,207	\$ 78,471,061 <sup>2</sup>	\$ -
TCSD	12,429,310	15,102,361 <sup>1</sup>	-	-
SWMACC	495,949	562,433 <sup>1</sup>	-	-
WES	-	-	15,705,799	60,628,715
<b>TOTAL ENDING FUND BALANCE</b>	<b>\$ 74,552,060</b>	<b>\$ 88,697,001</b>	<b>\$ 94,176,860</b>	<b>\$ 60,628,715</b>
<b>INCREASE / (DECREASE) FROM BEGINNING</b>	<b>\$ 13,880,619</b>	<b>\$ 14,144,941</b>	<b>\$ 5,479,859</b>	<b>\$ (33,548,145)</b>

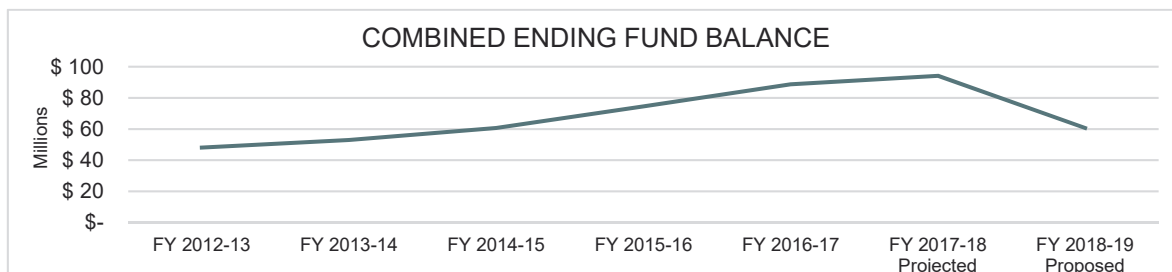
<sup>1</sup> TCSD's and SWMACC's FY 2016-17 Reserves were contributed to WES on July 1, 2017

<sup>2</sup> CCSD No. 1's projected FY 2017-18 Reserves will be contributed to WES on July 1, 2018

The overall increases in fund balance from FY 2015-16 to FY 2016-17 and projected FY 2017-18 result from revenues in excess of expenditures. This build-up in reserves will be used for current and future capital outlay. The decrease of \$33.5 million during FY 2018-19 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.

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



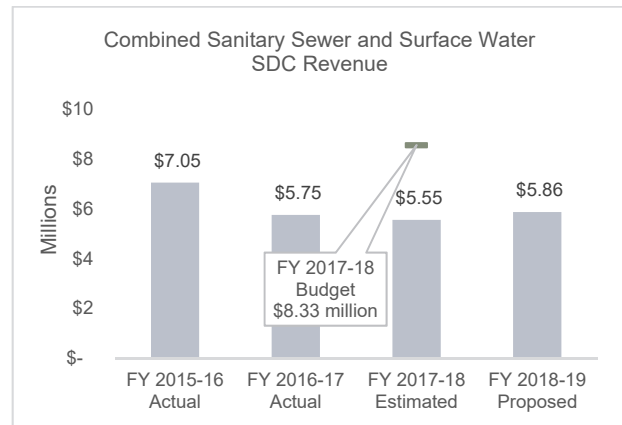
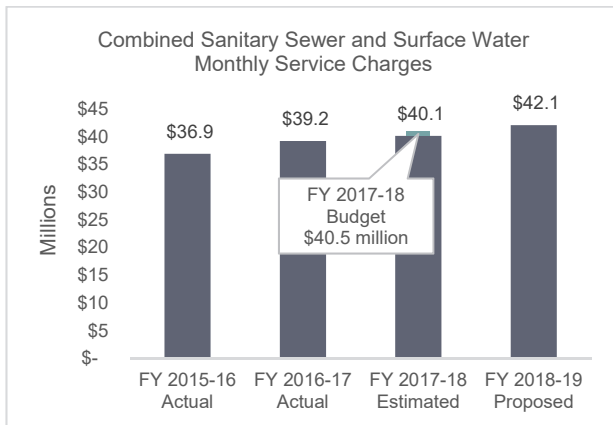
More detailed discussions of changes in the fund balances of individual funds are contained in the fund summaries within the WES section of this budget document.



## 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 2015-16 and FY 2016-17 actuals, the current FY 2017-18 budget and estimate, and the proposed budget for FY 2018-19. The charts below illustrate growth trends in service charge and SDC revenue.

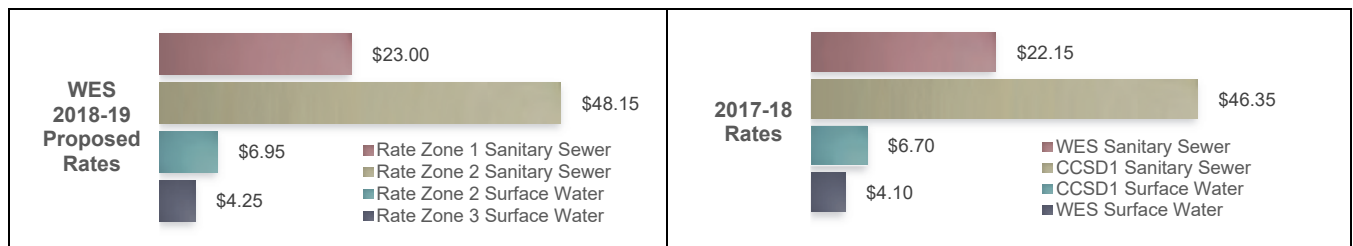
	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Budget	FY 2017-18 Estimate	FY 2018-19 Proposed Budget
Sanitary Sewer and Surface Water Revenues	\$ 36,898,991	\$ 39,210,720	\$ 40,504,200	\$ 40,148,079	\$ 42,080,450
System Development Charges	7,046,777	5,750,719	8,333,375	5,552,375	5,862,985
Other Revenue Items	3,769,960	3,428,647	3,290,705	4,068,313	3,645,861
<b>Total</b>	<b>\$ 47,715,728</b>	<b>\$ 48,390,086</b>	<b>\$ 52,128,280</b>	<b>\$ 49,768,767</b>	<b>\$ 51,589,296</b>



The FY 2018-19 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. FY 2017-18's budgeted SDC revenue was predominantly based on population forecasts; development in the CCSD No. 1 service area has proved to be slower than originally anticipated and FY 2018-19's SDC budget is reduced to a more conservative estimate in response. 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 of approximately 3.9% are proposed for the FY 2018-19 budget year.



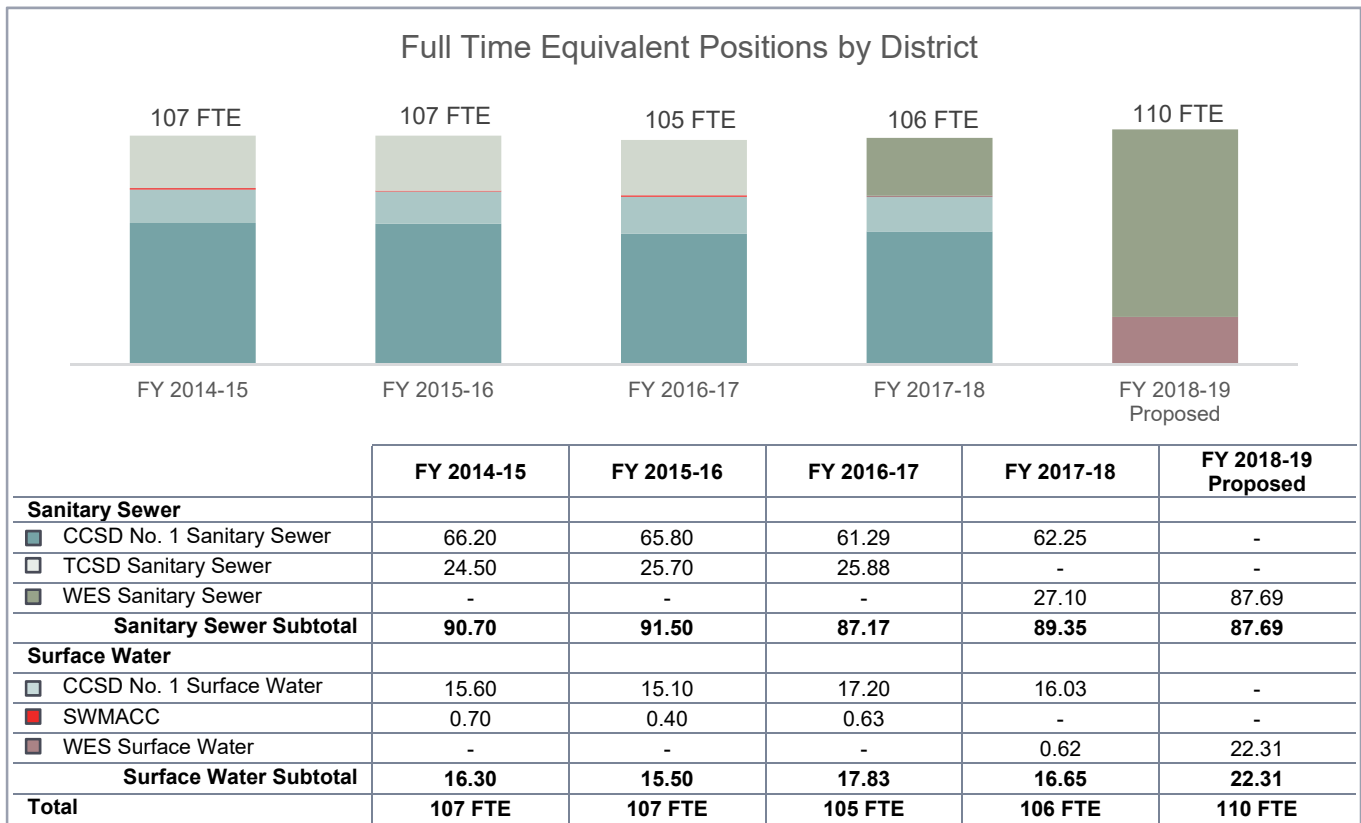
The table below summarizes the monthly service charge rates and percent increase from the prior year's rates by service and service area for the last three fiscal years and the proposed rates for FY 2018-19.

	FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19 Proposed	
	Rate	% Increase	Rate	% Increase	Rate	% Increase	Rate	% Increase
Rate Zone 1 (TCSD) Wholesale Sanitary Sewer	\$ 20.00	5.3%	\$ 21.50	7.5%	\$ 22.15	3%	\$ 23.00	~3.9%
Rate Zone 2 (CCSD No. 1) Retail Sanitary Sewer	\$ 43.50	3.6%	\$ 45.00	3.5%	\$ 46.35	3%	\$ 48.15	3.9%
Rate Zone 2 (CCSD No. 1) Retail Surface Water	\$ 6.50	2.4%	\$ 6.50	-	\$ 6.70	3%	\$ 6.95	~3.9%
Rate Zone 3 (SWMACC) Retail Surface Water	\$ 4.00	-	\$ 4.00	-	\$ 4.10	2.5%	\$ 4.25	~3.9%

## FULL TIME EQUIVALENT POSITIONS BY DISTRICT

Full time equivalent positions increased by 1 FTE in FY 2014-15, remained steady in FY 2015-16, decreased by 2 FTE in FY 2016-17 as a result of moving the soils group (4 FTE) to the Department of Transportation and Development (DTD) and a request for two new FTE, and increased by 1 FTE in FY 2017-18. The FY 2018-19 budget is proposing an addition of 4 FTE for a total of 110 FTE. These new positions are needed to provide maintenance to existing infrastructure, support in constructing new treatment capacity, and for operations of the same.

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



# About the Department



*WES Staff outside the Administration  
Building of the Tri-City Water Resource  
Recovery Facility in Oregon City, OR*





## ORGANIZATIONAL INFORMATION

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### CLACKAMAS COUNTY WATER ENVIRONMENT SERVICES DEPARTMENT

As a Department of Clackamas County, Water Environment Services manages the daily operations of one governmental partnership formed under Oregon Revised Statute 190 (Water Environment Services) and three service districts formed under Oregon Revised Statute 451 (CCSD No. 1, TCSD, and SWMACC). The enabling legislation establishes the partnership and county service districts as independent municipal corporations authorized to provide specific services within specified boundaries in the county. The legislation also designates the Board of County Commissioners as the governing body of each entity.

The partnership and county service districts administered by Water Environment Services are managed 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 the operation of the partnership and service districts, pass through the administrator for scheduling. The districts and partnership also receive services from other county departments such as Finance, Employee Services and Technology Services.

### WATER ENVIRONMENT SERVICES

Water Environment Services was created in 2016 as a government partnership between CCSD No.1 and TCSD in order to provide long-term certainty and stability for customers in both districts. SWMACC joined the partnership in June 2017.

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 will begin 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 will provide 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 will begin 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.

### 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.

CCSD No. 1 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.

On July 1, 2018, CCSD No. 1's operations will be transferred to the Water Environment Services partnership. CCSD No. 1 continues to exist as a 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.

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

On July 1, 2017, TCSD's operations were transferred to the Water Environment Services partnership. TCSD continues to exist as a 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.

SWMACC includes the City of Rivergrove and portions of unincorporated Clackamas County draining into the Tualatin River.

On July 1, 2017, SWMACC's operations were transferred to the Water Environment Services partnership. SWMACC continues to exist as a service area within WES.



## 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 TCSD and SWMACC service areas.
July, 2018		Water Environment Services begins providing service to CCSD No. 1 service area.



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, 2017. 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

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The Department is proposed to contain 110 full time equivalent (FTE) positions, four more FTE than the FY 2017-18 budgets. From an operational and strategic management perspective, Water Environment Services is organized into four lines of business and 12 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 the 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 now organized into six main divisional workgroups, three of which parallel their corresponding Performance Clackamas Lines of Business (Capital Program, Operations, and Environmental Services) and three divisional workgroups that fall under the Business Services Line of Business (Director, Financial Management, and Administrative Services).

### **Capital Program – 14 FTE**

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

### **Operations – 52 FTE**

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

### **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 – 5 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**

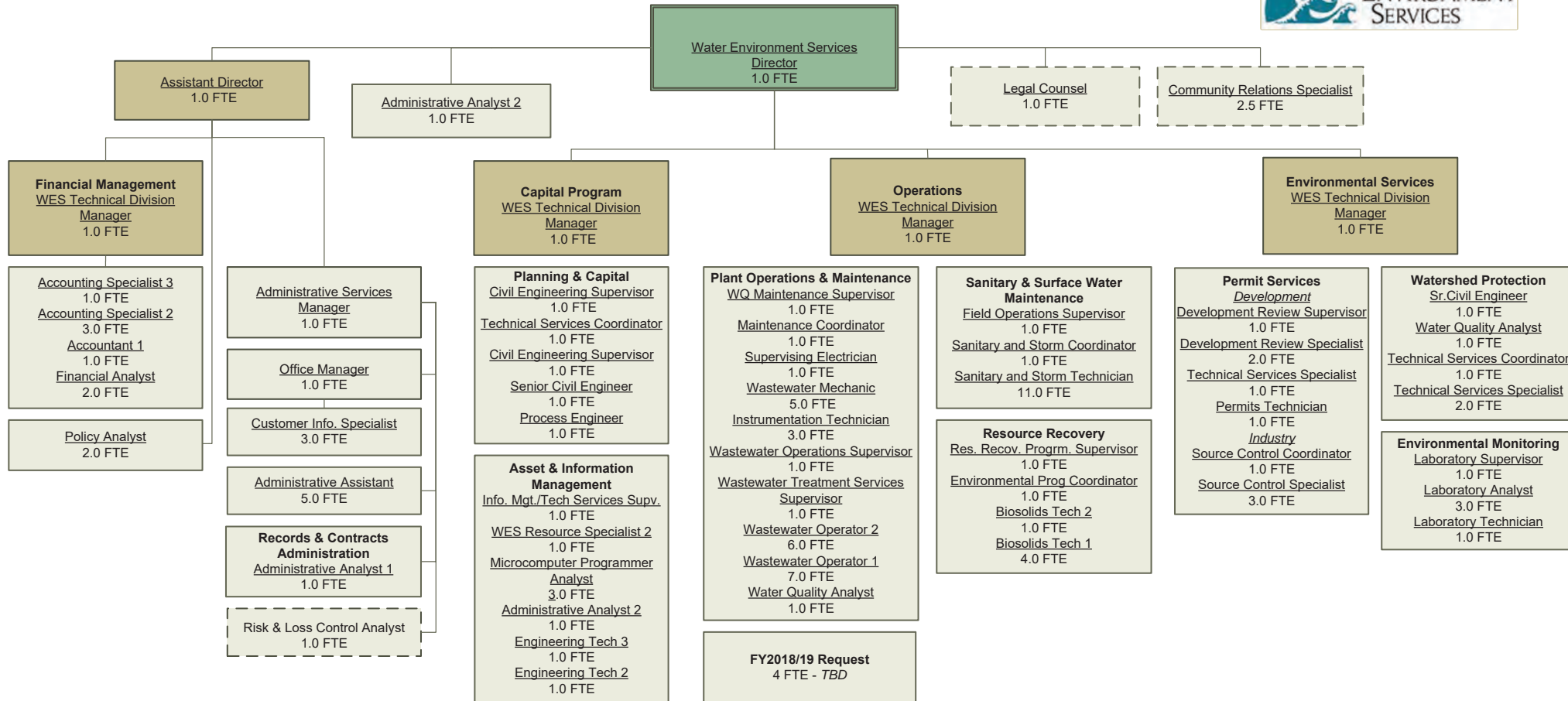
Staff in this workgroup provide services including: accounting, financial analysis and reporting, rate projections, and utility billing.

### **Administrative Services – 11 FTE**

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

The organizational chart on the following page illustrates the allocation of staff among the divisional workgroups for the 2018-19 fiscal year.

The Performance Clackamas section of this document contains details on the Department's 12 programs which establish the structure for the operating budget.



[ - - - ] = Clackamas County Imbed



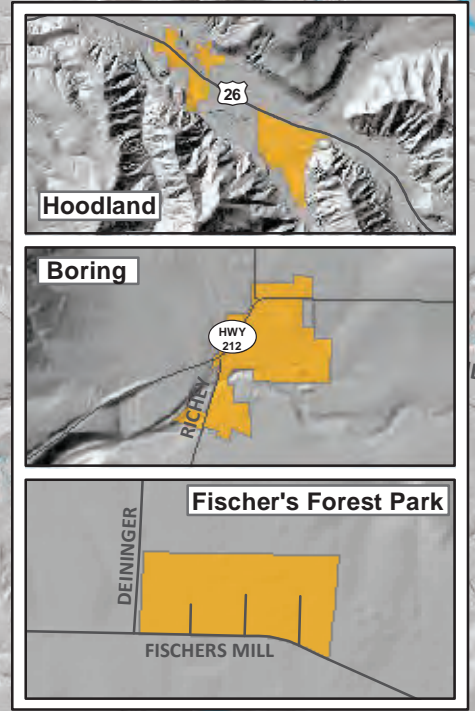
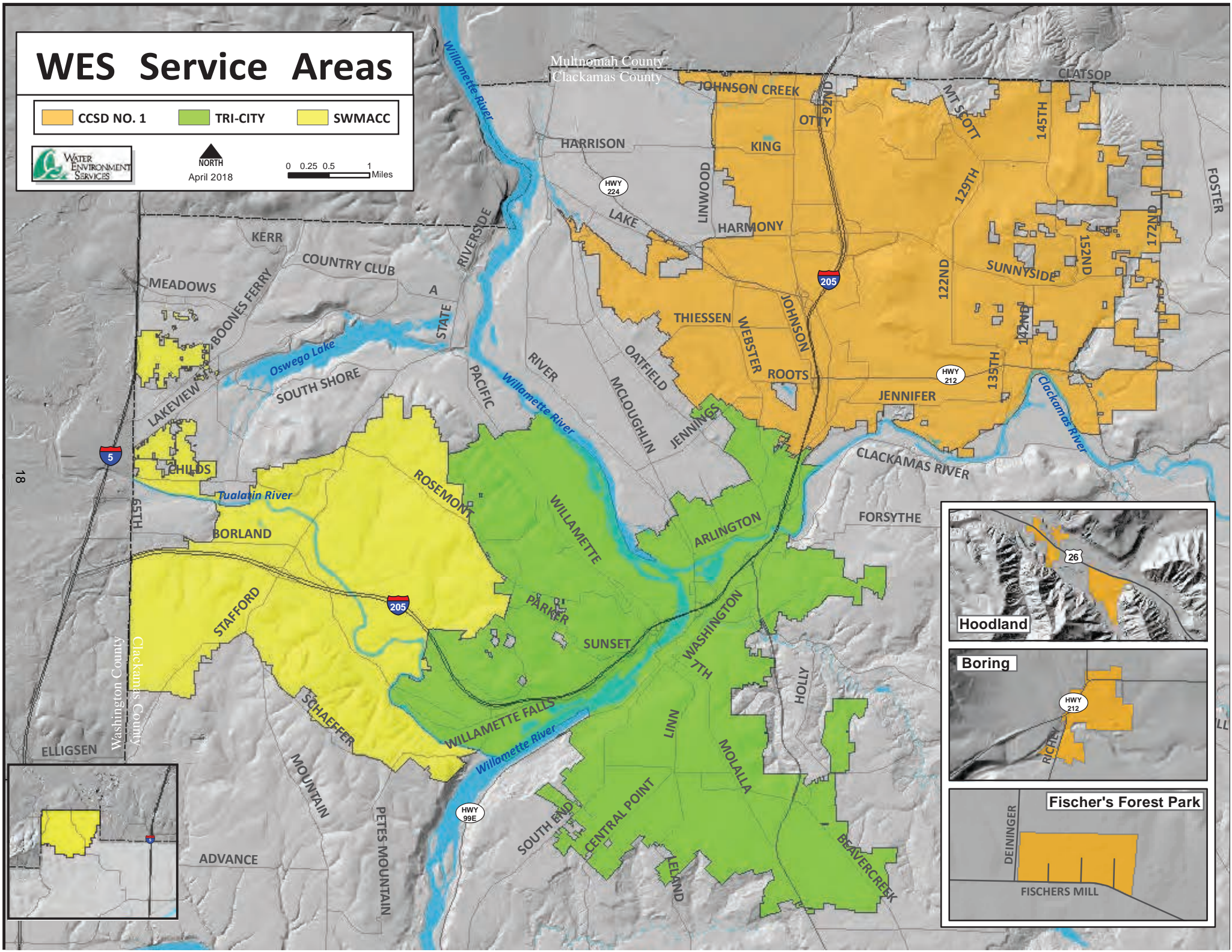
# WES Service Areas

CCSD NO. 1 TRI-CITY SWMACC



NORTH  
April 2018

0 0.25 0.5 1  
Miles





# Guide to the Budget



*Membrane Bioreactor Process Gallery at  
Tri-City Water Resource Recovery Facility  
in Oregon City, OR*



### FINANCIAL STRUCTURE

Per Oregon Budget Law requirements, the Department prepares and adopts the budget for Water Environment Services 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.

#### 1) Water Environment Services Department

- a. Water Environment Services (WES) Municipal Partnership Budget
  - i. WES Sanitary Sewer Funds
    - 1. Sanitary Sewer Operating Fund
    - 2. Sanitary Sewer SDC Fund
    - 3. Sanitary Sewer Construction Fund
  - ii. WES Surface Water Funds
    - 1. Surface Water Operating Fund
    - 2. Surface Water SDC Fund
    - 3. Surface Water Construction Fund
  - iii. WES Debt Service Funds
    - 1. State Loan Fund
    - 2. Revenue Bond Fund

### 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

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The Department's budget process follows the overall framework for budget development as established by Oregon Budget Law (ORS 294.305 to 294.565):

#### 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 the Department's strategic initiatives.

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.

## 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 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 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 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.

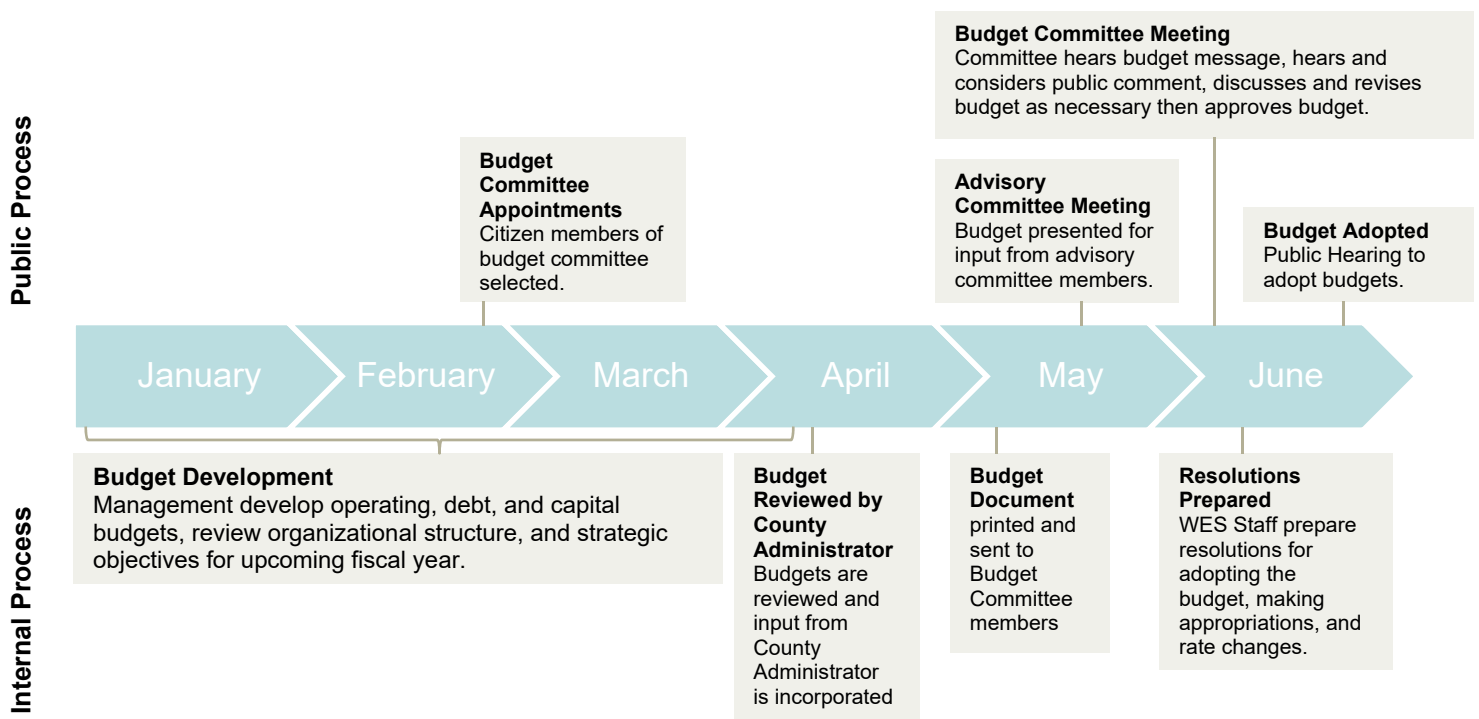
The budget must be adopted by June 30<sup>th</sup> of each year.

## 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.

## OVERVIEW OF BUDGET DEVELOPMENT: PUBLIC AND INTERNAL PROCESSES



## BUDGET CALENDAR

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The following calendar reflects the milestones met to develop the FY 2018-19 budget.

<b>January 1, 2018</b>	Management begins review of Organization Structure and Performance Clackamas Lines of Business and Programs
<b>February 21, 2018</b>	Program Operating Budgets prepared by Managers and submitted to Department Finance
<b>February 28, 2018</b>	WES Budget Committee appointments
<b>March 15, 2018</b>	Capital Budget requests submitted to Department Finance
<b>March 21, 2018</b>	Preliminary Budgets reviewed by Department Leadership
<b>April 10, 2018</b>	Final Operating Budget review by Department Leadership; all changes submitted to Department Finance
<b>April 12, 2018</b>	Budgets presented to the County Administrator
<b>May 10, 2018</b>	Proposed Budgets distributed to Budget Committee
<b>May 17, 2018</b>	Advisory Committee Meeting
<b>May 23, 2018</b>	First notice of Budget Committee meeting published online
<b>May 26, 2018</b>	Second notice of Budget Committee meetings published in The Oregonian
<b>June 4, 2018</b>	Budget Committee Meeting held
<b>June 6, 2018</b>	Resolutions prepared for adopting the budget, making appropriations, and rate changes
<b>June 16, 2018</b>	Summary of budget as approved by the Budget Committee and Notice of Budget Hearing published
<b>June 28, 2018</b>	Public Hearing Budgets Adopted
<b>July 1, 2018</b>	Begin Fiscal Year 2018-19

## FINANCIAL POLICIES

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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.

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 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 fully support the total direct and indirect costs of providing services. Fees and charges will be in compliance with state statutes and County ordinances.
- The Department will aggressively pursue collection of delinquent accounts.

## **Debt**

- The Department will issue debt to finance capital construction and capital acquisitions as recommended by the Director and authorized by the Board of County Commissioners.
- The instruments chosen for financing will match the types and useful lives of the assets to be acquired. Financing methods chosen will be issued in compliance with all state, federal and local laws and regulations.
- The Department will issue debt in amounts authorized by law, sufficient to provide financing for the project or projects, as well as any required reserves and the costs of issuance.
- The Department will maintain their creditworthiness through sound financial, management, and accounting practices. Additionally, as evidence of these practices, WES will strive each year to maintain its GFOA certification of award for Excellence in Financial Reporting.
- The Department will consider refunding bonds when it is possible to reduce interest costs significantly, when it is desirable to restructure the debt service schedule, or to eliminate unnecessary or excessively restrictive covenants on existing debt.
- The Department will comply with all disclosure requirements for debt issues (e.g. Securities and Exchange Commission Rule 15(c) 2-12, and any other disclosure requirements).

## **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.



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# Performance Clackamas



*One of WES' Wastewater Plant Operators performs sampling of the effluent in the chlorine contact basin at the Hoodland Water Resource Recovery Facility in Welches, 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 leading utility for wastewater and surface water management and water quality protection.

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 12 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.

During FY 2017-18, WES began updating our strategic plan to utilize 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 is developing a unifying strategic context which will allow alignment with Clackamas County as a whole and concurrently with other similar utilities as WES pursues the goal to be known regionally as a leading utility for wastewater and surface water management and water quality protection.

WES' updated plan will focus 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. *Key Concepts: Adaptability, relevance, reliability, proactive, clear risk tolerance levels, system reliability, business continuity*

### **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 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.

*Key Concepts: Condition assessments, growth, community needs, system reliability goals, adaptation strategies, life cycle costs, stakeholder coordination*

### **Product Quality**

The "products" of the clean water industry are the water and other recovered resources (e.g., energy and nutrients) produced. WES' products will meet or exceed full compliance with regulatory and reliability requirements and be consistent with customer, public health, ecological, and economic needs.

*Key Concepts: "Fit for Purpose", meet or exceed compliance criteria, clean water, healthy streams, biosolids, energy, resource stewardship*

### **Employee and Leadership Development**

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

*Key Concepts: "Employer of Choice", retention, development, workforce planning, continual learning, professional, industry leaders, engagement*



### **Operational Optimization**

Sustainability is a way of operating with a focus on continuous improvement, data-driven decision making, and reduction of waste in all its forms. WES will focus on operational optimization in 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.

*Key Concepts: Sustainable performance improvements, continuous improvement, data driven, minimization of resource use, waste reduction, industry technology knowledge, proactive, Plan-Do-Check-Act model*

<b>WES' Strategic Initiatives and connection to Performance Clackamas Program Goals<sup>1</sup></b>	<b>Alignment with the County's overall Plan</b>
<b>Enterprise Resiliency</b> <b>Key Result:</b> By 2018, Clackamas County will have sewer plant improvements under construction (to be completed by 2020) that support the expected 20-year growth horizon. <b>Program(s) focused on achieving result:</b> Capital Delivery <b>Key Result:</b> By June 30 2019, WES will have a Risk Assessment and Reduction Plan in place. <b>Programs focused on achieving result:</b> Asset Management, Capital Delivery, Administrative Services	Build strong infrastructure
<b>Infrastructure Strategy and Performance</b> <b>Key Result:</b> By June 30 2020, WES Maintenance will be undertaken as performance deficiencies dictate, backed up by an explicit maintenance management system for assets above and below ground. <b>Program(s) focused on achieving result:</b> Plant Operations and Maintenance, Sanitary and Surface Water Maintenance <b>Key Result:</b> By 2020, Clackamas County will adopt a Master Plan for surface water management that will enhance the quality of surface water. <b>Program(s) focused on achieving result:</b> Watershed Protection	Build strong infrastructure  Honor, Utilize, Promote and Invest in our Natural Resources
<b>Product Quality</b> <b>Key Result:</b> 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. <b>Program(s) focused on achieving result:</b> Office of the Director <b>Key Result:</b> By June 30 2020, all plant process control systems will be functioning effectively and leading to full compliance for wastewater discharges and solids/residuals. <b>Program(s) focused on achieving result:</b> Plant Operations and Maintenance	Build public trust through good government  Build strong infrastructure
<b>Employee and Leadership Development</b> <b>Key Result:</b> By June 30 2019, Clarity will be established for all job responsibilities and functions. Sufficient workforce, with necessary training, will be in place in all staff functions. <b>Program(s) focused on achieving result:</b> Administrative Services <b>Key Result:</b> By 2019, WES will have developed and adopted a Workforce Plan. <b>Program(s) focused on achieving result:</b> Administrative Services	Build strong infrastructure  Build public trust through good government
<b>Operational Optimization</b> <b>Key Result:</b> By 2020, WES will beneficially reuse 75% of recovered solids. <b>Program(s) focused on achieving result:</b> Resource Recovery <b>Key Result:</b> By 2020, WES will have reliable and appropriately sized disinfection methods enabling operations to consistently meet permit compliance. <b>Program(s) focused on achieving result:</b> Plant Operations and Maintenance	Honor, Utilize, Promote and Invest in our Natural Resources

<sup>1</sup>The Performance Clackamas Goals connected to WES' Strategic Initiatives are based on a plan currently under development. Finalization of these specific goals are expected during the coming fiscal year.



## 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.

### **Office of the Director** Program

Provide leadership, outreach, information, and analysis to department employees and advisory and budget committee members so they can understand and support WES' mission to create a healthy environment for those who live, work and play in our community.

### **Administrative Services** Program

Provide centralized administrative services to department employees, supervisors, and managers so they can maintain a safe environment, support employees and develop high functioning teams.

### **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.

### **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.

### **Sanitary and Surface Water Maintenance** Program

Provide collection 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. .

**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 conveyance infrastructure and support planned growth.

**Asset Management**  
Program

Provide strategies, technology and asset tracking services to WES employees so they can make proactive, data-driven decisions that align to WES' strategic business plan and budget.

**Environmental  
Services**  
Line of Business

Provide monitoring and assessment, pollution prevention, and permitting services to WES staff, 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.



## 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.

<b>Water Environment Services</b> Greg Geist - Director FTE 110 Total Request \$28,815,567*			
<b>Business Services</b> Greg Geist - Director Total Request \$5,636,244	<b>Operations</b> Greg Eyerly - Mgr Total Request \$15,322,912	<b>Capital Planning and Management</b> Lynne Chicoine - Mgr Total Request \$3,304,588	<b>Environmental Services</b> Ron Wierenga - Mgr Total Request \$4,934,203
<b>Office of the Director</b> Greg Geist - Director FTE 5.94 Total Request \$2,374,369	<b>Resource Recovery</b> Greg Eyerly - Mgr FTE 7.52 Total Request \$2,326,595	<b>Capital Delivery</b> Lynne Chicoine - Mgr FTE 8.05 Total Request \$1,584,093	<b>Permit Services</b> Ron Wierenga - Mgr FTE 8.97 Total Request \$1,767,563
<b>Administrative Services</b> Chanin Bays - Mgr FTE 6.49 Total Request \$1,292,178	<b>Plant Operations and Maintenance</b> Greg Eyerly - Mgr FTE 31.22 Total Request \$8,832,010	<b>Asset Management</b> Lynne Chicoine - Mgr FTE 8.35 Total Request \$1,720,495	<b>Watershed Protection</b> Ron Wierenga - Mgr FTE 4.56 Total Request \$1,718,382
<b>Financial Management</b> Doug Waugh - Mgr FTE 5.39 Total Request \$1,140,059	<b>Sanitary and Surface Water Maintenance</b> Greg Eyerly - Mgr FTE 12.65 Total Request \$4,164,307		<b>Environmental Monitoring</b> Ron Wierenga - Mgr FTE 6.07 Total Request \$1,448,258
<b>Account Services</b> Doug Waugh - Mgr FTE 4.79 Total Request \$829,638			

\*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$382,380)



## Department

### Operating Budget Summary by Program and Fund

Line of Business	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19
		WES Sanitary Sewer Operating Fund 631	WES Surface Water Operating Fund 641	Total Proposed Operating Budget
Program	FTE			
<b>Business Services</b>				
Office of the Director	5.94	\$ 1,753,095	\$ 621,274	\$ 2,374,369
Administrative Services	6.49	1,085,612	206,566	1,292,178
Financial Management	5.39	974,482	165,577	1,140,059
Account Services	4.79	632,514	197,124	829,638
Business Services Total	22.61	4,445,703	1,190,541	5,636,244
<b>Operations</b>				
Resource Recovery	7.52	2,326,595	-	2,326,595
Plant Operations and Maintenance	31.22	8,832,010	-	8,832,010
Sanitary and Surface Water Maintenance	12.65	3,251,452	912,855	4,164,307
Operations Total	51.39	14,410,057	912,855	15,322,912
<b>Capital Planning and Management</b>				
Capital Delivery	8.05	1,512,874	71,219	1,584,093
Asset Management	8.35	1,464,901	255,594	1,720,495
Engineering Total	16.40	2,977,775	326,813	3,304,588
<b>Environmental Services</b>				
Permit Services	8.97	1,089,923	677,640	1,767,563
Watershed Protection	4.56	-	1,718,382	1,718,382
Environmental Monitoring	6.07	1,056,441	391,817	1,448,258
Environmental Services Total	19.60	2,146,364	2,787,839	4,934,203
<b>Non-Program Equipment Pool Contra-Expense</b>				
		(382,380)		(382,380)
<b>TOTAL</b>	<b>110.00</b>	<b>\$ 23,597,519</b>	<b>\$ 5,218,048</b>	<b>\$ 28,815,567</b>
<b>FY 17/18 Budget</b>				
	106.00	22,588,144	5,019,419	27,607,563
<b>\$ Increase (Decrease)</b>	4.00	1,009,375	198,629	1,208,004
<b>% Increase (Decrease)</b>	3.8%	4.5%	4.0%	4.4%

## 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 110.00

Total Request \$28,815,567\*

#### Business Services

Greg Geist - Director

Total Request

\$5,636,244

#### Office of the Director

Greg Geist - Director

FTE 5.94

Total Request

\$2,374,369

#### Administrative Services

Chanin Bays - Mgr

FTE 6.49

Total Request

\$1,292,178

#### Financial Management

Doug Waugh - Mgr

FTE 5.39

Total Request

\$1,140,059

#### Account Services

Doug Waugh - Mgr

FTE 4.79

Total Request

\$829,638

\*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$382,380)



## Administration

### Office of the Director

#### Performance Narrative Statement

The Office of the Director Program provides leadership, outreach, information and analysis to ratepayers, advisory and budget committee members, and other county departments to help them understand and trust WES and the services we provide. During the periodic plan review in FY 2017-18, the Communications and Regulatory Management and Compliance programs were found to have substantial overlap with the Office of the Director Program. As a result, those programs were discontinued and the Office of the Director program was expanded to include their services as they relate to community outreach and education services (Communications program) and regulatory strategy, negotiation, and reporting services (Regulatory Management and Compliance).

This program's accomplishments in FY 2017-18 included the development of a comprehensive communication and engagement outreach initiative to help WES better understand what we need to do to strengthen our relationship with the communities we serve. As a result of this initiative, a new, 16-member advisory committee was formed to garner stakeholder input, with the first meeting held in January 2018. FY 2017-18 also saw the formation of an Elected Official's Forum, created in response from elected representatives with WES' service areas to engage on issues of common interest. The formation of these two committees will assist in ensuring the expected output of 18 stakeholder presentations are provided during FY 2018-19.

During FY 2017-18, this program actuated the integration of Tri-City and SWMACC into the WES partnership. The integration of CCSD No. 1 into WES for the FY 2018-19 budget reflects this program's sustained success in determining a strategy for governance and co-investment to achieve financial and operational efficiency which will benefit all stakeholders.

The program's proposed FY 2018-19 budget of \$2,374,369 contains resources which will allow us to continue to build on the progress made during FY 2017-18 as well as support additional community outreach opportunities and enhanced stakeholder engagement.

Key Performance Measures				
		FY 17-18 Target	FY 17-18 Projected Performance	FY 18-19 Target
Result	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. <sup>2</sup> <i>Achieved FY 2016-17</i>	100%	100%	Discontinue
Result	100% of Advisory and Budget Committee Members say they receive the information they need to make recommendations and decisions on substantive issues. <sup>1</sup>	NEW	NEW	100%
Result	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. <sup>1</sup>	NEW	NEW	100%
Output	18 stakeholder presentations provided/expected	18	18	18
Output	Public outreach conducted for all WES events <sup>1</sup>	NEW	NEW	100%
Output	# public tour participants served/expected	500	465	500
Result	% of reporting requirements met	100%	100%	100%

<sup>1</sup> WES Completed a Periodic Plan Review in FY 2017-18. This measure was added to the plan.

<sup>2</sup> WES Completed a Periodic Plan Review in FY 2017-18. This measure was removed from the plan.

Program includes:

Mandated Services

Shared Services

Grant Funding

Explanation

The Office of the Director organizes and administrates the advisory committees that review and provide policy recommendations to the governing body of the districts, in compliance with Oregon Public Meetings Law (ORS 192.610 to 192.690).





## Business Services

### Office of the Director

#### Budget Summary

	FY 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected Year End	FY 18-19 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	-	890,426	963,555	932,080	999,997	36,442	4%
Materials & Services	-	985,918	1,266,681	1,178,373	1,233,135	(33,546)	-3%
Indirect Costs (Internal Dept Chgs)	-	31,727	31,953	31,630	31,632	(321)	-1%
Cost Allocation Charges	-	96,992	115,765	107,792	109,605	(6,160)	-5%
<b>Operating Expenditure</b>	-	<b>2,005,063</b>	<b>2,377,954</b>	<b>2,249,875</b>	<b>2,374,369</b>	<b>(3,585)</b>	<b>0%</b>
<b>Total Exp - Including Special Categories</b>	-	<b>2,005,063</b>	<b>2,377,954</b>	<b>2,249,875</b>	<b>2,374,369</b>	<b>(3,585)</b>	<b>0%</b>
<b>General Fund Support (if applicable)</b>	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	0.00	3.72	6.87	6.87	5.94	-0.93	-14%
Full Time Equiv Pos (FTE) Filled at Yr End	0.00	7.23	6.87	6.78			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.00	-3.51	0.00	0.09			

#### Significant Issues and Changes

\* Prior year figures reflect the combined expenditures and budget for the Office of the Director, Regulatory Management and Compliance, and Communications Programs



## Business Services

## Administrative Services

### Performance Narrative Statement

The Administrative Services Program proposes a \$1,292,178 operating budget. During the periodic plan review in FY 2017-18, this program was created through the combination of the Human Resources and Customer Service Programs. This combination will allow us to more clearly focus our efforts to provide centralized administrative services to WES staff thus increasing our efficiency and ability to meet our department goals.

### Key Performance Measures

		FY 17-18 Target	FY 17-18 Projected Performance	FY 18-19 Target
Result	% of staff receiving safety training at least once per quarter <sup>1</sup>	NEW	NEW	80%
Result	% of surveyed customers who say they feel valued, heard and respected	95%	97%	95%
Output	# telephone customer inquiry responses provided/requested	10,000	16,000	16,000
Result	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 <sup>2</sup>	100%	80%	Discontinue
Result	% of WES employees surveyed have a clear understanding of WES priorities <sup>2</sup>	80%	80%	Discontinue
Output	# annual work plans provided/expected <sup>2</sup>	100	80	Discontinue
Result	% of customer service requests that are closed in the same month <sup>2</sup>	95%	90%	Discontinue

<sup>1</sup> WES Completed a Periodic Plan Review in FY 2017-18. This measure was added to the plan.

<sup>2</sup> WES Completed a Periodic Plan Review in FY 2017-18. This measure was removed from the plan.

Program includes:

Mandated Services ☐ N

Shared Services ☐ N

Grant Funding ☐ N

Explanation

The Administrative Services program provides services as required by the Public Utility Commission in Oregon Administrative Rules, Chapter 860, Division 37.



## Business Services

## Administrative Services

### Budget Summary

	FY 15-16 Actual	FY 16-17 Actual*	FY 17-18 Budget*	FY 17-18 Projected Year End*	FY 18-19 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	-	659,192	734,475	572,934	704,907	(29,568)	-4%
Materials & Services	-	490,538	507,972	505,672	518,349	10,377	2%
Indirect Costs (Internal Dept Chgs)	-	16,740	16,199	15,190	13,923	(2,276)	-14%
Cost Allocation Charges	-	64,833	77,381	63,597	54,999	(22,382)	-29%
<b>Operating Expenditure</b>	-	<b>1,231,303</b>	<b>1,336,027</b>	<b>1,157,393</b>	<b>1,292,178</b>	<b>(43,849)</b>	<b>-3%</b>
<b>Total Exp - Including Special Categories</b>	-	<b>1,231,303</b>	<b>1,336,027</b>	<b>1,157,393</b>	<b>1,292,178</b>	<b>(43,849)</b>	<b>-3%</b>
 <b>General Fund Support (if applicable)</b>	-	-	-	-	-	-	0%
 Full Time Equiv Pos (FTE) Budgeted	0.00	7.01	7.15	7.15	6.49	-0.66	-9%
Full Time Equiv Pos (FTE) Filled at Yr End	0.00	6.39	7.15	5.07			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.00	0.62	0.00	2.08			

### Significant Issues and Changes

\* Prior year figures reflect the combined expenditures and budget for the Human Resources Program and the Customer Service Program



## Business Services

### Financial Management

#### Performance Narrative Statement

The Financial Management Program provides financial support, analysis, financial projections, and monthly service fee calculations to internal and external stakeholders. In FY 2017-18, this program met the strategic goal of establishing a rate setting strategy to ensure no more than a 10% rate increase in any year. This goal has been refined 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 goal has been achieved for FY 2018-19; proposed rate increases in FY 2018-19's budget were set based on the January 2018 ENR index and are approximately 3.9% for each service area.

Delays in receiving timely expenditure data from other County departments and programs within WES continues to impact the ability to distribute quarterly Budget to Actual reports within three weeks of the quarter's close. Meeting this goal requires the issuance of incomplete reports due to the delays. Progress in this area continues and during FY 2018-19, the program will focus on identifying and implementing efficiencies in reporting with the goal of providing stakeholders with transparent, timely and accurate information and budgets about the use of WES' resources.

The Financial Management Program completed a strategic plan review during FY 2017-18 and added two new performance measures: obtaining the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the new reporting entity WES (the award has historically been obtained by WES' member districts, CCSD No. 1 and TCSD), and achieving an annual variance of actual-to-budgeted operating expenditures of less than 15%.

Meeting these targets supports Clackamas County's strategic goal of achieving sewer improvements and funding to support the expected 20-year growth horizon.

#### Key Performance Measures

		FY 17-18 Target	FY 17-18 Projected Performance	FY 18-19 Target
Result	By 2017, WES will establish a rate setting strategy that ensures no more than a 10% rate increase in any given year - <b>Achieved FY 2017-18</b>	Increase <10%	3.0%	≥3.9%, ≤10%
Updated for FY 18-19	<b>Update:</b> Annual rate increases will fall between a floor set by ENR's Construction Cost Index and a ceiling of 10%			
Result	Quarterly budget to actual reports are distributed within three weeks of quarter's close	100%	50%	100%
Result	Annually obtain GFOA's Certificate of Achievement for Excellence in Financial Reporting <sup>1</sup>	100%	100%	100%
Output	Annual operating expenditures will vary from budgeted operating expenditures by less than 15% <sup>1</sup>	15%	6.7%	10%

<sup>1</sup> WES Completed a Periodic Plan Review in FY 2017-18. This measure was added to the plan.

Program includes:

Mandated Services ☒

Shared Services ☐

Grant Funding ☐

#### Explanation

The Financial Planning 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.



## Business Services

### Financial Management

#### Budget Summary

	FY 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected Year End	FY 18-19 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	-	690,859	698,273	616,205	681,893	(16,380)	-2%
Materials & Services	-	365,071	326,600	401,086	365,185	38,585	12%
Indirect Costs (Internal Dept Chgs)	-	19,275	18,365	15,573	17,025	(1,340)	-7%
Cost Allocation Charges	-	70,859	84,577	71,429	75,956	(8,621)	-10%
<b>Operating Expenditure</b>	-	<b>1,146,064</b>	<b>1,127,815</b>	<b>1,104,293</b>	<b>1,140,059</b>	<b>12,244</b>	<b>1%</b>
<b>Total Exp - Including Special Categories</b>	-	<b>1,146,064</b>	<b>1,127,815</b>	<b>1,104,293</b>	<b>1,140,059</b>	<b>12,244</b>	<b>1%</b>
<b>General Fund Support (if applicable)</b>	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	0.00	6.41	6.14	6.14	5.39	-0.75	-12%
Full Time Equiv Pos (FTE) Filled at Yr End	0.00	6.55	6.14	5.25			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.00	-0.14	0.00	0.89			

#### Significant Issues and Changes

The FY 2018-19 budget represents a 1% increase from the FY 2017-18 budget. Savings in professional services such as accounting and auditing due to the consolidation of the districts into WES were partially offset by increased investment and banking fees. The 12% increase in the Materials and Services budget for FY 2018-19 also reflects the program's plan to add functionality through upgrades to WES' Enterprise Resource Planning (ERP) software during the next fiscal year.





## Business Services

## Account Services

### Performance Narrative Statement

The Account Services Program issues more than 220,000 bills on an annual basis and is responsible for billing and collecting all retail sanitary sewer and surface water monthly service charges, which constitute approximately 67% of WES' \$41.9 million of budgeted service charge revenue for FY 2018-19. This program is also responsible for processing account payments, adjustments and refunds, account openings and closings, and other account management services.

Collection efforts in FY 2016-17 were timely, resulting in achieving 93.4% on-time payment. FY 2017-18's projected on-time payments are 91.6% and continue to exceed the program's target of 90%. The program successfully issued an average of 18,663 utility bills per month during FY 2016-17 and is on target to issue an average of 18,867 utility bills per month for FY 2017-18. The percent of customers who were billed appropriately in FY 2016-17 was 95% and is projected to be 97% for FY 2017-18, 2% lower than the target of 99%. In September 2017, the program completed implementation of a billing system upgrade; monthly billing process changes during the transition to the new system resulted in delays to some customers who receive emailed bills. Inappropriate billings during FY 2016-17 stemmed from technological difficulties and system limitations with the old software and formatting issues when switching to a new bill printing provider.

The proposed FY 2018-19 budget of \$829,638 includes resources to upgrade the Department's assessment districts billing software, expenditures for service and support to ensure the continued success of the utility billing system upgrade, and resources to consider implementing a new online payment system. These efforts are expected to improve WES' customer experience and contribute to the program's overall goals of providing timely and accurate utility bills to customers to ensure WES continues to have the resources to provide wastewater treatment, resource recovery, and watershed protection for the customers and communities we serve.

### Key Performance Measures

		FY 17-18 Target	FY 17-18 Projected Performance	FY 18-19 Target
Result	% of customers who pay their bill on time	90%	91.6%	90%
Result	% of customers who are billed appropriately	99%	97%	99%
Output	# telephone payment receipts provided/expected	6,000	6,300	7,000

Program includes:

Mandated Services

Shared Services

Grant Funding

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 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected Year End	FY 18-19 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	-	362,912	306,181	477,631	471,645	165,464	54%
Materials & Services	-	205,232	190,000	235,795	289,646	99,646	52%
Indirect Costs (Internal Dept Chgs)	-	9,339	9,438	13,685	12,493	3,055	32%
Cost Allocation Charges	-	35,838	42,773	52,523	55,854	13,081	31%
<b>Operating Expenditure</b>	-	<b>613,321</b>	<b>548,392</b>	<b>779,634</b>	<b>829,638</b>	<b>281,246</b>	<b>51%</b>
<b>Total Exp - Including Special Categories</b>	-	<b>613,321</b>	<b>548,392</b>	<b>779,634</b>	<b>829,638</b>	<b>281,246</b>	<b>51%</b>
<b>General Fund Support (if applicable)</b>	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	0.00	2.24	3.37	3.37	4.79	1.42	42%
Full Time Equiv Pos (FTE) Filled at Yr End	0.00	4.40	3.37	4.86			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.00	-2.16	0.00	-1.49			

### Significant Issues and Changes

The FY 2018-19 budget represents a 51% increase over FY 2017-18's budget. The increase in personnel services for FY 2018-19 of \$165k reflects a higher proportion of customer service staff time than was budgeted in prior years to better align with the services provided by the program under the Performance Clackamas structure. The increase in Materials and Services is driven by expenses related to new billing and payment systems and continued software upgrades. The new systems are expected to result in increased efficiencies in billing processes, collection of customer payments, and enhanced customer account management.



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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 110.00  
Total Request \$28,815,567\*

#### Operations

Greg Eyerly - Mgr  
Total Request  
\$15,322,912

#### Resource Recovery

Greg Eyerly - Mgr  
FTE 7.52  
Total Request  
\$2,326,595

#### Plant Operations and Maintenance

Greg Eyerly - Mgr  
FTE 31.22  
Total Request  
\$8,832,010

#### Sanitary and Surface Water Maintenance

Greg Eyerly - Mgr  
FTE 12.65  
Total Request  
\$4,164,307

\*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$382,380)



# Operations

## Resource Recovery

### Performance Narrative Statement

The Resource Recovery Program proposes a \$2,326,595 operating budget. This is a 4% decrease from the current year. This decrease is the result of additional equipment purchases which have increased the efficiency of the hauling portion of this program's budget. Energy projects will continue into the 2018-19 fiscal year. The savings achieved by these projects are seen in the Plant Operations and Maintenance costs. This year, our Tri-City facility has plans to reduce usage by an additional 350,000 kWh. This is in addition to the more than 2 Million kWhs in savings already realized through our energy programs and projects.

### Key Performance Measures

		FY 17-18 Target	FY 17-18 Projected Performance	FY 18-19 Target
Result	# energy projects completed per year <sup>1</sup>	3	5	Discontinue
Result	% of recovered solids beneficially reused	50%	80%	85%
Demand	# gallons of recycled water needed <sup>1</sup>	416 million	478 million	Discontinue
Result	% of treatment plants' water needs met by recycled water <sup>1</sup>	40%	50%	Discontinue

<sup>1</sup> WES Completed a Periodic Plan Review in FY 2017-18. 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.



## Operations

### Resource Recovery

#### Budget Summary

	FY 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected Year End	FY 18-19 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	-	913,333	952,053	996,362	960,629	8,576	1%
Materials & Services	-	1,025,188	1,318,214	1,371,368	1,226,958	(91,256)	-7%
Indirect Costs (Internal Dept Chgs)	-	28,779	26,904	30,967	29,143	2,239	8%
Cost Allocation Charges	-	96,962	115,729	116,135	109,865	(5,864)	-5%
<b>Operating Expenditure</b>	-	<b>2,064,262</b>	<b>2,412,900</b>	<b>2,514,832</b>	<b>2,326,595</b>	<b>(86,305)</b>	<b>-4%</b>
<b>Total Exp - Including Special Categories</b>	-	<b>2,064,262</b>	<b>2,412,900</b>	<b>2,514,832</b>	<b>2,326,595</b>	<b>(86,305)</b>	<b>-4%</b>
<b>General Fund Support (if applicable)</b>	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	0.00	8.43	8.66	8.66	7.52	-1.14	-13%
Full Time Equiv Pos (FTE) Filled at Yr End	0.00	9.82	8.66	9.79			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.00	-1.39	0.00	-1.13			

#### Significant Issues and Changes





## Operations

### Plant Operations and Maintenance

#### Performance Narrative Statement

The Plant Operations and Maintenance Program proposes a \$ 8,832,010 operating budget which is a \$2,569,167 or 41% percent increase from last fiscal year. The increase is due in large part to the restructuring of the WES programs which led to the combination of two programs from our previous strategic plan: Wastewater Treatment and the plant maintenance portion of Wastewater Infrastructure Maintenance and Repair. However, there is also a significant increase in WES labor costs due to the addition of four FTEs as well as large increases in purchased maintenance, repairs, and supplies. These increases will allow us to continue to provide high quality services and meet increases in demand due to expansion and refurbishment of our facilities.

#### Key Performance Measures

		FY 17-18 Target	FY 17-18 Projected Performance	FY 18-19 Target
Result	NACWA Peak Performance Gold Award Recognition <sup>1</sup>	Gold for four facilities	1 Gold 2-Silver	Discontinue
Demand	Treatment of 7 billion gallons of wastewater with no permit violations <sup>1</sup>	7 billion gallons treated 0 permit violations	7.9 billion gallons treated 12 permit violations	N/A
Result	# maintenance sessions performed annually	552	650	N/A
Result	Treatment effectiveness rate <sup>2</sup>	NEW	NEW	85%

<sup>1</sup> WES Completed a Periodic Plan Review in FY 2017-18. This measure was removed from the plan. These two measures have been replaced in the new plan with the new measure listed above which allows us to more accurately benchmark our performance as well as take a more granular look at our implementation of compliance strategies.

<sup>2</sup> 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.

Program includes:

Mandated Services

Shared Services

Grant Funding

#### Explanation

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



## Operations

### Plant Operations and Maintenance

#### Budget Summary

	FY 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected Year End	FY 18-19 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	-	1,798,085	2,061,155	1,969,416	4,001,846	1,940,691	94%
Materials & Services	-	3,791,426	3,695,144	4,046,435	4,107,149	412,005	11%
Indirect Costs (Internal Dept Chgs)	-	289,896	289,496	290,991	345,682	56,186	19%
Cost Allocation Charges	-	181,850	217,048	201,519	377,333	160,285	74%
<b>Operating Expenditure</b>	-	<b>6,061,257</b>	<b>6,262,843</b>	<b>6,508,361</b>	<b>8,832,010</b>	<b>2,569,167</b>	<b>41%</b>
<b>Total Exp - Including Special Categories</b>	-	<b>6,061,257</b>	<b>6,262,843</b>	<b>6,508,361</b>	<b>8,832,010</b>	<b>2,569,167</b>	<b>41%</b>
<b>General Fund Support (if applicable)</b>	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	0.00	16.56	14.86	14.86	31.22	16.36	110%
Full Time Equiv Pos (FTE) Filled at Yr End	0.00	15.63	14.86	16.42			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.00	0.93	0.00	-1.56			

#### Significant Issues and Changes

The increase in this program's budget is due in large part to the restructuring of the program to include plant maintenance and operations. However, there is a significant increase in WES labor costs due to the addition of four FTEs as well as large increases in purchased maintenance, repairs, and supplies.



## Operations

### Sanitary and Surface Water Maintenance

#### Performance Narrative Statement

The Sanitary and Surface Water Maintenance Program proposes a \$4,164,307 operating budget for FY 2018-19. This is the first year this program has been a standalone budget. In previous years, Wastewater Infrastructure and Repair was combined and this included Sanitary and Surface Water activities and expenses. We project completion of the target of 60 miles of pipe cleaned and inspected in FY 2017-18. 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. This leaves an output of 33% of catch basins cleaned annually for this measure.

#### Key Performance Measures

		FY 17-18 Target	FY 17-18 Projected Performance	FY 18-19 Target
Result	# miles of pipe cleaned and inspected annually <sup>1</sup>	60	60	Discontinue
Result	% maintenance performed that is preventative rather than corrective <sup>1</sup>	90%	84%	Discontinue
Result	# pump stations cleaned and inspected annually <sup>1</sup>	21	21	Discontinue
Result	% of WES owned or operated catch basins are cleaned	NEW	NEW	33%
Result	% of collection system camera inspected per year	NEW	NEW	20%

<sup>1</sup> WES Completed a Periodic Plan Review in FY 2017-18. These measures were removed from the plan.

Program includes:

Mandated Services ☐ Y

Shared Services ☐ N

Grant Funding ☐ N

#### 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



## Operations

### Sanitary and Surface Water Maintenance

#### Budget Summary

	FY 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected Year End	FY 18-19 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	-	2,011,535	2,326,862	2,244,713	1,593,969	(732,893)	-31%
Materials & Services	-	1,469,651	1,894,774	1,748,206	2,340,792	446,018	24%
Indirect Costs (Internal Dept Chgs)	-	179,306	96,348	100,399	81,131	(15,217)	-16%
Cost Allocation Charges	-	230,334	274,917	274,782	148,415	(126,502)	-46%
<b>Operating Expenditure</b>	-	<b>3,890,826</b>	<b>4,592,901</b>	<b>4,368,100</b>	<b>4,164,307</b>	<b>(428,594)</b>	<b>-9%</b>
<b>Total Exp - Including Special Categories</b>	-	<b>3,890,826</b>	<b>4,592,901</b>	<b>4,368,100</b>	<b>4,164,307</b>	<b>(428,594)</b>	<b>-9%</b>
<b>General Fund Support (if applicable)</b>	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	0.00	20.78	20.23	20.23	12.65	-7.58	-37%
Full Time Equiv Pos (FTE) Filled at Yr End	0.00	20.95	20.23	22.18			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.00	-0.17	0.00	-1.95			

#### Significant Issues and Changes



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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 110.00  
Total Request \$28,815,567\*

#### Capital Planning and Management

Lynne Chicoine - Mgr  
Total Request  
\$3,304,588

#### Capital Delivery

Lynne Chicoine - Mgr  
FTE 8.05  
Total Request  
\$1,584,093

#### Asset Management

Lynne Chicoine - Mgr  
FTE 8.35  
Total Request  
\$1,720,495

\*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$382,380)






## Capital Planning and Management

### Capital Delivery

#### Performance Narrative Statement

The Capital Delivery Program proposes a \$1,584,093 operating budget. These resources will support our growing engineering staff as we deliver the facilities in our 5-year Capital Improvement Program and several planning efforts, which together, will comprise a Comprehensive Plan for construction of facilities required to support the wastewater infrastructure needs of WES ratepayers for a 20 year planning horizon. The plans for FY 2018-19 include a Master Plan for WES facilities that discharge to the Willamette River and facilities plans for the Boring and Hoodland treatment facilities. These Plans, together with the Hoodland Area and Collection System Master Plans will allow WES to prioritize and schedule projects to provide "just-in-time" delivery of required infrastructure to provide capacity for a minimum of 5 years of projected growth with predictable, equitable rates.

#### Key Performance Measures

		FY 17-18 Target	FY 17-18 Projected Performance	FY 18-19 Target
 Result	By June 2016, Clackamas County will have a Comprehensive Plan in place that will achieve sewer improvements and funding to support the expected regional 20-year growth horizon. (Countywide Strategic Result #2)	2	2	3.75 (cumulative number of plans)
Result	By end of FY 2017-18 and year-over-year thereafter, WES will provide its partner communities the wastewater infrastructure capacity required to support a minimum of 5 years of projected growth.	Ongoing	Ongoing	Ongoing
Result	By end of FY 2017-18, WES' priorities and policy recommendations will reflect optimum economies of scale, defined as lowest rate per user per district to achieve the 20 year Comprehensive Plan.	N/A	N/A	75%

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 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected Year End	FY 18-19 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	-	304,948	261,146	339,143	415,704	154,558	59%
Materials & Services	-	334,398	1,159,000	1,133,908	1,121,247	(37,753)	-3%
Indirect Costs (Internal Dept Chgs)	-	12,803	11,069	12,793	14,011	2,942	27%
Cost Allocation Charges	-	19,264	22,992	31,156	33,131	10,139	44%
<b>Operating Expenditure</b>	-	<b>671,413</b>	<b>1,454,207</b>	<b>1,517,000</b>	<b>1,584,093</b>	<b>129,886</b>	<b>9%</b>
<b>Total Exp - Including Special Categories</b>	-	<b>671,413</b>	<b>1,454,207</b>	<b>1,517,000</b>	<b>1,584,093</b>	<b>129,886</b>	<b>9%</b>

<b>General Fund Support (if applicable)</b>	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted O&M	0.00	4.15	1.68	1.68	2.05	0.37	22%
Full Time Equiv Pos (FTE) Filled at Yr End	0.00	1.95	1.68	1.60			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.00	2.20	0.00	0.08			
Capitalized Labor FTE		3.0	5.69	4.1	6.00		
Total Program FTE		4.95	7.37	5.71	8.05		

#### Significant Issues and Changes

We are adding a CECOP intern for 6 months and expect to fill a vacant engineering position. We will be hiring consultants with whom we will work to develop the Willamette Master Plan and Hoodland and Boring Facilities Plans.



## Capital Planning and Management

### Asset Management

#### Performance Narrative Statement

The Asset Management Program proposes a \$1,720,495 operating budget. These resources contribute to management of WES' asset inventories, condition assessments, and information systems necessary to support organizational data-driven decisions. Achieving these targets will continue to improve asset and work management. This translates into prioritized renewal and replacement of assets, reduction of risk, and better customer service.

#### Key Performance Measures

		FY 17-18 Target	FY 17-18 Projected Performance	FY 18-19 Target
Result	Decision makers will have available an inventory, condition assessment and risk-based strategy for the Districts' Wastewater Infrastructure <sup>1</sup>	93%	74%	Discontinue
Result	% of new assets mapped and entered into the maintenance management system within three months of construction acceptance	NEW	NEW	90%
Result	% of critical treatment plant assets attributed with a quantified risk score <sup>2</sup>	NEW	NEW	75%
Output	# asset condition reports provided	500	785	500
Output	# asset renewal and replacement plans provided	3	3	3

<sup>1</sup> WES completed a periodic plan review in FY 2018. This measure was removed from the plan. This measure has been replaced in the new plan with the new measure listed above which allows us to more accurately benchmark our performance.

<sup>2</sup> Asset risk is measured using a multi-metric index based on likelihood and consequence of failure of an asset. Updating asset risk scores allows the organization to prioritize condition assessments and maintenance activities while supporting the strategic results for enterprise resiliency and infrastructure strategy and performance.

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 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected Year End	FY 18-19 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	-	880,749	937,950	845,517	1,018,390	80,440	9%
Materials & Services	-	166,356	487,400	374,099	576,147	88,747	18%
Indirect Costs (Internal Dept Chgs)	-	23,074	23,800	22,448	23,272	(528)	-2%
Cost Allocation Charges	-	92,202	110,046	96,565	102,686	(7,360)	-7%
<b>Operating Expenditure</b>	-	<b>1,162,381</b>	<b>1,559,196</b>	<b>1,338,629</b>	<b>1,720,495</b>	<b>161,299</b>	<b>10%</b>
<b>Total Exp - Including Special Categories</b>	-	<b>1,162,381</b>	<b>1,559,196</b>	<b>1,338,629</b>	<b>1,720,495</b>	<b>161,299</b>	<b>10%</b>
<b>General Fund Support (if applicable)</b>	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	0.00	8.30	7.93	7.93	8.35	0.42	5%
Full Time Equiv Pos (FTE) Filled at Yr End	0.00	8.02	7.93	7.22			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.00	0.28	0.00	0.71			

#### Significant Issues and Changes

The Asset Management Program budget is expected to increase by 10%, due to additional organizational consolidation of software, hardware and supporting professional services budgets. There is an increase in personnel services to add capacity for information system improvements that address identified business needs.



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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, pollution prevention, and permitting services to WES staff, 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 110.00

Total Request \$28,815,567\*

#### **Environmental Services**

Ron Wierenga - Mgr

Total Request

\$4,934,203

#### **Permit Services**

Ron Wierenga - Mgr

FTE 8.97

Total Request

\$1,767,563

#### **Watershed Protection**

Ron Wierenga - Mgr

FTE 4.56

Total Request

\$1,718,382

#### **Environmental Monitoring**

Ron Wierenga - Mgr

FTE 6.07

Total Request

\$1,448,258

\*Total Request includes Non-Program Equipment Pool Contra-Expense of (\$382,380)





## Environmental Services

## Permit Services

### Performance Narrative Statement

The Permit Services Program proposes a \$1,767,563 operating budget to support permit review and approval services in the County's sanitary sewer and surface water districts. These resources will allow us to provide permit consultations, reviews, approvals, and inspection services to residential and business property owners, including industrial dischargers. Achieving these targets will ensure that property and business owners can properly access and use the County's infrastructure, thereby reducing instances of infrastructure failures and environmental pollution. A project to update WES' rules and regulations, sanitary design standards, stormwater design standards, local limits, and administrative procedures will continue this year. The intent is to simplify the requirements for applicants into one set of rules and standards for all districts, to update to industry standards, to include new state and federal regulatory limits, and to clarify requirements so applicants know what is expected of them.

### Key Performance Measures

		FY 17-18 Target	FY 17-18 Projected Performance	FY 18-19 Target
Result	% of inspected businesses in compliance with discharge rules <sup>2</sup>	90%	95%	Discontinue
Result	% of single family dwelling permits in subdivisions approved within 3 business days <sup>2</sup>	80%	95%	Discontinue
Result	Number of permitted industries in compliance with wastewater discharge rules <sup>1</sup>	NEW	NEW	90%
Result	Number of plan reviews completed within three weeks of submittal <sup>1</sup>	NEW	NEW	80%
Output	Number of industry compliance inspections	30	31	30
Output	Number of sanitary and storm plan submittals reviewed <sup>1</sup>	NEW	NEW	150
Output	Number of permitted Equivalent Dwelling Units <sup>1</sup>	NEW	NEW	450

<sup>1</sup> WES Completed a Periodic Plan Review in FY 2017-18. This measure was added to the plan.

<sup>2</sup> WES Completed a Periodic Plan Review in FY 2017-18. This measure was removed from the plan.

Program includes:

Mandated Services ☐ Y

Shared Services ☐ N

Grant Funding ☐ 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 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected Year End	FY 18-19 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	-	817,733	1,073,472	890,501	1,200,239	126,767	12%
Materials & Services	-	101,613	473,900	318,587	393,083	(80,817)	-17%
Indirect Costs (Internal Dept Chgs)	-	26,022	24,080	23,402	29,828	5,748	24%
Cost Allocation Charges	-	89,926	107,332	101,189	144,413	37,081	35%
<b>Operating Expenditure</b>	-	<b>1,035,294</b>	<b>1,678,784</b>	<b>1,333,679</b>	<b>1,767,563</b>	<b>88,779</b>	<b>5%</b>
<b>Total Exp - Including Special Categories</b>	-	<b>1,035,294</b>	<b>1,678,784</b>	<b>1,333,679</b>	<b>1,767,563</b>	<b>88,779</b>	<b>5%</b>
<b>General Fund Support (if applicable)</b>	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	0.00	7.00	8.16	8.16	8.97	0.81	10%
Full Time Equiv Pos (FTE) Filled at Yr End	0.00	6.68	8.16	6.72			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.00	0.32	0.00	1.44			

#### Significant Issues and Changes

A project to update WES' rules and regulations, sanitary design standards, stormwater design standards, local limits, and administrative procedures was initiated this current FY will continue into FY 2018-19, with a targeted completion in the spring of 2019. The intent is to simplify the requirements for applicants into one set of rules and standards for all districts, to update to industry standards, to include new state and federal regulatory limits, and to clarify requirements so applicants know what is expected of them. This project requires increases in Personnel Services, so labor from several existing staff positions including a policy analyst, engineer, and division manager were allocated to this program for the project. Additionally \$250,000 in Engineering Services was budgeted for an engineering firm to support the project by writing code, standards, standard details; policy research; and public involvement. This reflects a decrease in Materials and Services from the previous FY as some of the Rules project is complete and budget expended. An existing vacancy providing technical support to the program will be filled in late FY 2017-18 and carry over into the next FY.




## Environmental Services

### Watershed Protection

#### Performance Narrative Statement

The Watershed Protection Program proposes a \$1,718,382 operating budget to support surface water protection and restoration services in WES's service area. Achieving these targets will ensure that public and private storm systems are functioning to remove pollutants from runoff and to eliminate illegal releases of pollutants. Planning activities that support water quality improvement activities and regulatory compliance are also funded by this program. A new County-level strategic goal to adopt a Surface Water Management Plan by 2020 will kick off this year. Ongoing coordination with partner cities, county departments, and community groups through Riverhealth grants, will support watershed protection and education activities. Requested program resources will also fund restoration projects that support healthy streams and reduce flooding from storm system failures.

#### Key Performance Measures

		FY 17-18 Target	FY 17-18 Projected Performance	FY 18-19 Target
Result	% of scheduled maintenance that is completed on time <sup>2</sup>	50%	90%	Discontinue
Output	# stormwater ponds maintained <sup>2</sup>	200	210	Discontinue
Result	% confirmed illicit discharges eliminated within 2 business days <sup>2</sup>	75%	100%	Discontinue
Result	% of district streams that are healthy (stream health index) <sup>1,3</sup>	NEW	NEW	50%
Result	% of inspected businesses comply with stormwater standards, as evidenced by adequate pollution controls and storm system maintenance <sup>1</sup>	NEW	NEW	50%
 Result	By 2020, Clackamas County will adopt a Master Plan for surface water management that will enhance the quality of surface water <sup>1</sup>	NEW	NEW	In progress
Output	Number of commercial/industrial site pollution prevention visits <sup>1</sup>	NEW	NEW	125
Output	Number of acres of ponds and streamsides planted <sup>1</sup>	NEW	NEW	25

<sup>1</sup> WES Completed a Periodic Plan Review in FY 2017-18. This measure was added to the plan.

<sup>2</sup> WES Completed a Periodic Plan Review in FY 2017-18. This measure was removed from the plan.

<sup>3</sup> 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.

Program includes:

Mandated Services ☐ Y

Shared Services ☐ N

Grant Funding ☐ Y

#### Explanation

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



## Environmental Services

### Watershed Protection

#### Budget Summary

	FY 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected Year End	FY 18-19 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	-	706,936	826,036	642,334	666,998	(159,038)	-19%
Materials & Services	-	697,641	1,828,489	1,140,220	951,110	(877,379)	-48%
Indirect Costs (Internal Dept Chgs)	-	118,434	30,388	26,415	21,945	(8,443)	-28%
Cost Allocation Charges	-	73,670	87,930	73,660	78,329	(9,601)	-11%
<b>Operating Expenditure</b>	-	<b>1,596,681</b>	<b>2,772,843</b>	<b>1,882,629</b>	<b>1,718,382</b>	<b>(1,054,461)</b>	<b>-38%</b>
<b>Total Exp - Including Special Categories</b>	-	<b>1,596,681</b>	<b>2,772,843</b>	<b>1,882,629</b>	<b>1,718,382</b>	<b>(1,054,461)</b>	<b>-38%</b>
<b>General Fund Support (if applicable)</b>	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	0.00	8.27	6.97	6.97	4.56	-2.41	-35%
Full Time Equiv Pos (FTE) Filled at Yr End	0.00	6.24	6.97	5.29			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.00	2.03	0.00	1.68			

#### Significant Issues and Changes

An overall reduction in program budget does not reflect a reduction in services. Rather in an effort to right-size workload, proposed service contracts for watershed assessments and studies were reduced to approximately the projected FY 2017-18 level. Several assessments are still planned, including support for the County Surface Water Management Plan, CCSD#1 storm system master plan, and watershed assessments. Reductions in labor reflect current staff being allocated to other programs such as Permits, and construction projects this coming FY. Maintenance services were fully integrated with the Storm and Sanitary Maintenance Program this year, along with service contracts with County Corrections for pond maintenance, for example. A vacancy approved in FY 17-18 budget will be filled next FY.



## Environmental Services

### Environmental Monitoring

#### Performance Narrative Statement

The Environmental Monitoring Program proposes an \$1,448,258 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. Achieving these targets will translate into providing quality data for the efficient operations of the facilities and knowing the extent to which local streams are fishable and swimmable.

#### Key Performance Measures

		FY 17-18 Target	FY 17-18 Projected Performance	FY 18-19 Target
Result	% of samples collected, analyzed, interpreted and reported on schedule <sup>2</sup>	100%	70%	Discontinue
Result	% of quality control samples meeting industry standards <sup>2</sup>	85%	95%	Discontinue
Result	% of analyses that are ready to report within 15 days of receiving a sample <sup>1</sup>	NEW	NEW	80%
Output	# laboratory analyses expected <sup>2</sup>	19,000	16,500	Discontinue
Output	Number of surface and wastewater samples analyzed <sup>1</sup>	NEW	NEW	17,000

<sup>1</sup> WES Completed a Periodic Plan Review in FY 2017-18. This measure was added to the plan.

<sup>2</sup> WES Completed a Periodic Plan Review in FY 2017-18. This measure was removed from the plan.

Program includes:

Mandated Services ☐ Y

Shared Services ☐ N

Grant Funding ☐ N

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 15-16 Actual	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected Year End	FY 18-19 Adopted Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
Personnel Services	-	1,050,525	1,053,142	1,084,004	842,344	(210,798)	-20%
Materials & Services	-	414,553	1,310,425	854,180	471,869	(838,556)	-64%
Contra Accounts (for Lab Services)	-	(650,200)	(701,120)	(641,793)	-	701,120	-100%
Indirect Costs (Internal Dept Chgs)	-	29,058	34,321	34,667	25,443	(8,878)	-26%
Cost Allocation Charges	-	116,782	139,387	125,439	108,602	(30,785)	-22%
<b>Operating Expenditure</b>	-	<b>960,718</b>	<b>1,836,155</b>	<b>1,456,497</b>	<b>1,448,258</b>	<b>(387,897)</b>	<b>-21%</b>
<b>Total Exp - Including Special Categories</b>	-	<b>960,718</b>	<b>1,836,155</b>	<b>1,456,497</b>	<b>1,448,258</b>	<b>(387,897)</b>	<b>-21%</b>
<b>General Fund Support (if applicable)</b>	-	-	-	-	-	-	0%
Full Time Equiv Pos (FTE) Budgeted	0.00	9.86	8.28	8.28	6.07	-2.21	-27%
Full Time Equiv Pos (FTE) Filled at Yr End	0.00	9.32	8.28	8.64			
Full Time Equiv Pos (FTE) Vacant at Yr End	0.00	0.54	0.00	-0.36			

#### Significant Issues and Changes

**Personnel Services:** The reduction in the labor budget reflects a reduction in hours for staff in other programs doing environmental monitoring work, like sample collection at treatment plants. Lab staffing will remain the same, and a vacant Lab Technician position will be filled in late FY 2017-18. Recent organizational changes also resulted in an reassignment of the program to an existing Division Manager thereby decreasing management salary resource commitments.

**Materials and Services:** Decreases are due to reductions in redundant budgeting for contra account expenses, as well as expected supplies and services contracts, and moving some capital expenses for analytical equipment to the construction fund.

**Contra Accounts (for Lab Services):** The budget and accounting structure for laboratory services in the Environmental Monitoring Program will change this FY. WES will no longer use a cost center for central lab services and subsequently bill internal surface and wastewater programs accordingly. Instead, charges for labor, supplies, and services will be directly charged to the surface and wastewater funds. This results in a reduction of WES lab services in other program budgets, and a zeroing of the contra account budget in this program. Additional surface water fund resources were requested to account for the lab staff that will directly bill the surface water fund for analytical work, rather than charging labor to the cost center, thus the increase in surface water funds supporting this program.





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**WES**



*Green roof on top of the Membrane Bioreactor Building at Tri-City Water Resource Recovery Facility in Oregon City, OR*



## WATER ENVIRONMENT SERVICES OVERVIEW

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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. Estimated 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 will occur on July 1, 2018 via the contribution of CCSD No. 1's projected end of FY 2017-18 reserves to WES. This contribution is reflected in the line item "Contributions from CCSD No. 1" on each of the fund detail sheets. The funds from which the contributions originate in CCSD No. 1 are identical in type and function to the WES funds the contributions are being made into; i.e. CCSD No. 1's Sanitary Sewer SDC fund's reserves will be contributed to WES' Sanitary Sewer SDC fund. This ensures the original intent of the reserves will be preserved. The total amount of this contribution is estimated to be \$78.5 million, including approximately \$65.4 million from the Sanitary Sewer and Surface Water Construction and SDC funds, approximately \$1 million from the Debt Service funds, and approximately \$12.1 million in 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' prior year actual and budgeted income and expenditure data for comparison with WES' FY 2018-19 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 three year financial history are included in the appendix.

# WATER ENVIRONMENT SERVICES

## BUDGET SUMMARY BY FISCAL YEAR – ALL FUNDS

	2017-18 BUDGET	2017-18 ESTIMATE	2018-19 BUDGET
<b>RESOURCES</b>			
Beginning Fund Balance	\$ 13,800,237	\$ 15,664,794*	\$ 94,176,860*
Sales and Services			
Service Charges	184,700	105,779	28,018,300
City Payments	8,474,500	8,411,200	13,824,450
SDCs	1,546,875	1,546,875	5,862,985
Service Charges - Other	211,700	229,700	237,700
Fees			10,000
Assessment Principal			179,700
Assessment Interest			135,000
Intergovernmental Revenue			244,300
Interest Income	137,905	281,910	1,867,133
Miscellaneous	636,900	722,900	1,209,728
Subtotal - Revenues	11,192,580	11,298,364	51,589,296
Contributions from CCSD No. 1	56,858,174	78,471,061*	-
State Revolving Fund Contributions			12,800,000
Transfers IN	2,000,000	2,000,000	17,873,981
<b>TOTAL RESOURCES</b>	<b>\$ 83,850,991</b>	<b>\$ 107,434,219</b>	<b>\$ 176,440,137</b>
<b>REQUIREMENTS</b>			
WES Labor	\$ 2,817,808	\$ 2,644,117	\$ 13,558,561
Laboratory Services	361,215	235,725	55,000
Other County Services	643,222	639,493	2,965,113
Professional Services	1,459,149	1,158,085	3,501,003
Miscellaneous Services	132,710	95,668	469,500
Supplies	1,301,931	1,181,065	2,378,080
Utilities	751,363	689,373	1,461,500
Repairs and Maintenance	86,064	162,487	1,110,000
Interagency Coordination	608,300	609,770	1,202,000
Miscellaneous Expenses	741,532	704,490	2,114,810
Subtotal - Expenditures	8,903,294	8,120,273	28,815,567
Capital Outlay	5,148,051	3,137,086	45,865,000
Debt Service - Principal			3,821,208
Debt Service - Interest			3,166,416
Contingency	2,747,013	-	16,269,250
Ending Fund Balance	65,052,633	94,176,860*	60,628,715
Transfers OUT	2,000,000	2,000,000	17,873,981
<b>TOTAL REQUIREMENTS</b>	<b>\$ 83,850,991</b>	<b>\$ 107,434,219</b>	<b>\$ 176,440,137</b>

\*FY 2017-18 Estimated Beginning Fund Balance includes contributions of TCSD's and SWMACC's FY 2016-17 actual end-of-year reserves; FY 2018-19 Beginning Fund Balance includes contributions of CCSD No. 1's FY 2017-18 projected end-of year reserves.

**Water Environment Services**  
**CONSOLIDATED FINANCIAL SCHEDULE - ALL FUNDS**  
**2018-19 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 7/1/2018	\$ 7,540,172	\$ 25,816,456	\$ 47,287,083	\$ 8,666,707	\$ 1,862,978	\$ 2,029,522	\$ 756,636	\$ 217,306	\$ 94,176,860
Sales and Services									
Service Charges	23,065,100			4,953,200					28,018,300
City Payments	13,824,450								13,824,450
System Development Charges	225,000	5,535,485			102,500				5,862,985
Service Charges - Other	237,700								237,700
Fees	10,000								10,000
Assessment Principal							179,700		179,700
Assessment Interest							120,000	15,000	135,000
Intergovernmental Revenue	244,300								244,300
Interest Income	150,800	516,300	945,700	157,000	37,300	40,600	15,133	4,300	1,867,133
Miscellaneous	672,200			255,000		282,528			1,209,728
Subtotal	45,969,722	31,868,241	48,232,783	14,031,907	2,002,778	2,352,650	1,071,469	236,606	145,766,156
SRF Contribution			12,800,000						12,800,000
Transfers IN			10,000,000			1,000,000		6,873,981	17,873,981
TOTAL RESOURCES	\$ 45,969,722	\$ 31,868,241	\$ 71,032,783	\$ 14,031,907	\$ 2,002,778	\$ 3,352,650	\$ 1,071,469	\$ 7,110,587	\$ 176,440,137
REQUIREMENTS									
WES Labor	\$ 10,914,701			\$ 2,643,860					\$ 13,558,561
Laboratory Services	45,000			10,000					55,000
Other County Services	2,395,012			570,101					2,965,113
Professional Services	2,563,147			937,856					3,501,003
Miscellaneous Services	347,000			122,500					469,500
Supplies	2,171,503			206,577					2,378,080
Utilities	1,454,000			7,500					1,461,500
Repairs and Maintenance	825,000			285,000					1,110,000
Interagency Coordination	1,016,500			185,500					1,202,000
Miscellaneous Expenses	1,865,655			249,155					2,114,810
Capital Outlay		3,146,500	39,738,500		500,000	2,480,000			45,865,000
Debt Service - Principal							106,208	3,715,000	3,821,208
Debt Service - Interest							7,435	3,158,981	3,166,416
Contingency	3,933,000	786,625	9,934,625	870,000	125,000	620,000			16,269,250
Reserves & Ending Fund Balance	1,565,223	27,935,116	21,359,658	6,943,858	1,377,778	252,650	957,826	236,606	60,628,715
Subtotal	29,095,741	31,868,241	71,032,783	13,031,907	2,002,778	3,352,650	1,071,469	7,110,587	158,566,156
Transfers OUT	16,873,981			1,000,000					17,873,981
TOTAL REQUIREMENTS	\$ 45,969,722	\$ 31,868,241	\$ 71,032,783	\$ 14,031,907	\$ 2,002,778	\$ 3,352,650	\$ 1,071,469	\$ 7,110,587	\$ 176,440,137
FUND BALANCE									
Net Increase (Decrease) in Fund Balance	\$ (5,974,950)	\$ 2,118,660	\$ (25,927,425)	\$ (1,722,849)	\$ (485,200)	\$ (1,776,872)	\$ 201,190	\$ 19,300	\$ (33,548,146)
% Change	-79%	8%	-55%	-20%	-26%	-88%	27%	9%	-36%



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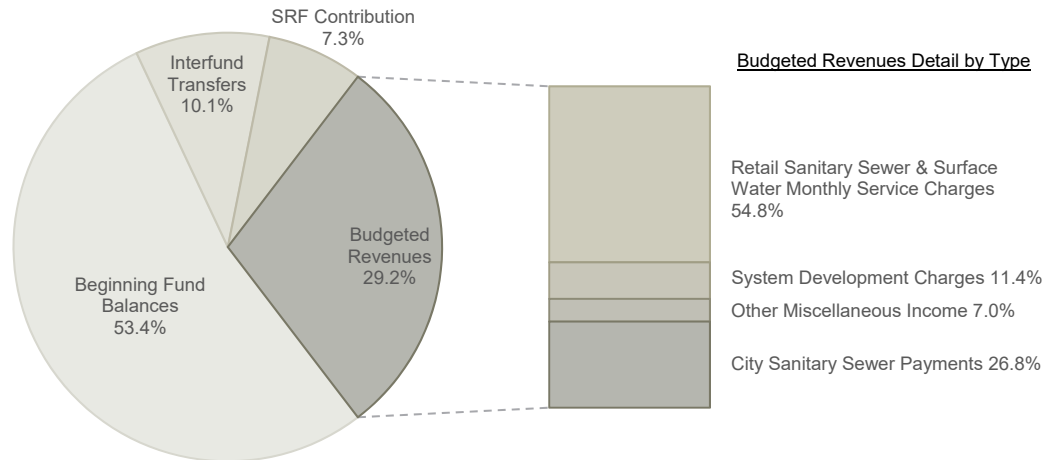


# WATER ENVIRONMENT SERVICES

## RESOURCES

Total resources are proposed to be \$176,440,137. WES' FY 2018-19 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 2018-19



### TOTAL RESOURCES - \$176,440,137

#### BEGINNING FUND BALANCES – 53.4% 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. Consistent with the BCC's directive to harmonize the management, operations, regulatory, and financial affairs of all three districts, FY 2018-19's beginning fund balances also include contributions of the estimated reserves remaining in CCSD No. 1's funds at the end of FY 2017-18; these contributions are projected to total \$78.5 million and facilitate the transfer of CCSD No. 1's operations into WES.

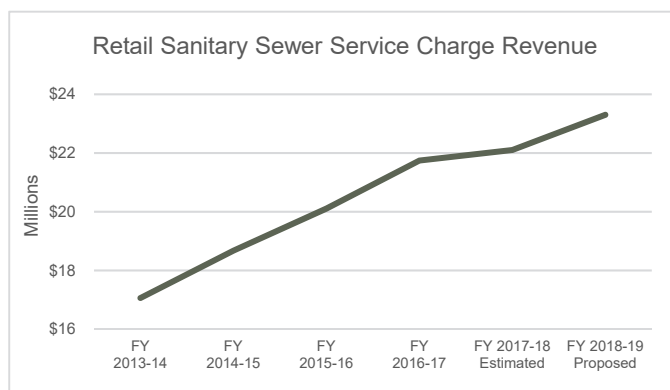
Of the approximately \$94.2 million total in WES' beginning fund balances, \$73.1 million is in the Sanitary Sewer Construction and SDC funds and \$3.9 million is in the Surface Water Construction and SDC Funds. The beginning fund balances in these funds will be used to fund current and future year capital outlay. The beginning balances in the State Loan Fund and Revenue Bond Fund total \$974 thousand; these resources will be used to pay current and future year principal and interest on long term debt. The remaining \$16.2 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 2018-19 are estimated at \$51.6 million, a decrease of 1% from WES' and CCSD No. 1s' combined 2017-18 FY budgets due to significantly reduced SDC revenue budgets. This total is comprised of Sanitary Sewer revenues of \$45.8 million and Surface Water revenues of \$5.8 million. WES receives 93% of its revenues from four primary sources: retail sanitary sewer service charges, retail surface water monthly service charges, city payments for wholesale sanitary sewer service, and system development charges (SDCs). Revenues for the FY 2018-19 budget reflect estimates based upon historic trend analysis, recent development activity, and a population forecast study completed in 2016.

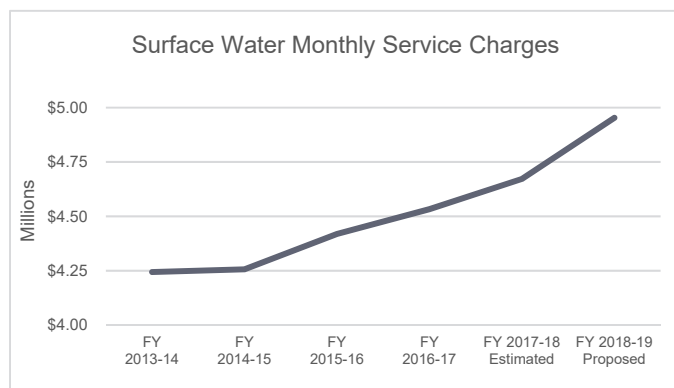
### **SANITARY SEWER RETAIL MONTHLY SERVICE CHARGES – 45.2% of Budgeted Revenues**

WES provides retail sanitary sewer service to the CCSD No. 1 service area and to a small number of customers in the Tri-City service area. Sanitary Sewer Monthly Service Charges are expected to generate \$23.3 million for FY 2018-19, an increase of \$976 thousand or 3.6% over WES' and CCSD No. 1's combined FY 2017-18 budgets. The additional revenues are driven by both an increase in the monthly service charge rate and growth within the district. The monthly CCSD No. 1 Service Area retail service fee of \$46.35 per EDU per month for FY 2017-18 is proposed to increase 3.9% to \$48.15 per Equivalent Dwelling Unit (EDU) per month in FY 2018-19. The monthly TCSD Service Area retail rate of \$32.00 per EDU per month is proposed to increase to \$33.25. The monthly rate for customers in Happy Valley is proposed to be approximately \$50.56 per EDU per month in order to cover the City's 5% Right-of-Way fee. Growth in the district for FY 2018-19 is projected to be 500 EDUs. 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 CCSD No. 1's retail customer population of 10.3% from 2015 to 2020.



### **SURFACE WATER MONTHLY SERVICE CHARGES – 9.6% of Budgeted Revenues**

WES provides surface water services to the North Clackamas Service Area of CCSD No. 1 and the SWMACC service area. Surface Water Monthly Service Charges are expected to produce revenues of \$4.9 million, an increase of approximately \$0.24 million or 5.2% over WES' and CCSD No. 1's combined FY 2017-18 budgets.



This estimate is based on providing service to 53,233 Equivalent Service Units (ESUs) in the CCSD No. 1 Service Area, 500 more than the FY 2017-18 budget and 3,777 ESUs in the SWMACC Service Area. Rate increases in both service areas are approximately 3.9%: the monthly rate in the CCSD No. 1 Service Area for FY 2018-19 is proposed at \$6.95 per ESU from the FY 2017-18 rate of \$6.70 per ESU and the monthly rate in the SWMACC Service Area is proposed at \$4.25 per ESU from \$4.10. The monthly rate for customers within the city of Happy Valley in CCSD No. 1 service area is proposed to be approximately \$7.30 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 \$4.9 million in surface water monthly service charges budgeted for FY 2018-19 are expected from surface water maintenance contracts; no change is expected 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 2013-14 – 2016-17 actuals, and the estimated revenues for FY 2017-18 relative to the proposed budget.

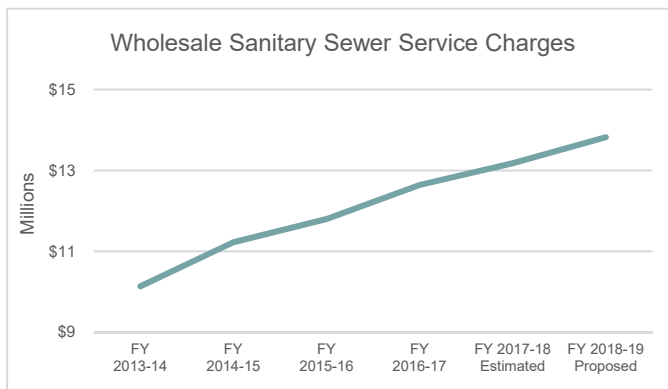
### **CITY PAYMENTS FOR WHOLESALE SANITARY SEWER SERVICE – 26.8% of Budgeted Revenues**

Wholesale sanitary sewer revenues are budgeted at a total of \$13.8 million for FY 2018-19 based on providing service to both the Tri-City and CCSD No. 1 service areas.

WES provides wholesale sanitary sewer service in the Tri-City service area 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 2018-19, \$0.4 million more than the amount budgeted in FY 2017-18. 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 in the Tri-City service area. The proposed rate adjustment for FY 2018-19 is approximately 3.9%, to a fee of \$23.00 per EDU per month from the current rate of \$22.15 per EDU per month.

Beginning July 1, 2018, WES will provide wholesale sanitary sewer service to the City of Milwaukie according to a 25 year wholesale service agreement that was codified in FY 2012-13. This service was provided by CCSD No. 1 in prior years. WES' budget has been prepared reflecting the general rate terms outlined in the agreement. The City pays the full CCSD No. 1 service area wholesale rate, proposed at \$36.10 for FY 2018-19, for its total number of connections, and semi-annual adjustments agreed to in the service agreement. The FY 2018-19 budget reflects wholesale revenues of approximately \$4.8 million from the City of Milwaukie based on an estimate of about 11,200 EDUs.

Beginning July 1, 2018, due to the consolidation of CCSD No. 1 into WES, WES will begin providing 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 2018-19, the City of Johnson City will pay the full CCSD No. 1 service area wholesale rate of \$36.10 per EDU as agreed to in a May 2014 amendment to the IGA. FY 2018-19 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 3.9% 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 Tri-City service area for FY 2018-19 is projected to be 495 Equivalent Dwelling Units (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 the Tri-City service area.

### **SYSTEM DEVELOPMENT CHARGES – 11.4% 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 \$5.7 million for FY 2018-19 and SDC revenues for new surface water connections are expected to generate approximately \$100 thousand. As SDCs result from growth within the service areas, projected SDC revenue is tied closely to population growth projections. There are 995 new connections predicted for FY 2018-19 based on population forecasts for service areas and Department staff's analysis of recent development trends. The CCSD No. 1 service area is expected to add 500 connections in FY 2018-19 with the majority of growth occurring in the city of Happy Valley. Within the Tri-City service area, the majority of growth is expected to occur in Oregon City which is predicted to add approximately 400 connections this upcoming year.

FY 2018-19's SDC revenue is based on a proposed wholesale connection fee of \$3,490 per EDU within the Tri-City service area, an increase of 11.7% above the current \$3,125 SDC fee. This is the fourth year of a five-year plan to bring the wholesale SDC within the Tri-City service area up to \$3,855 as recommended by the former Tri-City Advisory Committee. The proposed retail connection fee for FY 2018-19 is \$7,615, which is an increase of 3.9% above the current \$7,330 retail SDC fee.

### **OTHER REVENUE SOURCES – 7.0 % of Budgeted Revenues**

Other sources of revenue include interest income of approximately \$1.9 million, \$315 thousand of assessment principal and interest, and approximately \$1.5 million in a variety of other miscellaneous revenue categories.

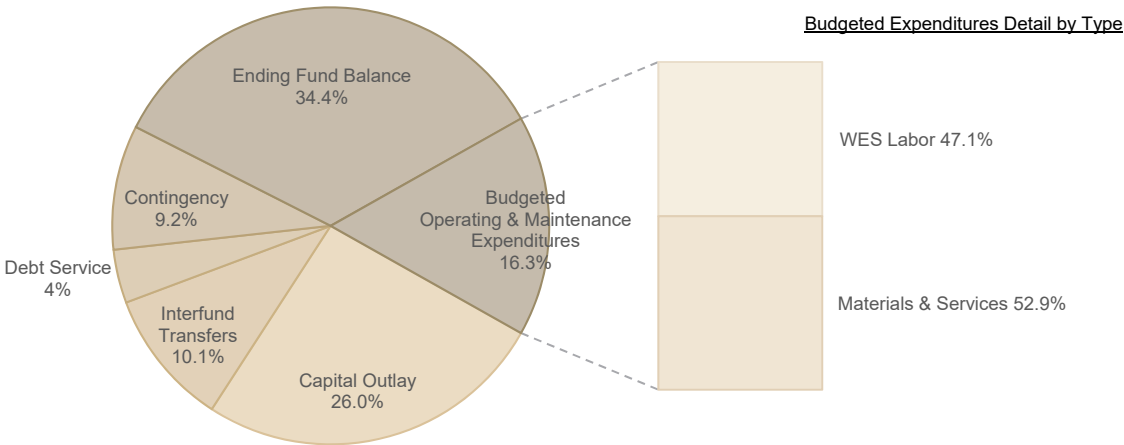
### **INTERFUND TRANSFERS – 10.1% of Resources**

Interfund transfers are made to share resources between funds. For FY 2018-19, interfund transfers total approximately \$17.9 million. This resource includes transfers into the Sanitary Sewer and Surface Water Construction Funds of \$10 million and \$1 million respectively as reserves for current and future capital expenditures and a transfer into the Revenue Bond Fund of approximately \$6.9 million for payment of FY 2018-19 debt principal and interest.

REQUIREMENTS

Total requirements for WES for FY 2018-19 are proposed to be \$176,440,137. 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 2018-19



TOTAL REQUIREMENTS - \$176,440,137

BUDGETED OPERATING & MAINTENANCE (O&M) EXPENDITURES – 16.3% of Requirements

Budgeted expenditures consist of current year outlays for operating and maintenance needs. WES' budgeted expenditures are proposed at \$28.8 million, an increase of 4.4% from the combined 2017-18 FY budgets for WES and CCSD No. 1. Of this total, Sanitary Sewer expenditures account for \$23.6 million and Surface Water expenditures account for \$5.2 million.

WES LABOR – 47.1% of Budgeted O&M Expenditures

WES Labor consists of charges for the personnel of Clackamas County Department 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 \$13.6 million on labor in FY 2018-19 which is \$1.4 million or 11.2% more than the combined FY 2017-18 budgets for WES and CCSD No. 1. This increase is due to increased healthcare and benefit costs and the addition of four FTEs for FY 2018-19. With the consolidation of CCSD No. 1 into WES for 2018-19 fiscal year, all of the Department's 110 FTE serve the partnership, with 88 FTE providing services related to sanitary sewer operations and 22 FTE providing services related to surface water operations.

MATERIALS AND SERVICES – 52.9% of Budgeted O&M Expenditures

Budgeted materials and services expenditures for FY 2018-19 are proposed at approximately \$15.3 million. Of this total, sanitary sewer materials and services account for \$12.7 million, an increase of \$957 thousand over WES' and CCSD No. 1's combined sanitary sewer FY 2017-18 materials and services budgets. The main drivers for this increase are additional repair and maintenance for aging infrastructure, added vehicle and equipment repairs and supplies, and an increase in other County services.

The FY 2018-19 Materials and Services budget for surface water is \$2.6 million, a decrease of approximately \$393 thousand over WES' and CCSD No. 1's combined surface water FY 2017-18 materials and services budgets. The decrease reflects lower engineering and environmental costs.

## **CAPITAL OUTLAY – 26.0% 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 2018-19 budget includes approximately \$45.9 million for capital expenditures, an increase of 78.6% over FY 2017-18. Of this total, approximately \$42.9 million will be used for sanitary sewer capital projects and approximately \$3 million will be used for surface water capital projects.

The largest uses of capital funds for sanitary sewer projects in FY 2018-19 are \$12.8 million for solids handling improvements at the Tri-City Water Resource Recovery Facility and \$9 million for improvements to the Kellogg Creek Water Resource Recovery Facility. The largest use of surface water capital funds in FY 2018-19 is for the Carli Creek Water Quality Retrofit.

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 – 4.0% of Requirements**

Budgeted debt service consists of the current year principal and interest payments for outstanding debt. WES had no debt service requirements in FY 2017-18. WES' Debt service for FY 2018-19 stems from the transfer of CCSD No. 1's obligations accompanying the integration of the district into WES. FY 2018-19's debt service declines 2.5% from CCSD No. 1's FY 2017-18 debt service due to the early payoff of the Series 2002A bond issue. Series 2002A was paid off by CCSD No. 1 in May 2018 to facilitate the integration of the district into WES. Further details regarding WES' debt service is 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 – 10.1% of Requirements**

The Interfund Transfers requirement matches the Interfund Transfers resource in terms of absolute dollars. The FY 2018-19 budget is \$17.9 million and consists of a transfer out of the Sanitary Sewer Operating Fund into the Sanitary Sewer Construction Fund of \$10 million, a transfer out of the Surface Water Operating Fund into the Surface Water Construction fund of \$1 million, and a transfer out of the Sanitary Sewer Operating Fund into the Revenue Bond Fund of \$6.9 million.

## **CONTINGENCY – 9.2% 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 2018-19 budget includes contingencies of \$16.27 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 – 34.4% of Requirements**

Ending fund balances represent amounts which are carried over to the next fiscal year. Approximately \$60.6 million is budgeted as ending fund balances for FY 2018-19, a decrease of approximately \$33.5 from the projected beginning fund balances due to planned expenditures of capital reserves. The total includes \$1.5 million in the Sanitary Sewer Operating Fund, \$6.9 million in the Surface Water Operating Fund, approximately \$49.3 million in the Sanitary Sewer SDC and Construction funds, approximately \$1.6 million in the Surface Water SDC and Construction funds, and \$1.2 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 acts as a reserve for future year debt service; and ending fund balances in the operating funds represent operating cash flow reserves for future years.

## 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 2018-19 resources in the Sanitary Sewer Operating Fund are approximately \$46 million. Primary resources include Monthly Service Charges of \$23.3 million from retail customers, City Payments of \$13.8 million for wholesale service provided to the cities of Oregon City, Gladstone, and West Linn in the Tri-City service area and the cities of Milwaukie and Johnson City in the CCSD No. 1 service area, other revenues of approximately \$1.3 million, and beginning fund balance carried over from the prior year of \$7.5 million. Due to the integration of CCSD No. 1 into WES effective July 1, 2018, the beginning fund balance consists of both WES' anticipated end-of-year reserves and CCSD No. 1's projected end-of-year reserves for FY 2017-18. This integration of CCSD No. 1 into the WES partnership is reflected in the FY 2017-18 estimate column of the fund detail as a Contribution from CCSD No. 1.

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 the two sanitary sewer rate zones is the inclusion of a legacy debt service component in the rate for customers in rate zone 2 for prior debt incurred by CCSD No. 1.

#### **Rate Zone 1, TCSD Service Area**

Rate Zone 1 includes the Tri-City service area. The proposed budget includes a wholesale monthly service charge rate increase of approximately 3.9% from \$22.15 per EDU per month to \$23.00 per EDU per month. The following table combines WES' wholesale Rate Zone 1 rate with the 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 that will be charged for a single family unit in each city:

	WES Wholesale Monthly Rate FY 2018-19	City Right-of-Way Fee Surcharge	WES Wholesale Subtotal	City Retail Monthly Rate FY 2018-19	Estimated Monthly Total
<b>Oregon City</b>	\$ 23.00	\$ 1.40	\$ 24.40	\$ 30.37*	\$ 54.77
<b>West Linn</b>	\$ 23.00	\$ -	\$ 23.00	\$ 19.77	\$ 42.77
<b>Gladstone</b>	\$ 23.00	\$ 1.15	\$ 24.15	\$ 9.60*	\$ 33.75
*This is the FY 2017-18 rate. The Oregon City and Gladstone rates are subject to change.					

WES provides sanitary sewer service to approximately 500 retail customers within Rate Zone 1. The Rate Zone 1 retail rate for FY 2018-19 is proposed to increase approximately 3.9% from \$32.00 per EDU per month to \$33.25 per EDU per month.

#### **Rate Zone 2, CCSD No. 1 Service Area**

Rate Zone 2 includes the wholesale customers of the cities of Milwaukie and Johnson City and CCSD No. 1's four separate retail sanitary sewer service areas: 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.

Rate Zone 2's proposed wholesale rate for FY 2018-19 is \$36.10, an increase of approximately 3.9% from the FY 2017-18 wholesale rate of \$34.75.



## WATER ENVIRONMENT SERVICES SANITARY SEWER FUND DETAIL

### SANITARY SEWER OPERATING FUND 631 - CONTINUED

The proposed budget includes a retail monthly service charge rate increase of approximately 3.9% from \$46.35 per EDU per month to \$48.15 per EDU per month. A summary of all retail Rate Zone 2 sanitary sewer rates in WES is as follows:

	Current Monthly Retail Rate	Proposed Monthly Retail Rate	Happy Valley Right-of- Way Fee Surcharge*	Total Monthly Bill
<b>NCSA*</b>	\$46.35	\$48.15	\$2.41	\$50.56
<b>Hoodland Service Area</b>	\$46.35	\$48.15	N/A	\$48.15
<b>Fischer's Forest Park Service Area</b>	\$46.35	\$48.15	N/A	\$48.15
<b>Boring Service Area</b>	\$46.35	\$48.15	N/A	\$48.15
*Right-of-Way Fee Surcharge applies only to NCSA ratepayers in the city of Happy Valley.				

The other revenues of approximately \$1.3 million include interest income, intergovernmental income, and other small revenues such as plan review fees and lien search fees.

The Sanitary Sewer Operating Fund's budgeted requirements are approximately \$46 million and include current year expenditures, transfers, contingency, and reserves.

Budgeted expenditures for FY 2018-19 total approximately \$23.6 million and include all expenses related to WES' sanitary sewer operations including the costs of: labor, chemicals, supplies, professional services, insurance, and repairs and maintenance.

Budgeted transfers for FY 2018-19 include a transfer of \$10 million to the Sanitary Sewer Construction Fund and a transfer of approximately \$6.9 million to the Revenue Bond Fund.

The budgeted contingency is approximately \$3.9 million and represents funds set aside for unforeseen circumstances which may arise during the year.

Ending fund balance is budgeted at approximately \$1.6 million, a reduction from anticipated FY 2018-19 beginning fund balance of 79% or approximately \$5.9 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>BUDGET</u>	2017-18 <u>ESTIMATE</u>	2018-19 <u>BUDGET</u>
<b>RESOURCES</b>			
BEGINNING FUND BALANCE	\$ 3,232,329	\$ 4,164,847 <sup>1</sup>	\$ 7,540,172 <sup>2</sup>
MONTHLY SERVICE CHARGE - RETAIL			
RATE ZONE 1	211,700	229,700	237,700
RATE ZONE 2	0	0	23,065,100
CITY SERVICE CHARGES			
MILWAUKIE	0	0	4,956,550
OREGON CITY	4,526,500	4,464,100	4,742,400
WEST LINN	2,767,700	2,756,300	2,882,800
GLADSTONE	1,180,300	1,190,800	1,242,700
MISCELLANEOUS	0	0	0
INTEREST INCOME	32,300	75,000	150,800
SYSTEM DEVELOPMENT CHARGE	0	0	5,000
SPECIAL CONNECTION CHARGE	0	0	220,000
PRINCIPAL NON-BONDED INSTALLMENT	0	0	0
INTEREST NON-BONDED INSTALLMENT	0	0	10,000
GRANT REVENUE	0	0	0
PUMP STATION MAINTENANCE	2,000	2,000	0
INTERGOVERNMENTAL REVENUE	0	0	244,300
RENTAL INCOME	184,900	184,900	5,200
BIOSOLIDS	350,000	450,000	0
MISCELLANEOUS INCOME	85,000	71,000	667,000
CONTRIBUTION FROM CCSD NO. 1 SANITARY SEWER OPERATING	667,162	3,861,915	0
<b>TOTAL RESOURCES</b>	<b>13,239,891</b>	<b>17,450,562</b>	<b>45,969,722</b>
<b>REQUIREMENTS</b>			
<b>MATERIALS AND SERVICES</b>			
421000 OFFICE AND ADMINISTRATIVE SUPPLIES	48,456	17,606	247,918
422000 CHEMICALS, UNIFORMS, OTHER SUPPLIES	961,828	862,896	1,158,100
424000 REPAIRS AND MAINTENANCE SUPPLIES	257,036	265,105	725,485
425000 SMALL TOOLS AND EQUIPMENT	14,950	16,700	40,000
427000 BIOSOLIDS AND SLUDGE REMOVAL	75,000	75,000	743,000
428000 PERMIT FEES	77,227	65,227	128,500
<b>PROFESSIONAL AND TECHNICAL SERVICES</b>			
431100 ACCOUNTING AND AUDITING	20,000	11,500	40,000
431200 MANAGEMENT CONSULTANT	0	1,733	101,800
431310 ARCHITECTURAL	0	0	0
431340 ENGINEERING	747,000	723,175	1,350,000
431350 ENVIRONMENTAL	82,250	63,250	128,000
431400 LEGAL	4,398	4,500	16,000
431500 MEDICAL	550	550	2,500
431600 FINANCIAL SERVICES	45,369	25,020	317,925

**WATER ENVIRONMENT SERVICES**  
**SANITARY SEWER OPERATING FUND DETAIL**

	2017-18 <u>BUDGET</u>	2017-18 <u>ESTIMATE</u>	2018-19 <u>BUDGET</u>
431700 PROFESSIONAL ADMINISTRATIVE SERVICES	145,811	99,118	158,100
431740 INFORMATION SERVICES (DATA PROCESSING)	250,200	132,680	448,822
431750 LABORATORY SERVICES	350,635	224,600	45,000
431800 BUILDINGS AND GROUNDS	15,045	13,220	56,500
431910 WES LABOR	2,738,009	2,605,920	10,914,701
431920 DTD SERVICES	0	0	275,250
431929 OTHER COUNTY	612,163	617,044	2,119,762
432000 COMMUNICATIONS	116,780	81,928	290,500
433000 TRAVEL	3,158	3,578	13,500
435000 INSURANCE EXPENSE	159,456	162,235	421,467
436000 UTILITIES	751,363	689,373	1,454,000
437000 REPAIRS AND MAINTENANCE	65,064	157,486	825,000
438000 FACILITIES AND EQUIPMENT RENTAL	323,970	307,621	1,248,777
439000 MISCELLANEOUS CHARGES	85,543	81,825	284,262
439920 INTERAGENCY COORDINATION	601,000	601,500	1,016,500
439990 ALLOCATED COSTS	0	0	0
439600 CONTRA ACCOUNTS	0	0	(973,851)
<b>TOTAL OPERATING &amp; MAINTENANCE</b>	<b>8,552,261</b>	<b>7,910,390</b>	<b>23,597,518</b>
<b>TRANSFERS</b>			
SANITARY SEWER CONSTRUCTION FUND	2,000,000	2,000,000	10,000,000
SANITARY SEWER SDC FUND	0	0	0
REVENUE BOND FUND	0	0	6,873,981
STATE LOAN FUND	0	0	0
<b>TOTAL TRANSFERS</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>16,873,981</b>
CONTINGENCY	1,425,000	0	3,933,000
ENDING FUND BALANCE	1,262,630	7,540,172	1,565,223
<b>TOTAL REQUIREMENTS</b>	<b>\$ 13,239,891</b>	<b>\$ 17,450,562</b>	<b>\$ 45,969,722</b>
<b>USER CHARGE ANALYSIS</b>			
ACCOUNTS SERVED (EDU'S)			
RATE ZONE 1	31,219	31,059	31,554
RATE ZONE 2			39,538
MONTHLY SERVICE CHARGE			
RATE ZONE 1	22.15	22.15	23.00
RATE ZONE 2			48.15
MONTHLY O&M COST/EDU	22.83	21.22	27.66

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

<sup>2</sup> FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's projected FY 2017-18 reserves of \$3,861,915

## 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 2018-19 budgeted resources total approximately \$31.9 million and include system development charges (SDCs) of \$5.5 million, interest income of approximately \$0.5 million, and beginning fund balance of \$25.8 million. Due to the integration of CCSD No. 1 into WES effective July 1, 2018, the beginning fund balance consists of both WES' anticipated end-of-year reserves and CCSD No. 1's projected end-of-year reserves for FY 2017-18. This integration of CCSD No. 1 into the WES partnership is reflected in the FY 2017-18 estimate column of the budget schedule below as a Contribution from CCSD No. 1 of approximately \$22.5 million.

The primary resources in this fund are SDC revenues for new connections to the system. The largest portion of SDC revenue in FY 2018-19, \$3.8 million, is expected from connections within the CCSD No. 1 service area. SDC revenues of approximately \$1.4 million are anticipated from the city of Oregon City; SDC revenues from the city of West Linn are expected to generate approximately \$260 thousand and SDC revenues from the city of Gladstone are expected to be approximately \$70 thousand. These revenues are based on a proposed retail connection fee of \$7,615 and a proposed wholesale connection fee of \$3,490 per EDU. The retail SDC increase is approximately 3.9 and is based on the Engineering News Record's construction inflation index. The increase in the wholesale SDC is approximately 11.7%; this is the fourth year of a five-year plan to bring the wholesale SDC up to \$3,855 as recommended by the former Tri-City Advisory Committee.

ORS 223 restricts the use of SDC revenues to capacity-increasing capital improvements. Budgeted expenditures for FY 2018-19 in this fund include capital outlay of approximately \$3.1 million with the largest proportion of funds directed at the 82<sup>nd</sup> Drive Bridge – North Approach Project and capacity improvements to the Clackamas Interceptor.

Contingency is budgeted at approximately \$787 thousand and ending fund balance is budgeted at approximately \$27.9 million. The approximate \$2.1 million increase in ending fund balance over the projected FY 2018-19 beginning fund balance is reflective of higher anticipated revenues than expenditures. The \$27.9 million will act as a reserve for future capacity-related capital expenditures.

	2017-18 <u>BUDGET</u>	2017-18 <u>ESTIMATE</u>	2018-19 <u>BUDGET</u>
<b>RESOURCES</b>			
BEGINNING FUND BALANCE	\$ 2,492,367	\$ 2,769,220 <sup>1</sup>	\$ 25,816,456 <sup>2</sup>
SYSTEM DEVELOPMENT CHARGES			
CCSD NO 1 SERVICE AREA	0	0	3,807,935
OREGON CITY	1,250,000	1,406,250	1,396,000
WEST LINN	234,375	78,125	261,750
GLADSTONE	62,500	62,500	69,800
INTEREST INCOME	24,900	49,800	516,300
MISCELLANEOUS	0	10,000	0
CONTRIBUTION FROM CCSD NO. 1 SANITARY SEWER SDC FUND	20,707,651	22,459,242	0
<b>TOTAL RESOURCES</b>	<b>24,771,793</b>	<b>26,835,137</b>	<b>31,868,241</b>
<b>REQUIREMENTS</b>			
<b>CAPITAL OUTLAY</b>			
CAPITAL CONSTRUCTION	2,232,000	1,018,681	3,146,500
<b>TOTAL CAPITAL OUTLAY</b>	<b>2,232,000</b>	<b>1,018,681</b>	<b>3,146,500</b>
CONTINGENCY	558,000	0	786,625
ENDING FUND BALANCE	21,981,793	25,816,456	27,935,116
<b>TOTAL REQUIREMENTS</b>	<b>\$ 24,771,793</b>	<b>\$ 26,835,137</b>	<b>\$ 31,868,241</b>
<b>CAPITAL OUTLAY DETAIL</b>			
Tri-City WRRF	1,440,000	1,018,681	88,000
Collection System	792,000	0	3,058,500
<b>TOTAL</b>	<b>2,232,000</b>	<b>1,018,681</b>	<b>3,146,500</b>

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

<sup>2</sup> FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's projected FY 2017-18 reserves of \$22,459,242

## **WATER ENVIRONMENT SERVICES**

### **SANITARY SEWER FUND DETAIL**

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#### **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 2018-19 budget includes a transfer of \$10 million from the Sanitary Sewer Operating Fund.

Total resources for FY 2018-19 are \$71 million and include the aforementioned transfer from the Sanitary Sewer Operating Fund of \$10 million, interest income of \$945 thousand, a capital project contribution from the State Revolving Fund (SRF) of \$12.8 million, and beginning fund balance of approximately \$47.3 million. Due to the integration of CCSD No. 1 into WES effective July 1, 2018, the beginning fund balance consists of both WES' anticipated end-of-year reserves and CCSD No. 1's projected end-of-year reserves for FY 2017-18. This integration of CCSD No. 1 into the WES partnership is reflected in the FY 2017-18 estimate column of the fund detail as a Contribution from CCSD No. 1 of approximately \$39 million.

The budgeted resources of \$12.8 million from the State of Oregon Clean Water State Revolving Fund (SRF) reflect a contribution for FY 2018-19'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.

FY 2018-19 requirements include capital outlay of approximately \$39.7 million. Major projects include the Tri-City WRRF Solids Handling Improvement Project, the Kellogg Creek Water Resource Recovery Facility (WRRF) Improvements Project, and the Hypochlorite Disinfection System project at the TCWRRF. Descriptions of all major projects are provided in detail in the separate Capital section.

The FY 2018-19 budget includes a contingency of \$9.9 million to provide for unforeseen capital expenses and an ending fund balance of approximately \$21.4 million which will provide funding for capital expenditures in future years. The decrease of \$25.9 million from the projected FY 2018-19 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>BUDGET</u>	2017-18 <u>ESTIMATE</u>	2018-19 <u>BUDGET</u>
<b>RESOURCES</b>			
BEGINNING FUND BALANCE	\$ 7,561,347	\$ 8,167,753 <sup>1</sup>	\$ 47,287,083 <sup>2</sup>
TRANSFER FROM SEWER OPERATING FUND	2,000,000	2,000,000	10,000,000
INTEREST INCOME	75,600	147,000	945,700
CONTRIBUTION FROM CCSD NO. 1 CONSTRUCTION FUND	25,974,169	39,090,735	0
SRF PROJECT CONTRIBUTION	0	0	12,800,000
<b>TOTAL RESOURCES</b>	<b>35,611,116</b>	<b>49,405,488</b>	<b>71,032,783</b>
<b>REQUIREMENTS</b>			
<b>CAPITAL OUTLAY</b>			
CAPITAL CONSTRUCTION	2,916,051	2,118,405	38,743,500
EQUIPMENT	0	0	995,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>2,916,051</b>	<b>2,118,405</b>	<b>39,738,500</b>
CONTINGENCY	729,013	0	9,934,625
ENDING FUND BALANCE	31,966,052	47,287,083	21,359,658
<b>TOTAL REQUIREMENTS</b>	<b>\$ 35,611,116</b>	<b>\$ 49,405,488</b>	<b>\$ 71,032,783</b>
<b>CAPITAL OUTLAY DETAIL</b>			
Kellogg Water Resource Recovery Facility	0	0	9,200,000
Hoodland Water Resource Recovery Facility	0	0	2,200,000
Boring Water Resource Recovery Facility	0	0	50,000
Tri-City WRRF	2,200,000	1,846,353	18,902,000
Pump Station Upgrades	39,051	85,991	450,000
Collection System	225,000	95,856	6,816,500
Water Quality Lab	52,000	8,165	125,000
Blue Heron	0	198	100,000
Fleet	0	0	995,000
Asset Management - Renewal & Replacement	400,000	81,842	800,000
Development Review	0	0	100,000
<b>TOTAL</b>	<b>2,916,051</b>	<b>2,118,405</b>	<b>39,738,500</b>

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

<sup>2</sup> FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's projected FY 2017-18 reserves of \$39,090,735

## **WATER ENVIRONMENT SERVICES**

### **SURFACE WATER FUND DETAIL**

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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 2018-19 resources in the Surface Water Operating Fund are approximately \$14 million. These resources consist of beginning fund balance of approximately \$8.7 million, monthly service charges of approximately \$4.9 million, miscellaneous income of \$255 thousand, and interest earnings of \$157 thousand. Due to the integration of CCSD No. 1 into WES effective July 1, 2018, the beginning fund balance consists of both WES' anticipated end-of-year reserves and CCSD No. 1's projected end-of-year reserves for FY 2017-18. This integration of CCSD No. 1 into the WES partnership is reflected in the FY 2017-18 estimate column of the fund detail as a Contribution from CCSD No. 1.

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 2018-19 amount to approximately \$4.9 million, including \$4.7 million from Rate Zone 2 and \$0.2 million from Rate Zone 3.

##### **Rate Zone 2, CCSD No. 1 Service Area**

Within Rate Zone 2, \$4.4 million is expected in monthly user fees charged to residents and businesses and \$.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 \$.3 million and 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 3.9% from \$6.70 per ESU per month to \$6.95 per ESU per month. The monthly rate for customers in the City of Happy Valley is proposed to be \$7.30 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, which are charged to residents and businesses within the SWMACC service area boundaries. The base fee of \$4.10 per month per single-family dwelling currently being charged is proposed to increase approximately 3.9% to \$4.25 for FY 2018-19. 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 3,777 accounts.

Requirements for the Surface Water Operating Fund in total are approximately \$14 million and include current year expenditures, contingency, and a transfer to the Surface Water Construction Fund of \$1 million.

Expenditures for FY 2018-19 are budgeted at approximately \$5.2 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 \$6.9 million will serve as a reserve for operating and capital expenditures in future years. The decrease in reserves of 20% or approximately \$1.7 million over the beginning fund balance is a result of budgeted expenditures exceeding budgeted revenues in FY 2018-19 and the budgeted transfer of \$1 million to the Surface Water Construction Fund.

**WATER ENVIRONMENT SERVICES**  
**SURFACE WATER OPERATING FUND DETAIL**

	2017-18 <u>BUDGET</u>	2017-18 <u>ESTIMATE</u>	2018-19 <u>BUDGET</u>
<b>RESOURCES</b>			
BEGINNING FUND BALANCE	\$ 513,714	\$ 562,433 <sup>1</sup>	\$ 8,666,707 <sup>2</sup>
MONTHLY SERVICE CHARGE			
RATE ZONE 1	0	0	4,439,600
RATE ZONE 3	184,700	105,779	192,600
SURFACE WATER MAINTENANCE CONTRACTS	0	0	321,000
INTEREST INCOME	5,100	10,100	157,000
GRANT REVENUE	0	0	0
MISCELLANEOUS INCOME	15,000	5,000	255,000
CONTRIBUTION FROM CCSD NO. 1 SW OPERATING FUND	5,781,139	8,193,278	0
<b>TOTAL RESOURCES</b>	<b>6,499,653</b>	<b>8,876,590</b>	<b>14,031,907</b>
<b>REQUIREMENTS</b>			
<b>MATERIALS AND SERVICES</b>			
421000 OFFICE AND ADMINISTRATIVE SUPPLIES	4,100	2,773	97,077
422000 CHEMICALS, UNIFORMS, OTHER SUPPLIES	505	275	37,000
424000 REPAIRS AND MAINTENANCE SUPPLIES	15,056	15,710	57,500
425000 SMALL TOOLS AND EQUIPMENT	0	0	15,000
427000 BIOSOLIDS AND SLUDGE REMOVAL	0	0	0
428000 PERMIT FEES	1,000	1,095	12,000
<b>PROFESSIONAL AND TECHNICAL SERVICES</b>			
431100 ACCOUNTING AND AUDITING	7,000	3,440	6,000
431200 MANAGEMENT CONSULTANT	0	0	63,200
431340 ENGINEERING	70,000	26,000	385,000
431350 ENVIRONMENTAL	82,500	63,790	305,000
431400 LEGAL	100	300	5,000
431500 MEDICAL	13	13	2,500
431600 FINANCIAL SERVICES	2,728	2,300	66,575
431700 MISC PROFESSIONAL SERVICES	1,230	135	34,900
431740 INFORMATION SERV (DATA PROC)	0	581	69,681
431750 LABORATORY SERVICES	10,580	11,125	10,000
431800 BUILDINGS AND GROUNDS	0	0	7,000
431910 WES LABOR	79,799	38,197	2,643,860
431920 DTD	10,000	2,000	65,000
431929 OTHER COUNTY	21,059	20,449	505,101
432000 COMMUNICATIONS	885	520	115,500
433000 TRAVEL	558	560	3,900
435000 INSURANCE EXPENSE	1,350	1,245	16,782
436000 UTILITIES	0	0	7,500
437000 REPAIRS AND MAINTENANCE	21,000	5,001	285,000
438000 FACILITIES AND EQUIPMENT RENTAL	2,606	2,687	158,125
439000 MISCELLANEOUS CHARGES	11,664	3,417	58,348
439920 INTERAGENCY COORDINATION	7,300	8,270	185,500
<b>TOTAL OM&amp;R</b>	<b>351,033</b>	<b>209,883</b>	<b>5,218,049</b>
<b>TRANSFERS</b>			
SURFACE WATER CONSTRUCTION FUND	0	0	1,000,000
SURFACE WATER SDC FUND	0	0	0
<b>TOTAL TRANSFERS</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>
CONTINGENCY	35,000	0	870,000
ENDING FUND BALANCE	6,113,620	8,666,707	6,943,858
<b>TOTAL REQUIREMENTS</b>	<b>\$ 6,499,653</b>	<b>\$ 8,876,590</b>	<b>\$ 14,031,907</b>
<b>USER CHARGE ANALYSIS</b>			
ACCOUNTS SERVED (ESU'S)			
RATE ZONE 2			53,233
RATE ZONE 3	3,755	3,776	3,777
MONTHLY SERVICE CHARGE			
RATE ZONE 2			6.95
RATE ZONE 3	4.10	4.10	4.25
MONTHLY O&M COST/ESU	7.79	4.63	7.63

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

<sup>2</sup> FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's projected FY 2017-18 reserves of \$8,193,278



## 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 2018-19 budget includes resources of approximately \$2.0 million consisting of system development charges, interest income, and beginning fund balance. Due to the integration of CCSD No. 1 into WES effective July 1, 2018, the beginning fund balance consists of both WES' anticipated end-of-year reserves and CCSD No. 1's projected end-of-year reserves for FY 2017-18. This integration of CCSD No. 1 into the WES partnership is reflected in the FY 2017-18 estimate column of the fund detail as a Contribution from CCSD No. 1 of approximately \$1.8 million.

The primary revenue source are SDC charges for new connections to the system; these charges are estimated at approximately \$200 thousand for FY 2018-19.

Requirements total approximately \$2.0 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 and a Storm System Master Plan for the CCSD No. 1/Happy Valley area; FY 2018-19 budgeted capital outlay for these two projects is \$500 thousand.

From a reserve perspective, the ending fund balance is a reduction of \$500 thousand from the projected beginning fund balance. This reduction is due to budgeted expenditures exceeding budgeted revenues this year.

	2017-18 <u>BUDGET</u>	2017-18 <u>ESTIMATE</u>	2018-19 <u>BUDGET</u>
<b>RESOURCES</b>			
BEGINNING FUND BALANCE	\$ 0	\$ 0	\$ 1,862,978 <sup>1</sup>
SYSTEM DEVELOPMENT CHARGES	0	0	102,500
INTEREST INCOME	0	0	37,300
CONTRIBUTION FROM CCSD NO. 1 SURFACE WATER SYSTEM DEVELOPMENT CHARGE FUND	1,728,605	1,862,978	0
<b>TOTAL RESOURCES</b>	<b>1,728,605</b>	<b>1,862,978</b>	<b>2,002,778</b>
<b>REQUIREMENTS</b>			
<b>CAPITAL OUTLAY</b>			
CAPITAL CONSTRUCTION	0	0	500,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>0</b>	<b>0</b>	<b>500,000</b>
CONTINGENCY	0	0	125,000
ENDING FUND BALANCE	1,728,605	1,862,978	1,377,778
<b>TOTAL REQUIREMENTS</b>	<b>\$ 1,728,605</b>	<b>\$ 1,862,978</b>	<b>\$ 2,002,778</b>
<b>CAPITAL OUTLAY DETAIL</b>			
<b>Surface Water</b>			
Infrastructure / Asset Enhancement	0	0	0
Storm System Master Plan for CCSD1/HV	0	0	300,000
Decant Facility	0	0	200,000
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>500,000</b>

<sup>1</sup> FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's projected FY 2018-19 reserves of \$1,862,978

## WATER ENVIRONMENT SERVICES SURFACE WATER FUND DETAIL

### SURFACE WATER CONSTRUCTION FUND 649

WES' Surface Water Construction Fund accounts for non-SDC capital expenditures. The primary resources are 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 2018-19 total approximately \$3.35 million and include capital project participation of \$282 thousand, interest income on fund balance of approximately \$40 thousand, a transfer from the Surface Water Operating Fund of \$1 million, and beginning fund balance of \$2 million. Due to the integration of CCSD No. 1 into WES effective July 1, 2018, the beginning fund balance consists of both WES' anticipated end-of-year reserves and CCSD No. 1's projected end-of-year reserves for FY 2017-18. This integration of CCSD No. 1 into the WES partnership is reflected in the FY 2017-18 estimate column of the fund detail as a Contribution from CCSD No. 1 of approximately \$2 million.

Capital project participation relates to grants from Metro and The Oregon Watershed Enhancement Board for the Mt. Scott Creek Oak Bluff Restoration project.

Requirements for FY 2018-19 include contingency of \$620 thousand for unforeseen capital expenditures, ending fund balance of approximately \$250 thousand, and capital outlay of approximately \$2.5 million, \$1.25 million of which is budgeted for the Carli Property Regional Water Quality Facility. Detailed descriptions of all major capital projects and their funding sources may be found in the separate Capital section.

The decrease in fund balance of approximately \$1.8 million or 88% is due to the budgeted use of resources for current year capital outlay.

	2017-18 <u>BUDGET</u>	2017-18 <u>ESTIMATE</u>	2018-19 <u>BUDGET</u>
<b>RESOURCES</b>			
BEGINNING FUND BALANCE	\$ 0	\$ 0	\$ 2,029,522
TRANSFER FROM SURFACE WATER OPERATING FUND	0	0	1,000,000
CAPITAL PROJECT PARTICIPATION	0	0	282,528
INTEREST INCOME	0	0	40,600
CONTRIBUTION FROM CCSD NO. 1 SURFACE WATER CONSTRUCTION FUND	952,389	2,029,522	0
<b>TOTAL RESOURCES</b>	<b>952,389</b>	<b>2,029,522</b>	<b>3,352,650</b>
<b>REQUIREMENTS</b>			
<b>CAPITAL OUTLAY</b>			
CAPITAL CONSTRUCTION	0	0	2,480,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>0</b>	<b>0</b>	<b>2,480,000</b>
CONTINGENCY	0	0	620,000
ENDING FUND BALANCE	952,389	2,029,522	252,650
<b>TOTAL REQUIREMENTS</b>	<b>\$ 952,389</b>	<b>\$ 2,029,522</b>	<b>\$ 3,352,650</b>
<b>CAPITAL OUTLAY DETAIL</b>			
<b>Surface Water</b>			
Carli Property Regional Water Quality Facility	0	0	1,250,000
Mt. Scott Oak Bluff Restoration	0	0	520,000
Rock Creek Restoration	0	0	10,000
Small Projects - Ongoing Drainage Improvements	0	0	450,000
Detention Pond Repair/Rehab	0	0	250,000
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>2,480,000</b>

<sup>1</sup> FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's projected FY 2018-19 reserves of \$2,029,522

## 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 2018-19 includes resources of approximately \$1 million, consisting of beginning fund balance of approximately \$756 thousand, assessment principal and interest payments of approximately \$300 thousand, and interest income of \$15 thousand.

Due to the integration of CCSD No. 1 into WES effective July 1, 2018, the beginning fund balance consists of both WES' anticipated end-of-year reserves and CCSD No. 1's projected end-of-year reserves for FY 2017-18. This integration of CCSD No. 1 into the WES partnership is reflected in the FY 2017-18 estimate column of the fund detail as a Contribution from CCSD No. 1 of approximately \$756 thousand.

Requirements include debt service payments of approximately \$114 thousand and reserves of approximately \$957 thousand. The increase in reserves over the beginning fund balance is a result of budgeted revenues from assessment interest and principal payments exceeding debt service requirements.

WES has budgeted a contribution for FY 2018-19 into the Sanitary Sewer Construction Fund of \$12.8 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. When repayment commences, the principal and interest payments will be budgeted as requirements in the State Loan Fund, however the SRF contribution has no current impact on the requirements of this fund. The future impact of the borrowing is covered in detail in the separate Debt section.

	2017-18 <u>BUDGET</u>	2017-18 <u>ESTIMATE</u>	2018-19 <u>BUDGET</u>
<b>RESOURCES</b>			
BEGINNING FUND BALANCE	\$ 480	\$ 541	\$ 756,636 <sup>1</sup>
TRANSFER FROM SEWER OPERATING FUND	0	0	0
ASSESSMENT PRINCIPAL	0	0	179,700
ASSESSMENT INTEREST	0	0	120,000
INTEREST INCOME	5	10	15,133
CONTRIBUTION FROM CCSD NO. 1 STATE LOAN FUND	305,230	756,085	0
<b>TOTAL RESOURCES</b>	<b>305,715</b>	<b>756,636</b>	<b>1,071,469</b>
<b>REQUIREMENTS</b>			
PRINCIPAL PAYMENTS	0	0	106,208
INTEREST PAYMENTS	0	0	7,435
RESERVE REQUIREMENTS	53,104	0	53,104
ENDING FUND BALANCE	252,611	756,636	904,722
<b>TOTAL REQUIREMENTS</b>	<b>\$ 305,715</b>	<b>\$ 756,636</b>	<b>\$ 1,071,469</b>

<sup>1</sup> FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's projected FY 2018-19 reserves of \$756,085

## 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 user and surface water management monthly fees transferred from other funds.

FY 2018-19 Revenue Bond Fund resources total approximately \$7.1 million, including a \$6.9 million transfer in from the Sanitary Sewer Operating Fund, minor amounts of interest collections and interest income, and approximately \$217 thousand in beginning fund balance. Due to the integration of CCSD No. 1 into WES effective July 1, 2018, the beginning fund balance consists of CCSD No. 1's projected end-of-year reserves for FY 2017-18. This integration of CCSD No. 1 into the WES partnership is reflected in the FY 2017-18 estimate column of the fund detail as a Contribution from CCSD No. 1 of approximately \$217 thousand.

The proposed FY 2018-19 budget anticipates approximately \$6.9 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 will be responsible for the debt in FY 2018-19.

Ending fund balance is budgeted at approximately \$237 thousand for FY 2018-19. Viewed from a reserve perspective, this is approximately equal to the beginning fund balance.

	2017-18 <u>BUDGET</u>	2017-18 <u>ESTIMATE</u>	2018-19 <u>BUDGET</u>
<b>RESOURCES</b>			
BEGINNING FUND BALANCE	\$ 0	\$ 0	\$ 217,306
TRANSFER FROM SEWER OPERATING FUND	0	0	6,873,981
TRANSFER FROM STATE LOAN FUND	0	0	0
TRANSFER FROM SURFACE WATER OPERATING FUND	0	0	0
INTEREST COLLECTIONS	0	0	15,000
INTEREST INCOME	0	0	4,300
CONTRIBUTION FROM CCSD NO. 1 REVENUE BOND FUND	741,829	217,306	0
<b>TOTAL RESOURCES</b>	<b>741,829</b>	<b>217,306</b>	<b>7,110,587</b>
<b>REQUIREMENTS</b>			
<b>PRINCIPAL PAYMENTS</b>			
2002A	0	0	0
2009A	0	0	1,210,000
2009B	0	0	1,415,000
2010	0	0	805,000
2016	0	0	285,000
	0	0	3,715,000
<b>INTEREST PAYMENTS</b>			
2002A	0	0	0
2009A	0	0	18,150
2009B	0	0	87,100
2010	0	0	82,500
2016	0	0	2,971,231
	0	0	3,158,981
<b>RESERVES</b>			
2002A	176,995	0	0
2009A	0	0	0
2009B	0	0	0
2010	0	0	0
2016	0	0	0
	0	0	0
ENDING FUND BALANCE	564,834	217,306	236,606
<b>TOTAL REQUIREMENTS</b>	<b>\$ 741,829</b>	<b>\$ 217,306</b>	<b>\$ 7,110,587</b>

<sup>1</sup> FY 2018-19 Beginning fund balance includes contribution of CCSD No. 1's projected FY 2018-19 reserves of \$217,306.



# **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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2			3,232,329	2. *NET WORKING CAPITAL (ACCRUAL BASIS)	7,540,172			2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4			32,300	4. INTEREST	150,800			4
5				5. OTHER RESOURCES				5
6			211,700	6. MONTHLY SERVICE CHARGE REVENUE - RETAIL	23,302,800			6
7			8,474,500	7. OPERATION PAYMENTS-CITIES	13,824,450			7
8				8. BANCROFT BOND SALE PROCEEDS				8
9			184,900	9. RENTAL INCOME	5,200			9
10			87,000	10. MISCELLANEOUS INCOME	667,000			10
11				11. SYSTEM DEVELOPMENT CHARGE REVENUE	5,000			11
12				12. SPECIAL CONNECTION CHARGE REVENUE	220,000			12
13				13. FEES	10,000			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			350,000	21. INTERGOVERNMENTAL REVENUE	244,300			21
22				22. TRANSFER FROM OTHER FUNDS				22
23			667,162	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	13,239,891	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	45,969,722	0	0	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	0	0	13,239,891	32. TOTAL RESOURCES	45,969,722	0	0	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 2017-2018	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				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			8,552,261	1.	23,597,518			1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	8,552,261	7. TOTAL MATERIALS AND SERVICES	23,597,518	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				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			2,000,000	2. TO CONSTRUCTION FUND	10,000,000			2
3			0	3. TO DEBT FUNDS	6,873,981			3
				4.				
4			1,425,000	5. GENERAL OPERATING CONTINGENCY	3,933,000			4
5	0	0	3,425,000	6. TOTAL TRANSFERS & CONTINGENCY	20,806,981	0	0	5
	0	0	11,977,261	TOTAL EXPENDITURES	44,404,499	0	0	
	0	0	1,262,630	UNAPPROPRIATED ENDING FUND BALANCE	1,565,223			
	0	0	13,239,891	TOTAL	45,969,722	0	0	

**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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3			3,088,644	3. WES SERVICES			10,914,701			3
4			612,163	4. OTHER COUNTY SERVICES			2,395,012			4
5			1,295,578	5. PROFESSIONAL SERVICES			2,563,147			5
6			131,825	6. MISCELLANEOUS SERVICES			392,000			6
7	0	0	5,128,210	7. TOTAL SERVICES			16,264,860	0	0	7
8										8
9			1,257,450	9. SUPPLIES			2,171,503			9
10			75,000	10. SLUDGE DISPOSAL			743,000			10
11			751,363	11. UTILITIES			1,454,000			11
12			1,025,268	12. MISCELLANEOUS EXPENSE			2,812,229			12
13			314,970	13. ALLOCATED OVERHEAD			151,926			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	8,552,261	31. TOTAL EXPENDITURES			23,597,518	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	8,552,261	TOTAL	0		23,597,518	0	0	

**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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2			2,492,367	2. *NET WORKING CAPITAL (ACCRUAL BASIS)	25,816,456			2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4			24,900	4. INTEREST	516,300			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			1,546,875	11. SYSTEM DEVELOPMENT CHARGE REVENUE	5,535,485			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			20,707,651	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	24,771,793	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	31,868,241	0	0	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	0	0	24,771,793	32. TOTAL RESOURCES	31,868,241	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

**WATER ENVIRONMENT SERVICES**

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2017-2018	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1			2,232,000	1.	3,146,500			1
2				2.				2
3				3.				3
4	0	0	2,232,000	4. TOTAL CAPITAL OUTLAY	3,146,500	0	0	4
				SPECIAL PAYMENTS				
1				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			558,000	4. GENERAL OPERATING CONTINGENCY	786,625			4
5	0	0	558,000	5. TOTAL TRANSFERS & CONTINGENCY	786,625	0	0	5
	0	0	2,790,000	TOTAL EXPENDITURES	3,933,125	0	0	
	0	0	21,981,793	UNAPPROPRIATED ENDING FUND BALANCE	27,935,116			
	0	0	24,771,793	TOTAL	31,868,241	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1				1. LAND						1
2				2.						2
3				3. BUILDING AND BLDG IMPROVEMENTS						3
4				4.						4
5			1,440,000	5. TREATMENT PLANT			88,000			5
6				6.						6
7				7. PUMP STATIONS						7
8				8.						8
9			792,000	9. FORCE MAINS			1,828,500			9
10				10.						10
11				11. TRUNKS & INTERCEPTORS			1,230,000			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. 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	2,232,000	31. TOTAL EXPENDITURES			3,146,500	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	2,232,000	TOTAL			3,146,500	0	0	



**RESOURCES**

FORM LB-20

**SANITARY SEWER  
CONSTRUCTION FUND  
FUND**

**WATER ENVIRONMENT SERVICES  
(NAME OF MUNICIPAL CORPORATION)**

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2			7,561,347	2. *NET WORKING CAPITAL (ACCRUAL BASIS)	47,287,083			2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4			75,600	4. INTEREST	945,700			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. 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	12,800,000			18
19				19. REVENUE BONDS PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERGOVERNMENTAL REVENUE				21
22			2,000,000	22. TRANSFERS FROM GENERAL FUND	10,000,000			22
23			25,974,169	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	35,611,116	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	71,032,783	0	0	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	0	0	35,611,116	32. TOTAL RESOURCES	71,032,783	0	0	32

**EXPENDITURE SUMMARY**

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

**SANITARY SEWER**

**CONSTRUCTION FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

**WATER ENVIRONMENT SERVICES**

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2017-2018	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1			2,916,051	1.	39,738,500			1
2				2.				2
3				3.				3
4	0	0	2,916,051	4. TOTAL CAPITAL OUTLAY	39,738,500	0	0	4
				SPECIAL PAYMENTS				
1				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			729,013	4. GENERAL OPERATING CONTINGENCY	9,934,625			4
5	0	0	729,013	5. TOTAL TRANSFERS & CONTINGENCY	9,934,625	0	0	5
	0	0	3,645,064	TOTAL EXPENDITURES	49,673,125	0	0	
			31,966,052	UNAPPROPRIATED ENDING FUND BALANCE	21,359,658			
	0	0	35,611,116	TOTAL	71,032,783	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1				1. LAND						1
2				2.						2
3				3. BUILDING AND BLDG IMPROVEMENTS						3
4				4.						4
5			2,200,000	5. TREATMENT PLANT			30,352,000			5
6				6.						6
7			39,051	7. PUMP STATIONS			450,000			7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11			225,000	11. TRUNKS & INTERCEPTORS			6,916,500			11
12				12.						12
13				13. EQUIPMENT CAPITAL			995,000			13
14				14.						14
15				15. MASTER PLANS/STUDIES						15
16				16.						16
17			52,000	17. WATER QUALITY LAB			125,000			17
18				18.						18
19			400,000	19. RENEWAL & REPLACEMENT			800,000			19
20				20.						20
21				21. DEVELOPMENT REVIEW			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	0	2,916,051	31. TOTAL EXPENDITURES			39,738,500	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	2,916,051	TOTAL	0		39,738,500	0	0	

**RESOURCES**

FORM LB-20

**SURFACE WATER  
OPERATING FUND**  
FUND

**WATER ENVIRONMENT SERVICES**  
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2			513,714	2. *NET WORKING CAPITAL (ACCRUAL BASIS)	8,666,707			2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4			5,100	4. INTEREST	157,000			4
5				5. OTHER RESOURCES				5
6			184,700	6. SERVICE CHARGES	4,953,200			6
7			15,000	7. PERMITS				7
8				8. GRANT REVENUE				8
9				9. MISCELLANEOUS INCOME	255,000			9
10			5,781,139	10. CONTRIBUTION FROM CCSD NO. 1				10
11				11.				11
12				12.				12
13				13.				13
14				14.				14
15				15.				15
16				16.				16
17				17.				17
18				18.				18
19				19.				19
20				20.				20
21				21.				21
22				22.				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28.				28
29	0	0	6,499,653	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	14,031,907	0	0	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	0	0	6,499,653	32. TOTAL RESOURCES	14,031,907	0	0	32

**EXPENDITURE SUMMARY**

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

**SURFACE WATER**

**OPERATING FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

**WATER ENVIRONMENT SERVICES**

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2017-2018	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				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			351,033	1.	5,218,049			1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	351,033	7. TOTAL MATERIALS AND SERVICES	5,218,049	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				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	1,000,000			1
2				2.				2
3				3.				3
4			35,000	4. GENERAL OPERATING CONTINGENCY	870,000			4
5	0	0	35,000	5. TOTAL TRANSFERS & CONTINGENCY	1,870,000	0	0	5
	0	0	386,033	TOTAL EXPENDITURES	7,088,049	0	0	
	0	0	6,113,620	UNAPPROPRIATED ENDING FUND BALANCE	6,943,858			
	0	0	6,499,653	TOTAL	14,031,907	0	0	

**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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3			90,379	3. WES SERVICES			2,643,860			3
4			31,059	4. OTHER COUNTY SERVICES			570,101			4
5			163,571	5. PROFESSIONAL SERVICES			937,856			5
6			885	6. MISCELLANEOUS SERVICES			132,500			6
7	0	0	285,894	7. TOTAL SERVICES			4,284,317	0	0	7
8										8
9			18,656	9. SUPPLIES			206,577			9
10				10. SLUDGE DISPOSAL						10
11				11. UTILITIES			7,500			11
12			43,877	12. MISCELLANEOUS EXPENSE			603,530			12
13			2,606	13. ALLOCATED OVERHEAD			116,125			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	351,033	31. TOTAL EXPENDITURES			5,218,049	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	351,033	TOTAL			5,218,049	0	0	



**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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2			0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)	1,862,978	0	0	2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4				4. INTEREST	37,300			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. CONNECTION CHARGE REVENUE	102,500			11
12				12. SPECIAL CONNECTION CHARGE REVENUE				12
13				13. CAPITAL OUTLAY PAYMENTS CITIES				13
14				14. PRINCIPAL NON-BONDED INSTALLMENT				14
15				15. INTEREST NON-BONDED INSTALLMENT				15
16				16. STATE GRANT (DEQ)				16
17				17. FEDERAL GRANT (EPA)				17
18				18. STATE LOAN				18
19				19. BONDS PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERIM FINANCING				21
22			1,728,605	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	1,728,605	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	2,002,778	0	0	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	0	0	1,728,605	32. TOTAL RESOURCES	2,002,778	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

**WATER ENVIRONMENT SERVICES**

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				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.	500,000			1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL CAPITAL OUTLAY	500,000	0	0	4
				SPECIAL PAYMENTS				
1				1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1				1. RESERVE FOR CAPITAL IMPROVEMENT				1
2				2. TO DEBT SERVICE FUNDS				2
3				3. TO OTHER FUNDS				3
4			0	4. GENERAL OPERATING CONTINGENCY	125,000			4
5	0	0	0	5. TOTAL TRANSFERS & CONTINGENCY	125,000	0	0	5
	0	0	0	TOTAL EXPENDITURES	625,000	0	0	
	0	0	1,728,605	UNAPPROPRIATED ENDING FUND BALANCE	1,377,778			
	0	0	1,728,605	TOTAL	2,002,778	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1				1. LAND						1
2				2.						2
3				3. BUILDINGS						3
4				4.						4
5				5. TREATMENT PLANT			200,000			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				15. MASTER PLANS/STUDIES			300,000			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			500,000	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL	0		500,000	0	0	

## RESOURCES

FORM LB-20

**SURFACE WATER  
CONSTRUCTION FUND**  
FUND

**WATER ENVIRONMENT SERVICES**  
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2			0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)	2,029,522	0	0	2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4				4. INTEREST	40,600			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				16. STATE GRANTS	282,528			16
17				17. FEDERAL GRANTS				17
18				18. STATE LOAN				18
19				19. BOND PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERIM FINANCING				21
22				22. TRANSFER FROM GENERAL FUND	1,000,000			22
23			952,389	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	952,389	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	3,352,650	0	0	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	0	0	952,389	32. TOTAL RESOURCES	3,352,650	0	0	32

## EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

**SURFACE WATER****CONSTRUCTION FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

**WATER ENVIRONMENT SERVICES**

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2017-2018	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1				1.	2,480,000			1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL CAPITAL OUTLAY	2,480,000	0	0	4
				SPECIAL PAYMENTS				
1				1.				1
2				2.				2
3				3.				3
4	0	0	0	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1				1. RESERVE FOR CAPITAL IMPROVEMENT				1
2				2. TO DEBT SERVICE FUNDS				2
3				3. TO OTHER FUNDS				3
4			0	4. GENERAL OPERATING CONTINGENCY	620,000			4
5	0	0	0	5. TOTAL TRANSFERS & CONTINGENCY	620,000	0	0	5
	0	0	0	TOTAL EXPENDITURES	3,100,000	0	0	
	0	0	952,389	UNAPPROPRIATED ENDING FUND BALANCE	252,650			
	0	0	952,389	TOTAL	3,352,650	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1				1. WATER QUALITY FACILITIES			1,250,000			1
2				2.						2
3				3. WATERSHED RESTORATION			530,000			3
4				4.						4
5				5. DRAINAGE IMPROVEMENTS			450,000			5
6				6.						6
7				7. DETENTION PONDS			250,000			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	0	31. TOTAL EXPENDITURES			2,480,000	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	0	TOTAL	0		2,480,000	0	0	



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 2018-2019				
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY		
	SECOND PRECEDING 2015-2016	FIRST PRECEDING 2016-2017							
	RESOURCES								
				BEGINNING FUND BALANCE:					
1				1. CASH ON HAND*(CASH BASIS), OR				1	
2			480	2. WORKING CAPITAL(ACCRUAL BASIS)	756,636			2	
3			0	3. PRINCIPAL COLLECTIONS	179,700			3	
4			0	4. INTEREST COLLECTIONS	120,000			4	
5			5	5. EARNINGS FROM TEMPORARY INVESTMENTS	15,133			5	
6				6. TRANSFERRED FROM OTHER FUNDS				6	
7			305,230	7. CONTRIBUTION FROM CCSD NO. 1				7	
8	0	0	305,715	8. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	1,071,469	0	0	8	
9			0	9. TAXES NECESSARY TO BALANCE	0	0	0	9	
10				10. TAXES COLLECTED IN YEAR LEVIED				10	
	0	0	305,715	TOTAL RESOURCES	1,071,469	0	0		
	REQUIREMENTS								
				BOND PRINCIPAL PAYMENTS					
				ISSUE DATE	BUDGETED PAYMENT DATE				
1				1. STATE LOAN R06224	09/01/18, 03/01/19	106,208		1	
2				2.				2	
3				3.				3	
4	0	0	0	4. TOTAL PRINCIPAL		106,208	0	0 4	
				BOND INTEREST PAYMENTS					
				ISSUE DATE	BUDGETED PAYMENT DATE				
1				1. STATE LOAN R06224	09/01/18, 03/01/19	7,435		1	
2				2.				2	
3				3.				3	
4	0	0	0	4. TOTAL INTEREST		7,435	0	0 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		0	0	0 1	
2	0	0	0	2. TOTAL TRANSFERS		0	0	0 2	
				UNAPPROPRIATED BALANCE FOR FOLLOWING BY YEAR					
				ISSUE DATE	PAYMENT DATE				
1			53,104	1. RESERVE REQUIREMENT	R06224	53,104		1	
2			0	2. RESERVE REQUIREMENT		0	0	0 2	
3			0	3. RESERVE REQUIREMENT		0	0	0 3	
4				4.				4	
5	0	0	252,611	5. TOTAL UAPPROPRIATED ENDING FUND BALANCE		904,722	0	0 5	
	0	0	305,715	TOTAL REQUIREMENTS		1,071,469	0	0	

BONDED DEBT  
RESOURCES AND REQUIREMENTS

BONDED DEBT PAYMENTS ARE FOR:  
**REVENUE BONDS**

FORM LB-35

**DEBT SERVICE - REVENUE BONDS**  
FUND

**WATER ENVIRONMENT SERVICES**  
(NAME OF MUNICIPAL CORPORATION)

HISTORICAL DATA				DESCRIPTION OF RESOURCES AND REQUIREMENTS	BUDGET FOR NEXT YEAR 2018-2019			
ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018	PROPOSED BY BUDGET OFFICER		APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY		
SECOND PRECEDING 2015-2016	FIRST PRECEDING 2016-2017							
				RESOURCES				
				BEGINNING FUND BALANCE:				
1				1. CASH ON HAND*(CASH BASIS), OR				1
2			0	2. WORKING CAPITAL(ACCRUAL BASIS)	217,306			2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4			0	4. EARNINGS FROM TEMPORARY INVESTMENTS	4,300			4
5			0	5. TRANSFERRED FROM OTHER FUNDS	6,873,981			5
6			741,829	6. CONTRIBUTION FROM CCSD NO. 1				6
7				7. PRINCIPAL COLLECTIONS				7
8			0	8. INTEREST COLLECTIONS	15,000	0	0	8
9	0	0	741,829	9. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	7,110,587	0	0	9
10				10. TAXES NECESSARY TO BALANCE				10
11				11. TAXES COLLECTED IN YEAR LEVIED				11
	0	0	741,829	TOTAL RESOURCES	7,110,587	0	0	
				REQUIREMENTS				
				BOND PRINCIPAL PAYMENTS				
				ISSUE DATE	BUDGETED PAYMENT DATE			
1				1. 2002A 06/04/02	0			1
2				2. 2009A 03/04/09	12/1/2018	1,210,000		2
3				3. 2009B 11/24/09	12/1/2018	1,415,000		3
4				4. 2010 12/22/10	12/1/2018	805,000		4
5				5. 2016 08/30/16	12/1/2018	285,000		5
6	0	0	0	6. TOTAL PRINCIPAL	3,715,000	0	0	6
				BOND INTEREST PAYMENTS				
				ISSUE DATE	BUDGETED PAYMENT DATE			
1				1. 2002A 06/04/02	0			1
2				2. 2009A 03/04/09	12/1/2018, 6/1/2019	18,150		2
3				3. 2009B 11/24/09	12/1/2018, 6/1/2019	87,100		3
4				4. 2010 12/22/10	12/1/2018, 6/1/2019	82,500		4
5				5. 2016 08/30/16	12/1/2018, 6/1/2019	2,971,231		5
6	0	0	0	6. TOTAL INTEREST	3,158,981	0	0	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			176,995	1. Reserve 2002A	0	0	0	1
2				2.	0	0	0	2
3				3.	0	0	0	3
4				4.	0	0	0	4
5				5.	0	0	0	5
6	0	0	564,834	6. UNAPPROPRIATED ENDING FUND BALANCE	236,606			6
	0	0	741,829	TOTAL REQUIREMENTS	7,110,587	0	0	



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# Debt



*Kellogg 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.

Although all currently outstanding long-term debt was originally incurred by WES' member district CCSD No. 1, in conjunction with the integration of CCSD No. 1 into WES for the 2018-19 fiscal year, CCSD No. 1's debt will be transferred to WES as well. In order to ensure financial equity among ratepayers, only those ratepayers within Rate Zone 2 (the CCSD No. 1 service area) will be responsible for the debt issued before WES was formed. The mechanism to ensure this equity is the inclusion of a 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, 2018, WES' long term indebtedness consists of the following:

				June 30, 2018	FY 2018-19 Debt Service	
	Issue Date	Date of Maturity	Amount Issued	Principal Outstanding	Principal	Interest
<b>Revenue Bonds</b>						
2002A	06/01/2002	12/01/2022	\$ 2,698,000	\$ 0	\$ 0	\$ 0
2009A	03/04/2009	12/01/2018	38,460,000	1,210,000	1,210,000	18,150
2009B	11/24/2009	12/01/2019	44,365,000	2,885,000	1,415,000	87,100
2010	12/22/2010	12/01/2020	23,710,000	2,465,000	805,000	82,500
2016 Refunding	08/30/2016	12/01/2035	83,250,000	81,955,000	285,000	2,971,231
<b>Subtotals</b>					3,715,000	3,158,981
<b>State Loans</b>						
R06224	10/26/2009	09/01/2032	4,142,142	1,540,031	106,208	7,435
				\$ 90,055,031	\$ 3,821,208	\$ 3,166,416

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. In May 2018 Revenue Bond 2002A was paid off early using existing reserves to facilitate the integration of CCSD No. 1 into WES.

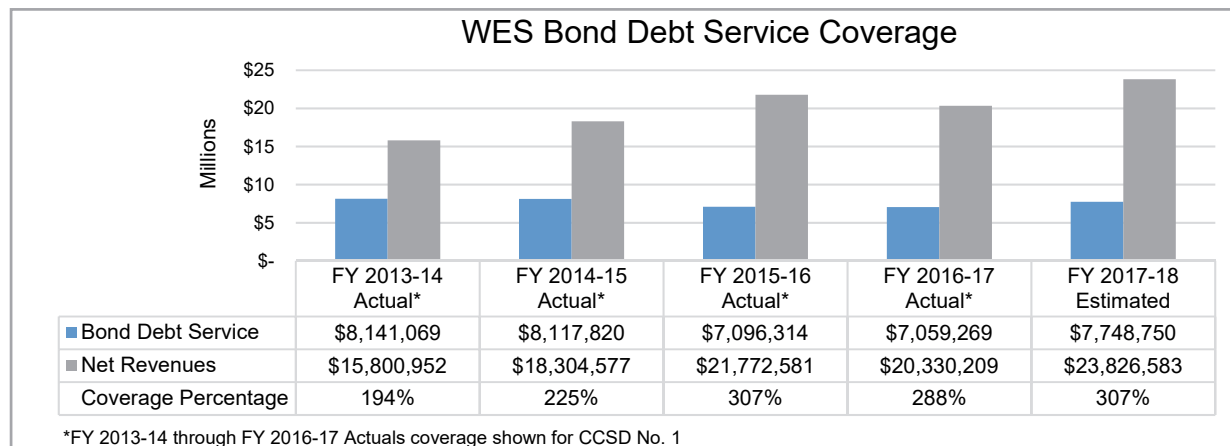
WES does not anticipate issuing any new bonds in FY 2018-19. WES has budgeted to receive \$12.8 million of capital financing during FY 2018-19 for the Tri-City Solids Handling Improvement project. This financing is through the Clean Water State Revolving Fund which provides below market rate loans for qualified construction projects. The total amount of this borrowing will be equal to the project's estimated total cost of \$29.5 million. Repayment of this loan will commence when the project is complete, currently anticipated during the 2020-21 fiscal year, with 36% of the debt service assigned to Rate Zone 1 and 64% to Rate Zone 2. The impact of this borrowing on WES' future annual debt service is outlined in the schedule and chart on the following page. For the purpose of estimating prospective debt service impacts, the loan is assumed to carry a 3.5% interest rate and a 20-year repayment term although the exact terms were not known at the time of budget publication.

## 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 the WES' boundaries. WES' total real market value as of July 1, 2017 is \$23,874,797,125 which calculates to a legal debt limit of approximately \$3.104 billion. WES has no outstanding general obligation debt so there is currently no debt subject to this limit.

## COVERAGE REQUIREMENTS

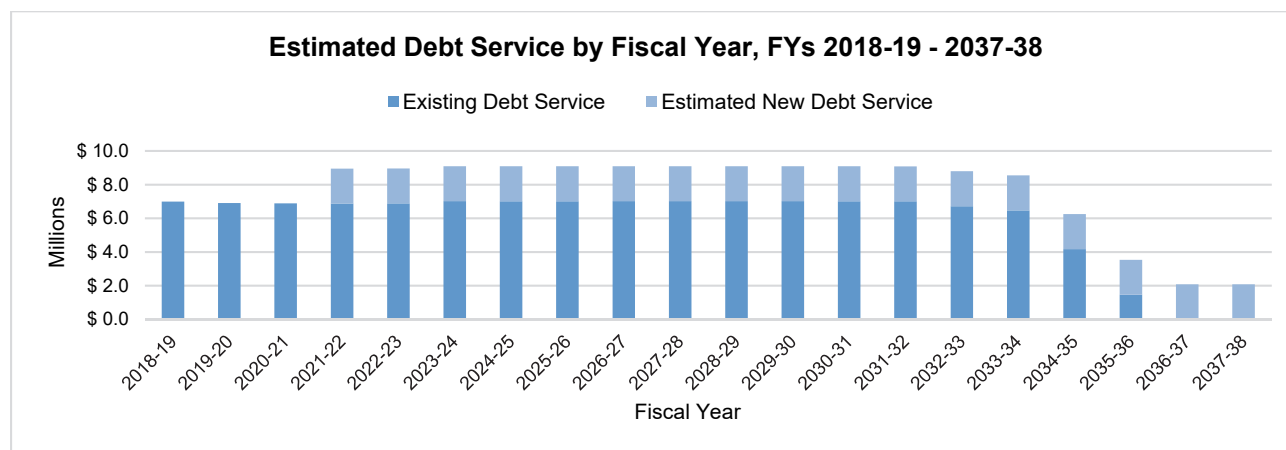
WES' bond covenant requires that the entity establishes and maintains fees, rates, and charges at levels sufficient so that total net revenues each year during which bonds are outstanding will equal at least 120% of the amount of principal and interest on outstanding bonds due in that fiscal year. The chart below shows WES' bond coverage for the last five fiscal years using CCSD No. 1's historic bond coverage for fiscal years 2013-14 through 2016-17 and WES' estimated combined bond coverage for FY 2017-18:



## 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 Debt Service	Debt Service for Anticipated SRF Borrowing	Total Estimated Annual Debt Service
2018-19	\$ 3,821,208	\$ 3,166,416	\$ 6,987,624	\$ -	\$ 6,987,624
2019-20	3,891,208	3,017,310	6,908,518	-	6,908,518
2020-21	4,041,208	2,839,429	6,880,637	-	6,880,637
2021-22	4,231,208	2,641,599	6,872,807	2,075,652	8,948,459
2022-23	4,451,208	2,429,317	6,880,525	2,075,652	8,956,177
2023-24	4,811,208	2,202,536	7,013,744	2,075,652	9,089,396
2024-25	5,051,208	1,960,754	7,011,962	2,075,652	9,087,614
2025-26	5,306,208	1,706,598	7,012,806	2,075,652	9,088,458
2026-27	5,576,208	1,439,317	7,015,525	2,075,652	9,091,177
2027-28	5,826,208	1,187,636	7,013,844	2,075,652	9,089,496
2028-29	6,031,208	983,830	7,015,038	2,075,652	9,090,690
2029-30	6,181,208	833,674	7,014,882	2,075,652	9,090,534
2030-31	6,306,208	706,518	7,012,726	2,075,652	9,088,378
2031-32	6,441,208	564,884	7,006,092	2,075,652	9,081,744
2032-33	6,323,119	395,075	6,718,194	2,075,652	8,793,846
2033-34	6,245,000	222,963	6,467,963	2,075,652	8,543,615
2034-35	4,080,000	91,350	4,171,350	2,075,652	6,247,002
2035-36	1,440,000	18,900	1,458,900	2,075,652	3,534,552
2036-37	-	-	-	2,075,652	2,075,652
2037-38	-	-	-	2,075,652	2,075,652
	<b>\$ 90,055,031</b>	<b>\$ 26,408,106</b>	<b>\$ 116,463,137</b>	<b>\$ 35,286,084</b>	<b>\$ 151,749,221</b>





# Capital



*Crews work on replacing the outfall pipe at Kellogg Water Resource Recovery Facility in Milwaukie, OR*





## CAPITAL

The Department's overall budget for FY 2018-19 is comprised of the Operating Budget and the Capital Budget. The FY 2018-19 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.

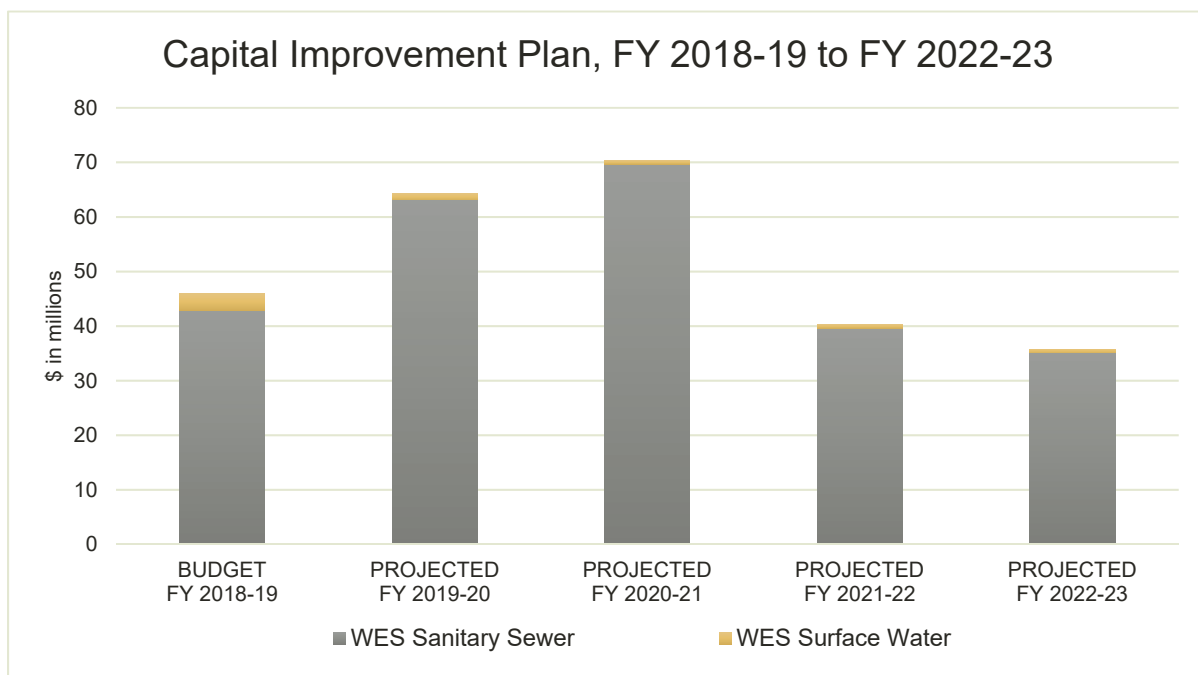
The FY 2018-23 CIP is a result of input from Department leadership, management and operations staff. The wastewater engineering and operations group met several times mid-year to itemize ongoing and anticipated projects, then prioritized the projects according to the following criteria:

- Health and Safety
- Ease of Implementation
- Innovation
- Regulatory Compliance
- 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.

In order 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 in excess of one year. Capital project costs include the costs of purchase, engineering, construction, financing, modification, and implementation. 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 the next five years of the Department's CIP:



## SANITARY SEWER CIP

Sanitary sewer projects are organized into the following categories 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, Blue Heron, Collection System, 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 2018-19 – 2022-23					
Project Category	Budget		Projected		
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Tri-City WRRF	\$ 18,990,000	\$ 22,570,000	\$ 24,220,000	\$ 30,550,000	\$ 25,630,000
Kellogg Creek WRRF	9,200,000	27,000	184,000	-	60,000
Hoodland WRRF	2,200,000	11,820,000	8,612,000	3,000,000	-
Boring WRRF	50,000	250,000	500,000	2,750,000	-
Collection System	9,875,000	50,000	-	-	-
Blue Heron	100,000	26,160,000	33,870,000	900,000	900,000
Fleet	995,000	-	-	-	6,000,000
Asset Management	800,000	990,000	1,041,000	1,152,000	1,285,000
Pump Stations	450,000	400,000	400,000	400,000	400,000
Water Quality Lab	125,000	400,000	400,000	400,000	400,000
Development Review	100,000	450,000	450,000	450,000	450,000
<b>Total</b>	<b>\$ 42,885,000</b>	<b>\$ 63,117,000</b>	<b>\$ 69,677,000</b>	<b>\$ 39,602,000</b>	<b>\$ 35,125,000</b>

## FY 2018-19 PROJECT SUMMARIES

Of the \$42.885 million in the FY 2018-19 Sanitary Sewer Capital Budget, \$41.485 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 engineering and construction. The expansion and refurbishments to be considered include new sludge stabilization and dewatering facilities, electrical distribution upgrades, thickened sludge blend tank, liquid sludge storage, cake storage and loadout facility. Biogas utilization, side stream management and septage receiving will be evaluated.

### Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 12,800,000
WES Sanitary Sewer SDC	\$ -
<b>2018-19 Budget</b>	<b>\$ 12,800,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
\$ 80,000	Operating budget impact results from increased labor costs related to the maintenance of new pumps and the periodic replacement of media in gas treatment system.

### 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 will be most economical to install in the existing facilities. Construction is expected to begin in Summer 2018.

### Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 4,220,000
WES Sanitary Sewer SDC	\$ -
<b>2018-19 Budget</b>	<b>\$ 4,220,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
\$ 30,000	Increased chemical costs.

### Wet Weather Outfall

Projected flows to the Tri-City WRRF are shown to be in the 176-MGD range. The plant's current outfall has an approximate capacity of 88-MGD, which will be exceeded after 2020. This project entails the design and installation of a new outfall from the TCWRRF into the Willamette River to provide the additional capacity needed.

### Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 312,000
WES Sanitary Sewer SDC	\$ 88,000
<b>2018-19 Budget</b>	<b>\$ 400,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### W3 Improvements

The existing W3 system on the conventional side of the Tri-City WRRF is nearing the end of its useful life and with plant expansion doesn't have the necessary capacity. The system needs to be expanded to provide W3 for the future expansions on the WRRF. These improvements will target providing increased capacity and a higher quality W3 water for internal plant needs.

### Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 800,000
WES Sanitary Sewer SDC	\$ -
<b>2018-19 Budget</b>	<b>\$ 800,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### PLCs 3A (Blower, CI, RAS)

PLCs are control systems for treatment processes and require modernizing on a rotating basis as the hardware becomes obsolete.

### Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 120,000
WES Sanitary Sewer SDC	\$ -
<b>2018-19 Budget</b>	<b>\$ 120,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### Lab Fume Hoods

Fume hoods in the Tri-City laboratory provide specialized ventilation in the lab space to protect workers from vapors associated with lab procedures and tests. This project replaces the original fume hoods installed nearly 20 years ago with new equipment. The HVAC system that serves the fume hoods and the lab also requires some level of replacement due to age.

### Sanitary Sewer Project Category: Tri-City WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 400,000
WES Sanitary Sewer SDC	\$ -
<b>2018-19 Budget</b>	<b>\$ 400,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### 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 Kellogg will continue its service with a capped capacity, several areas require upgrades to provide a fully reliable, functional facility. This project combines eleven or more subprojects including: blower replacement, new sludge thickening process, aeration basin covers for odor control, flow management and improvements to the biofilter, power distribution system, RAS pump station, W3 water system, influent pump station, and associated yard piping. Construction of the improvements began in FY 2017-18 and will continue over several years.

### Sanitary Sewer Project Category: KC WRRF

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 9,000,000
WES Sanitary Sewer SDC	\$ -
<b>2018-19 Budget</b>	<b>\$ 9,000,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### Kellogg Creek Bridge

The Kellogg Creek Bridge was damaged in a December 2015 storm. WES has agreed to share costs for repair with the City of Milwaukie through an existing IGA. Terms will be negotiated. The repair is partially funded by FEMA.

### Sanitary Sewer Project Category: KC WRRF

Funding Sources		Amount
WES Sanitary Sewer Construction	\$	150,000
WES Sanitary Sewer SDC	\$	-
2018-19 Budget		\$ 150,000

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact.

### Hoodland WRRF Modernization

This project addresses improvements necessary to maintain the existing level of service at the Hoodland WRRF. These funds will be used to update obsolete electrical equipment, improve stand-by generated power, implement a supervisory control and data acquisitions (SCADA) system, replace two pumps, add an additional pump and add variable frequency drives at the Arrah Wanna Pump Station to meet operational redundancy requirements and to better regulate the influent flow to the WRRF.

### Sanitary Sewer Project Category: Hoodland WRRF

Funding Sources		Amount
WES Sanitary Sewer Construction	\$	2,100,000
WES Sanitary Sewer SDC	\$	-
2018-19 Budget		\$ 2,100,000

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### Pump Station Improvements

These funds are reserved for renewal and replacement of pump station assets in both the CCSD No. 1 and TCSD service areas to reduce risk. 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	\$	-
2018-19 Budget		\$ 450,000

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### Jennifer Road Pipe Rehabilitation

This project involves the rehabilitation of approximately 6,200 feet of pipe on Jennifer Road to address capacity deficiencies.

### Sanitary Sewer Project Category: Collection System

Funding Sources		Amount
WES Sanitary Sewer Construction	\$	300,000
WES Sanitary Sewer SDC	\$	-
2018-19 Budget		\$ 300,000

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### Pipe Rehabilitation and Replacement

Sanitary sewer pipe is subject to degraded condition through exposure to chemicals, organic growths, and soil movement. This degradation leads to defects in pipe which can result in surface water and groundwater infiltration into the collection system, straining treatment capacities and increasing risk of pipe failure. This project pool represents funds to repair and/or replace damaged and aging pipelines utilizing methods including pipe-lining, pipe bursting and replacement.

### Sanitary Sewer Project Category: Collection System

Funding Sources		Amount
WES Sanitary Sewer Construction	\$	750,000
WES Sanitary Sewer SDC	\$	-
2018-19 Budget		\$ 750,000

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### 82nd Drive Bridge - North Approach

This project is part of the larger effort to complete the infrastructure which diverts wet weather flows from the capacity-limited Kellogg Creek WRRF to the Tri-City WRRF to avoid sanitary sewer overflows during storm events. This project involves the design and construction of a replacement apron to the north end of the 82nd Drive Bridge and construction of a 30-inch force main on the bridge. Consideration will be given to adding a seismic upgrade of the bridge to the project.

### Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 1,472,000
WES Sanitary Sewer SDC	\$ 1,728,000
<b>2018-19 Budget</b>	<b>\$ 3,200,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### Clackamas Interceptor Capacity Improvements

The Clackamas Interceptor has been shown in past studies to be lacking in capacity to serve the current service area. Now that the upstream Rock Creek Interceptor has been constructed and there is growing interest in development in areas contributing to the Rock Creek interceptor, additional capacity will need to be added. Work is underway to assess the condition and current and future capacity needs for the Clackamas Interceptor.

### Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 1,770,000
WES Sanitary Sewer SDC	\$ 1,230,000
<b>2018-19 Budget</b>	<b>\$ 3,000,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### Hoodland Pump Stations

The Timberline Rim and Sandy River Lane pump stations were identified in the Hoodland Master Plan as needing to be relocated further away from the Sandy River, which recently changed course. This project provides for new pump stations so as to provide a higher level of service.

### Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 1,000,000
WES Sanitary Sewer SDC	\$ -
<b>2018-19 Budget</b>	<b>\$ 1,000,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### CIA and Clackamas Pump Stations

The CIA and Clackamas pump stations electrical and controls are nearing the end of their useful life. This project will replace the electrical and controls aspect of the stations bringing them in line with our SCADA master plan recommendations.

### Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 400,000
WES Sanitary Sewer SDC	\$ -
<b>2018-19 Budget</b>	<b>\$ 400,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### Willamette Interceptor

The Willamette Interceptor receives flows from the Willamette Pump Station and the Willamette force main. This project includes evaluation and rehabilitation of manholes and the interceptor between the West Linn side of the old Oregon City bridge and the downstream end of the Willamette Interceptor near the TC WRRF.

### Sanitary Sewer Project Category: Collection System

Funding Sources	Amount
WES Sanitary Sewer Construction	\$ 350,000
WES Sanitary Sewer SDC	\$ -
<b>2018-19 Budget</b>	<b>\$ 350,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### Emergency Generator for River Street

The existing generator at the River Street pump station is nearing the end of its useful life. This project will make electrical improvements to the River Street Pump Station, including replacing the backup generator to provide a more reliable back up power source.

### Sanitary Sewer Project Category: Collection System

Funding Sources		Amount
WES Sanitary Sewer Construction	\$	250,000
WES Sanitary Sewer SDC	\$	-
<b>2018-19 Budget</b>		<b>\$ 250,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### 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 during FY 2018-19 include electrical updates, sump pump replacements, instrumentation upgrades and process HVAC improvements.

### Sanitary Sewer Project Category: Asset Management

Funding Sources		Amount
WES Sanitary Sewer Construction	\$	800,000
WES Sanitary Sewer SDC	\$	-
<b>2018-19 Budget</b>		<b>\$ 800,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### Fleet

This project pool funds the replacement of aging equipment and fleet used in administrative functions, plant operations, pipeline and infrastructure maintenance, and biosolids distribution and application. Fiscal year 2018-19 includes the purchase of a terragator for biosolids distribution, the purchase of a tanker truck for liquids hauling, the replacement of four vehicles and a portable generator used in performing treatment and maintenance functions and two vehicles used in performing watershed protection functions.

### Sanitary Sewer Project Category: Fleet

Funding Sources		Amount
WES Sanitary Sewer Construction	\$	995,000
WES Sanitary Sewer SDC	\$	-
<b>2018-19 Budget</b>		<b>\$ 995,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

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

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

Surface Water CIP, FYs 2018-19 – 2022-23					
Project Category	Budget		Projected		
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Carli Creek Water Quality Retrofit</b>	\$ 1,250,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
<b>Storm System Master Plan for CCSD No. 1 / Happy Valley</b>	300,000	200,000	-	-	-
<b>Rock Creek Confluence Site Maintenance</b>	10,000	-	-	-	-
<b>Mt. Scott Oak Bluff Restoration</b>	520,000	10,000	8,000	5,000	3,000
<b>Small Projects – Ongoing Drainage Repair</b>	450,000	350,000	350,000	350,000	350,000
<b>Detention Pond Repair / Rehab</b>	250,000	250,000	250,000	250,000	250,000
<b>Decant Facility</b>	200,000	500,000	-	-	-
<b>Total</b>	<b>\$ 2,980,000</b>	<b>\$ 1,360,000</b>	<b>\$ 658,000</b>	<b>\$ 655,000</b>	<b>\$ 653,000</b>

## FY 2018-19 PROJECT SUMMARIES

The FY 2018-19 Surface Water Capital Budget includes the following projects:

### Carli Creek Water Quality Retrofit

CCSD No. 1 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	\$ 1,250,000
WES Surface Water SDC	\$ -
<b>2018-19 Budget</b>	<b>\$ 1,250,000</b>

### 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

### Storm System Master Plan for CCSD No. 1 / Happy Valley Service Area

WES is preparing a Stormwater Master Plan on behalf of Clackamas County Service District No. 1 (CCSD#1) and the City of Happy Valley. The Plan will provide capital improvement projects and priorities, system management and maintenance recommendations, programmatic recommendations, and recommendations for funding needs and strategies. The list of capital improvements will serve as a basis for completing SDC eligible projects, and may be used to update WES's surface water SDC amount.

Funding Sources	Amount
WES Surface Water Construction	\$ -
WES Surface Water SDC	\$ 300,000
<b>2018-19 Budget</b>	<b>\$ 300,000</b>

### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact



### Rock Creek Confluence Site Maintenance

Site maintenance for FY 2018-19 consists of correcting any issues found with continued monitoring of in-stream elements and plant survival. This may include hiring a contractor for spot control of weeds, re-planting trees and shrubs, correcting in-stream elements, or maintenance that may be needed for the shelter.

Funding Sources		Amount
WES Surface Water Construction	\$	10,000
WES Surface Water SDC	\$	-
2018-19 Budget		\$ 10,000

#### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### Mt. Scott Oak Bluff 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 an approximately 1.5 acre backwater habitat, removing a small culvert that is a barrier to off-channel habitat, and replacing invasive vegetation with native plants over approximately 12 acres. This project also includes partnering with watershed council and Oregon Department of Fish and Wildlife (ODFW), volunteer planting events, new trail and interpretive signs, and monitoring to ensure the project meets objectives.

Funding Sources		Amount
WES Surface Water Construction	\$	520,000
WES Surface Water SDC	\$	-
2018-19 Budget		\$ 520,000

#### 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

### Small Projects – Ongoing Drainage Repair

Small Projects include vegetation management services, maintenance projects, and small drainage projects within WES. Vegetation management services may include weed control, planting native vegetation, seeding, and monitoring and maintenance for two to three years following initial treatment. Other small projects may include work to improve drainage issues when flooding is caused by District owned stormwater infrastructure, installing small low impact development facilities such as rain gardens, and repairs or regular maintenance of existing stormwater infrastructure.

Funding Sources		Amount
WES Surface Water Construction	\$	450,000
WES Surface Water SDC	\$	-
2018-19 Budget		\$ 450,000

#### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### Detention Pond Repair / Rehab

WES is planning to remove silt and vegetation from the Sunnyside Village Green, Happy Valley Sub-Regional Pond B, and Mountain Sun detention ponds within the CCSD No. 1 service area to return the ponds to their original design. Since the original installation, the ponds have become overgrown with vegetation. The pond bottoms are filled with vegetation and silt making them ineffective for stormwater treatment.

Funding Sources		Amount
WES Surface Water Construction	\$	250,000
WES Surface Water SDC	\$	-
2018-19 Budget		\$ 250,000

#### Operating Budget Impact

Annual Cost	Type of Impact
-	No significant impact

### Decant Facility

This 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.

<b>Funding Sources</b>	<b>Amount</b>
WES Surface Water Construction	\$ -
WES Surface Water SDC	\$ 200,000
<b>2018-19 Budget</b>	<b>\$ 200,000</b>

### Operating Budget Impact

<b>Annual Cost</b>	<b>Type of Impact</b>
TBD	Ongoing facility operation costs are influenced by the design

Further information regarding Surface Water CIP projects can be found on WES' website:

<http://www.clackamas.us/wes>

**SANITARY SEWER CAPITAL PROJECT LIST**

LOCATION/ FUNCTION		FY 2017-18	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FYs 2018-2023
	PROJECT DESCRIPTION	Budget	Estimate	Budget	Projected	Projected	Projected	Projected	Projected
Tri-City Water Resource Recovery Facility									
	Solids Handling Improvement Project	\$ 8,000,000	\$ 3,128,886	\$ 12,800,000	\$ 12,700,000	\$ 4,000,000			\$ 29,500,000
	Hypchlorite Disinfection System	-	16,931	4,220,000					4,220,000
	W3 Improvements			800,000					800,000
	Lab Fume Hoods	150,000	56,877	400,000					400,000
	Wet Weather Outfall			400,000	6,000,000	12,000,000			18,400,000
	PLCs 3A (Blower, CI, RAS)			120,000	120,000	120,000			360,000
	Admin Building Remodel			100,000	800,000				900,000
	Process Software (Data Management)			100,000					100,000
	Security Locks Internal to Plant			50,000	50,000	50,000			150,000
	Security System	250,000	26,951	-					-
	Butterfly Valve Replacement	60,000	158,295						-
	CAS Process Blower Replacement	300,000	373,566						-
	Chlorine Gas Emergency Shut-Off	-	24,547						-
	IPS VFDs				500,000	500,000			1,000,000
	Landfill Mitigation					1,000,000	5,000,000		6,000,000
	Liquids Expansion				2,000,000	6,000,000	25,000,000	25,000,000	58,000,000
	MBR and CAS W3 Evaluation	-	35,000						-
	MBR Cassette Replacement							630,000	630,000
	MBR Process Blower Replacement	300,000	145,552						-
	MBR Washer Comactor	-	97,332						-
	Recoat Aeration Basins					150,000	150,000		300,000
	Recoat PCs and mechanical				400,000	400,000	400,000		1,200,000
	TC PC Rehab and Mechanical	-	17,309						-
	Tri City Bi-Sulfite Extension	-	40,696						-
	Tri City Polymer Relocation	-	45,000						-
	W3 Strainer Replacement	-	50,000						-
	TOTAL	9,060,000	4,216,942	18,990,000	22,570,000	24,220,000	30,550,000	25,630,000	121,960,000
Kellogg Creek Water Resource Recovery Facility									
	Kellogg Improvements	6,000,000	2,324,354	9,000,000	10,000,000	4,000,000			23,000,000
	KC Bridge	150,000	-	150,000					150,000
	Admin Lab and Lunch Room			50,000					50,000
	Dewatering and Digester Complex Improvements				1,500,000	3,500,000	3,000,000		8,000,000
	Grit Hopper and Collection System/Grit Removal								
	Mech and Drive/Pumps				200,000	400,000			600,000
	Kellogg Access Gates and Security System	-	31,721						-
	Kellogg Outfall Improvement	100,000	118,761						-
	Kellogg Park Path Lighting, Sign, and Flagpole	-	9,846						-
	Primary Sludge PS					284,000			284,000
	Secondary Clarifier Drives				120,000	120,000			240,000
	W3 Project					308,000			308,000
	TOTAL	6,250,000	2,484,682	9,200,000	11,820,000	8,612,000	3,000,000	-	32,632,000

**SANITARY SEWER CAPITAL PROJECT LIST**

LOCATION/ FUNCTION		FY 2017-18	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FYs 2018-2023
	PROJECT DESCRIPTION	Budget	Estimate	Budget	Projected	Projected	Projected	Projected	Projected
Hoodland Water Resource Recovery Facility									
	Hoodland Plant Modernization (MCCs, PLC, HMI, Dispatchable Power, Programming) combined with Arrah Wanna Pump Station Upgrades (Pumps and VFDs)	900,000	172,702	2,100,000					2,100,000
	RBC Access			100,000	250,000				350,000
	Hoodland Grit Cyclone/Separator	-	47,835						-
	Hoodland Secondary Treatment Upgrade					500,000	2,750,000		3,250,000
	TOTAL	900,000	220,537	2,200,000	250,000	500,000	2,750,000	-	5,700,000
Boring Water Resource Recovery Facility									
	Upgrades	-	30,000	50,000	50,000				100,000
	TOTAL	-	30,000	50,000	50,000	-	-	-	100,000
Collection System									
	82nd Dr. Bridge - N. Approach	2,200,000	154,938	3,200,000					3,200,000
	Clackamas Interceptor Capacity Improvements			3,000,000	15,000,000	17,000,000			35,000,000
	Hoodland Pump Stations	860,000	99,411	1,000,000	3,300,000				4,300,000
	Pipe Rehabilitation and Replacement	500,000	40,747	750,000	750,000	750,000	750,000	750,000	3,750,000
	CIA and Clackamas PS			400,000					400,000
	Willamette Interceptor - Oregon City/West Linn Bridge Capacity Upgrade			350,000	700,000	700,000			1,750,000
	Emergency Generator for River St			250,000					250,000
	Carver Sewer			150,000					150,000
	Flow Monitoring (SCADA Master Plan Recommendations and Meter Upgrades)	150,000	157,207	150,000					150,000
	Manhole Rehabilitation (\$8000 per)	150,000	-	150,000	150,000	150,000	150,000	150,000	750,000
	LAST ROAD - Clackamas PS to CL8-2, CL8-2 to CL8.1-3 - Pipe Rehabilitation - 1650' +/-	-	3,428	130,000					130,000
	LAST ROAD Evelyn Road South of Clackamas PS - Clackamas PS to CL510 - Pipe Rehabilitation - 1700' +/-			30,000					30,000
	Lucity Mobile Software			15,000					15,000
	IT3 Pump Station and Pipeline			-	1,500,000	6,000,000			7,500,000
	Jennifer Rd - Clackamas PS to CL9-6 and CL9-6 to CL9.2-8 - Pipe Rehab - Possible Capacity Deficiencies - 6200' +/-	600,000	-	300,000					300,000
	Boring I/I Reduction	-	7,594						-
	Evelyn Road North of Clackamas PS - Clackamas PS to CL8-2, CL8-2 to CL8.1-3 - Pipe Rehabilitation - 1650' +/-	35,000	-						-
	Evelyn Road South of Clackamas PS - Clackamas PS to CL510 - Pipe Rehabilitation - 1700' +/-	30,000	-						-
	Extend Rock Creek Interceptor				3,000,000	4,000,000			7,000,000
	Gladstone Pump Station and Force Main Upgrade				360,000	720,000			1,080,000
	Linwood Pump Station (Lents)				1,000,000	4,400,000			5,400,000
	Pump Stations (WSC)				200,000				200,000
	Willamette Pump Station Upgrade				200,000	150,000			350,000
	TOTAL	4,525,000	463,325	9,875,000	26,160,000	33,870,000	900,000	900,000	71,705,000

**SANITARY SEWER CAPITAL PROJECT LIST**

LOCATION/ FUNCTION	PROJECT DESCRIPTION	FY 2017-18 Budget	FY 2017-18 Estimate	FY 2018-19 Budget	FY 2019-20 Projected	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FYs 2018-2023 Projected
Blue Heron									
	Remediation	-		-	-	-	-	6,000,000	6,000,000
	Solar Bees, Security	-	396	100,000	-	-	-		100,000
	TOTAL	-	396	100,000	-	-	-	6,000,000	6,100,000
Fleet									
	Light Duty Fleet								
	Operations - Treatment, Maintenance & Line Crew	130,000	167,000	205,000	345,000	206,000	162,000	160,000	1,078,000
	Asset Management - Pool Vehicles				85,000		80,000		165,000
	Regulatory Management & Compliance				35,000	40,000			75,000
	Watershed Protection			70,000					70,000
	Capital Delivery	30,000	30,000						-
	Resource Recovery								-
	Total Light Duty Vehicles	160,000	197,000	275,000	465,000	246,000	242,000	160,000	1,388,000
	Heavy Equipment								
	Resource Recovery	350,000	178,000	720,000	525,000	795,000	350,000	475,000	2,865,000
	Operations - Treatment, Maintenance & Line Crew	200,000	171,579	-	-	-	560,000	650,000	1,210,000
	Total Heavy Equipment	550,000	349,579	720,000	525,000	795,000	910,000	1,125,000	4,075,000
	TOTAL	710,000	546,579	995,000	990,000	1,041,000	1,152,000	1,285,000	5,463,000
Water Quality Laboratory									
	QA400 Discreet Analyzer (SEAL)			60,000					60,000
	Upgrades			50,000					50,000
	Samplers for IPT	20,000	8,165	15,000					15,000
	Analytical Balances				15,000	15,000			30,000
	Autoclave	12,000	-		12,000				12,000
	BOD Instruments							60,000	60,000
	Centrifuges	20,000	-						-
	Dishwasher					6,000			6,000
	ICPMS					163,000			163,000
	TOTAL	52,000	8,165	125,000	27,000	184,000	-	60,000	396,000
Tri-City Operations & Maintenance Asset Management									
	Asset Management - Renewal and Replacement	400,000	81,842	400,000	400,000	400,000	400,000	400,000	2,000,000
	TOTAL	400,000	81,842	400,000	400,000	400,000	400,000	400,000	2,000,000
Kellogg Creek Operations & Maintenance Asset Management									
	Asset Management - Renewal and Replacement	400,000	31,105	400,000	400,000	400,000	400,000	400,000	2,000,000
	TOTAL	400,000	31,105	400,000	400,000	400,000	400,000	400,000	2,000,000
Pump Station Upgrades									
	Pump Station Improvements	450,000	115,752	450,000	450,000	450,000	450,000	450,000	2,250,000
	TOTAL	450,000	115,752	450,000	450,000	450,000	450,000	450,000	2,250,000
Development Review									
	Developer-Installed Assets	100,000	36,000	100,000	100,000	100,000	100,000	100,000	500,000
	TOTAL	100,000	36,000	100,000	100,000	100,000	100,000	100,000	500,000
TOTAL - ALL SANITARY SEWER PROJECTS		\$ 22,847,000	\$ 8,235,325	\$ 42,885,000	\$ 63,217,000	\$ 69,777,000	\$ 39,702,000	\$ 35,225,000	\$ 250,806,000

SURFACE WATER CAPITAL PROJECT LIST

		FY 2017-18	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FYs 2018-2023
LOCATION/ FUNCTION	PROJECT DESCRIPTION	Budget	Estimate	Budget	Projected	Projected	Projected	Projected	Projected
SURFACE WATER									
	Carli Creek Water Quality Retrofit	\$ 2,000,000	\$ 1,750,000	\$ 1,250,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 1,450,000
	Mt. Scott Oak Bluff Restoration	30,000	182,600	520,000	10,000	8,000	5,000	3,000	546,000
	Storm System Master Plan for CCSD No. 1 / Happy Valley			300,000	200,000				500,000
	Rock Creek Confluence Site Maintenance			10,000					10,000
	Small Projects - Ongoing Drainage Repair	350,000	100,000	450,000	350,000	350,000	350,000	350,000	1,850,000
	Detention Pond Repair / Rehabilitation	250,000	165,875	250,000	250,000	250,000	250,000	250,000	1,250,000
	Decant Facility	200,000	50,000	200,000	500,000				700,000
	TOTAL	2,830,000	2,248,475	2,980,000	1,360,000	658,000	655,000	653,000	6,306,000
TOTAL - ALL SURFACE WATER PROJECTS		\$ 2,830,000	\$ 2,248,475	\$ 2,980,000	\$ 1,360,000	\$ 658,000	\$ 655,000	\$ 653,000	\$ 6,306,000



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# Appendix



*Zig Zag River*





# 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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	6,327,838	6,485,106	7,215,001	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	103,847	160,911	61,600	4. INTEREST				4
5				5. OTHER RESOURCES				5
6	20,079,224	21,696,747	22,136,100	6. MONTHLY SERVICE CHARGE REVENUE				6
7	4,435,104	4,676,605	4,749,900	7. OPERATION PAYMENTS-CITIES				7
8				8. BANCROFT BOND SALE PROCEEDS				8
9			2,600	9. RENTAL INCOME				9
10	964,485	836,575	3,791,382	10. MISCELLANEOUS INCOME				10
11	23,763	31,837	5,000	11. CONNECTION CHARGE REVENUE				11
12	398,995	285,847	220,000	12. SPECIAL CONNECTION CHARGE REVENUE				12
13				13. CAPITAL OUTLAY PAYMENTS CITIES				13
14	0	0		14. PRINCIPAL NON-BONDED INSTALLMENT				14
15	43,917	66,964	10,000	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			244,300	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	32,377,173	34,240,592	38,435,883	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	32,377,173	34,240,592	38,435,883	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 2017-2018	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				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	11,980,342	12,119,503	14,035,883	1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	11,980,342	12,119,503	14,035,883	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			7,000,000	1.				1
2				2.				2
3				3.				3
4	0	0	7,000,000	4. TOTAL SPECIAL PAYMENTS	0	0	0	4
				TRANSFERRED TO OTHER FUNDS				
1				1. RESERVE FOR CAPITAL IMPROVEMENT				1
2	6,911,725	14,800,000	1,400,000	2. TO DEBT SERVICE FUNDS				2
3	7,000,000	106,088	16,000,000	3. TO OTHER FUNDS				3
4			0	4. GENERAL OPERATING CONTINGENCY				4
5	13,911,725	14,906,088	17,400,000	5. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	25,892,067	27,025,591	38,435,883	TOTAL EXPENDITURES	0	0	0	
	6,485,106	7,215,001	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	32,377,173	34,240,592	38,435,883	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3	7,243,189	7,232,306	7,820,652	3. WES SERVICES						3
4	1,451,956	1,369,983	1,494,239	4. OTHER COUNTY SERVICES						4
5	888,573	799,631	1,676,327	5. PROFESSIONAL SERVICES						5
6	402,138	285,106	445,320	6. MISCELLANEOUS SERVICES						6
7	9,985,856	9,687,026	11,436,538	7. TOTAL SERVICES			0	0	0	7
8										8
9	1,035,184	1,031,435	1,066,146	9. SUPPLIES						9
10	385,261	410,639	500,000	10. SLUDGE DISPOSAL						10
11	775,962	853,292	688,787	11. UTILITIES						11
12	631,952	926,200	1,105,215	12. MISCELLANEOUS EXPENSE						12
13	(833,873)	(789,089)	(760,803)	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	11,980,342	12,119,503	14,035,883	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	11,980,342	12,119,503	14,035,883	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	9,853,964	15,214,951	19,176,742	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	49,571	140,539	188,800	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			2,005,458	10. MISCELLANEOUS INCOME				10
11	5,930,101	4,371,217	6,597,000	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	15,833,636	19,726,707	27,968,000	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	15,833,636	19,726,707	27,968,000	32. TOTAL RESOURCES	0	0	0	32



## EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

## SANITARY SEWER

SYSTEM DEVELOPMENT CHARGE FUND

NAME OF ORGANIZATIONAL UNIT-FUND

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				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	618,685	549,965	3,968,000	1.				1
2				2.				2
3				3.				3
4	618,685	549,965	3,968,000	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1			24,000,000	1.				1
2				2.				2
3				3.				3
4	0	0	24,000,000	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
	618,685	549,965	27,968,000	TOTAL EXPENDITURES	0	0	0	
	15,214,951	19,176,742	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	15,833,636	19,726,707	27,968,000	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1	47,667			1. LAND						1
2				2.						2
3	571,018			3. BUILDINGS						3
4				4.						4
5		549,965	2,560,000	5. TREATMENT PLANT						5
6				6.						6
7				7. PUMP STATIONS						7
8				8.						8
9			1,408,000	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	618,685	549,965	3,968,000	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	618,685	549,965	3,968,000	TOTAL	0		0	0	0	

**RESOURCES**

FORM LB-20

**SANITARY SEWER  
CONSTRUCTION FUND**  
FUND

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

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	10,457,833	15,488,968	27,002,274	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	30,690	108,556	268,700	4. INTEREST				4
5				5. OTHER RESOURCES				5
6				6. MONTHLY SERVICE CHARGE REVENUE				6
7				7. OPERATION PAYMENTS-CITIES				7
8				8. BOND SALE PROCEEDS				8
9				9. RENTAL INCOME				9
10	495,665	17,865	10,459,975	10. MISCELLANEOUS INCOME				10
11				11. SEWER CONNECTION CHARGE REVENUE				11
12				12. SPECIAL CONNECTION CHARGE REVENUE				12
13				13. CAPITAL OUTLAY PAYMENTS CITIES				13
14				14. PRINCIPAL NON-BONDED INSTALLMENT				14
15				15. INTEREST NON-BONDED INSTALLMENT				15
16				16. STATE GRANT (DEQ)				16
17				17. FEDERAL GRANT (EPA)				17
18				18. STATE LOAN				18
19				19. BONDS PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERIM FINANCING				21
22	7,000,000	14,800,000	16,000,000	22. TRANSFER FROM GENERAL FUND				22
23				23. TRANSFER FROM SDC FUND				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28. FROM OTHER ENTITIES				28
29	17,984,188	30,415,389	53,730,949	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	17,984,188	30,415,389	53,730,949	32. TOTAL RESOURCES	0	0	0	32

## EXPENDITURE SUMMARY

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

**SANITARY SEWER****CONSTRUCTION FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

**CLACKAMAS COUNTY SERVICE DISTRICT NO. 1**

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2017-2018	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				PERSONNEL SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL PERSONNEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1				1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	0	0	0	7. TOTAL MATERIALS AND SERVICES	0	0	0	7
				CAPITAL OUTLAY				
1	2,495,220	3,413,115	13,730,949	1.				1
2				2.				2
3				3.				3
4	2,495,220	3,413,115	13,730,949	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1			40,000,000	1.				1
2				2.				2
3				3.				3
4	0	0	40,000,000	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
	2,495,220	3,413,115	53,730,949	TOTAL EXPENDITURES	0	0	0	
	15,488,968	27,002,274	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	17,984,188	30,415,389	53,730,949	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1				1. LAND						1
2				2.						2
3				3. BUILDINGS						3
4				4.						4
5	2,140,322	2,525,046	10,410,000	5. TREATMENT PLANT						5
6				6.						6
7	29,407	0	410,949	7. PUMP STATIONS						7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11	118,276	407,211	2,200,000	11. TRUNKS & INTERCEPTORS						11
12				12.						12
13	207,215	480,858	710,000	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	2,495,220	3,413,115	13,730,949	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	2,495,220	3,413,115	13,730,949	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	4,658,632	5,834,749	7,065,700	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	18,921	49,359	64,100	4. INTEREST				4
5				5. OTHER RESOURCES				5
6	4,246,425	4,353,166	4,524,700	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	306,742	247,473	2,763,886	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	9,230,720	10,484,747	14,418,386	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	9,230,720	10,484,747	14,418,386	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				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	3,395,971	3,419,047	4,668,386	1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	3,395,971	3,419,047	4,668,386	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			9,750,000	1.				1
2				2.				2
3				3.				3
4	0	0	9,750,000	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
	3,395,971	3,419,047	14,418,386	TOTAL EXPENDITURES	0	0	0	
	5,834,749	7,065,700	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	9,230,720	10,484,747	14,418,386	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3	1,626,635	1,755,794	1,940,693	3. WES SERVICES						3
4	467,372	470,001	569,418	4. OTHER COUNTY SERVICES						4
5	353,384	404,039	1,090,422	5. PROFESSIONAL SERVICES						5
6	31,338	29,665	113,850	6. MISCELLANEOUS SERVICES						6
7	2,478,729	2,659,499	3,714,383	7. TOTAL SERVICES						7
8										8
9	68,176	57,560	142,045	9. SUPPLIES						9
10	0	0	0	10. SLUDGE DISPOSAL						10
11	1,593	1,376	4,649	11. UTILITIES						11
12	605,714	467,135	600,564	12. MISCELLANEOUS EXPENSE						12
13	241,759	233,477	206,745	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	3,395,971	3,419,047	4,668,386	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	3,395,971	3,419,047	4,668,386	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	1,444,226	1,689,105	1,788,278	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	5,703	13,628	17,800	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			609,422	10. MISCELLANEOUS INCOME				10
11	239,176	85,545	184,500	11. CONNECTION CHARGE REVENUE				11
12				12. SPECIAL CONNECTION CHARGE REVENUE				12
13				13. CAPITAL OUTLAY PAYMENTS CITIES				13
14				14. PRINCIPAL NON-BONDED INSTALLMENT				14
15				15. INTEREST NON-BONDED INSTALLMENT				15
16				16. STATE GRANT (DEQ)				16
17				17. FEDERAL GRANT (EPA)				17
18				18. STATE LOAN				18
19				19. BONDS PROCEEDS				19
20				20. INSURANCE PROCEEDS				20
21				21. INTERIM FINANCING				21
22				22.				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28. FROM OTHER ENTITIES				28
29	1,689,105	1,788,278	2,600,000	29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED	0	0	0	29
30				30. TAXES NECESSARY TO BALANCE BUDGET				30
31				31. TAXES COLLECTED IN YEAR LEVIED				31
32	1,689,105	1,788,278	2,600,000	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				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			200,000	1.				1
2				2.				2
3				3.				3
4	0	0	200,000	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1			2,400,000	1.				1
2				2.				2
3				3.				3
4	0	0	2,400,000	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	2,600,000	TOTAL EXPENDITURES	0	0	0	
	1,689,105	1,788,278	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	1,689,105	1,788,278	2,600,000	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1				1. LAND						1
2				2.						2
3				3. BUILDINGS						3
4				4.						4
5			200,000	5. TREATMENT PLANT						5
6				6.						6
7				7. PUMP STATIONS						7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11				11. TRUNKS & INTERCEPTORS						11
12				12.						12
13				13. EQUIPMENT CAPITAL						13
14				14.						14
15				15. MASTER PLANS/STUDIES						15
16				16.						16
17				17. ADMINISTRATION						17
18				18.						18
19				19. REMOVAL & REPLACEMENT						19
20				20.						20
21				21.						21
22				22.						22
23				23.						23
24				24.						24
25				25.						25
26				26.						26
27				27.						27
28				28.						28
29				29.						29
30				30.						30
31	0	0	200,000	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	0	0	200,000	TOTAL	0		0	0	0	

**RESOURCES**

FORM LB-20

**SURFACE WATER  
CONSTRUCTION FUND**  
FUND

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

	HISTORICAL DATA			RESOURCE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
1				BEGINNING FUND BALANCE:				1
2	4,407,268	4,234,389	4,131,597	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				2
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)				3
4	15,151	32,632	40,400	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	1,300,003	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	12,164	12,837	158,000	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	4,434,583	4,290,744	5,630,000	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
				31. TAXES COLLECTED IN YEAR LEVIED				
32	4,434,583	4,290,744	5,630,000	32. TOTAL RESOURCES	0	0	0	32



**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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				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	200,194	159,147	2,630,000	1.				1
2				2.				2
3				3.				3
4	200,194	159,147	2,630,000	4. TOTAL CAPITAL OUTLAY	0	0	0	4
				SPECIAL PAYMENTS				
1			3,000,000	1.				1
2				2.				2
3				3.				3
4	0	0	3,000,000	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
	200,194	159,147	5,630,000	TOTAL EXPENDITURES	0	0	0	
	4,234,389	4,131,597	0	UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	
	4,434,583	4,290,744	5,630,000	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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	200,194	159,147	2,630,000	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	200,194	159,147	2,630,000	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	200,194	159,147	2,630,000	TOTAL	0		0	0	0	

BONDED DEBT PAYMENTS ARE FOR:  
**STATE LOAN**

BONDED DEBT  
RESOURCES AND REQUIREMENTS

FORM LB-35

**DEBT SERVICE - STATE LOAN**  
FUND

**CLACKAMAS COUNTY SERVICE DISTRICT NO. 1**

	HISTORICAL DATA			DESCRIPTION OF RESOURCES AND REQUIREMENTS	BUDGET FOR NEXT YEAR 2018-2019				
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY		
	SECOND PRECEDING 2015-2016	FIRST PRECEDING 2016-2017							
	RESOURCES								
				BEGINNING FUND BALANCE:					
1				1. CASH ON HAND*(CASH BASIS), OR				1	
2	3,989,164	4,346,409	5,128,959	2. WORKING CAPITAL (ACCRUAL BASIS)				2	
3	793,768	706,662	208,000	3. PRINCIPAL COLLECTIONS				3	
4	173,494	152,894	100,000	4. INTEREST COLLECTIONS				4	
5	14,994	37,617	50,600	5. EARNINGS FROM TEMPORARY INVESTMENTS				5	
6		82	826,615	6. MISCELLANEOUS				6	
7		6,377,468		7. TRANSFER FROM REVENUE BOND FUND				7	
8	4,971,420	11,621,132	6,314,174	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	
	4,971,420	11,621,132	6,314,174	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	106,208	2. STATE LOAN R06224	09/01/17, 03/01/18			2	
3	297,138	6,290,582	0	3. STATE LOAN R22403				3	
4	403,346	6,396,790	106,208	4. TOTAL PRINCIPAL	0	0	0	4	
	BOND INTEREST PAYMENTS								
				ISSUE DATE	BUDGETED PAYMENT DATE				
1	0	0	0	1. STATE LOAN R22401				1	
2	9,028	8,497	7,966	2. STATE LOAN R06224				2	
3	212,637	86,886	0	3. STATE LOAN R22403				3	
4	221,665	95,383	7,966	4. TOTAL INTEREST	0	0	0	4	
	SPECIAL PAYMENTS								
1			1,200,000	1.				1	
2	0	0	1,200,000	2. TOTAL SPECIAL PAYMENTS	0	0	0	2	
	TRANSFERRED TO OTHER FUNDS								
1			5,000,000	1. TO REVENUE BOND FUND				1	
2	0	0	5,000,000	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.	4,346,409	5,128,959	0	5. TOTAL UAPPROPRIATED ENDING FUND BALANCE	0	0	0	5	
	4,971,420	11,621,132	6,314,174	TOTAL REQUIREMENTS	0	0	0		

BONDED DEBT  
RESOURCES AND REQUIREMENTS

BONDED DEBT PAYMENTS ARE FOR:  
**REVENUE BONDS**

**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 2018-2019		
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY
	SECOND PRECEDING 2015-2016	FIRST PRECEDING 2016-2017					
	RESOURCES						
				BEGINNING FUND BALANCE:			
1				1. CASH ON HAND*(CASH BASIS), OR			1
2	8,420,424	8,333,124	1,523,656	2. WORKING CAPITAL(ACCRUAL BASIS)			2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD			3
4	77,770	123,319	13,600	4. EARNINGS FROM TEMPORARY INVESTMENTS			4
5	6,911,725	106,088	6,400,000	5. TRANSFERRED FROM OTHER FUNDS			5
6		92,563,147		6. PROCEEDS FROM ADVANCE REFUNDING			6
			296,494	7. MISCELLANEOUS INCOME			
	19,517	20,394	15,000	8. INTEREST COLLECTIONS			
7	15,429,436	101,146,072	8,248,750	10. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED			7
8				11. TAXES NECESSARY TO BALANCE			8
9				12. TAXES COLLECTED IN YEAR LEVIED			9
	15,429,436	101,146,072	8,248,750	TOTAL RESOURCES	0	0	0
				REQUIREMENTS			
				BOND PRINCIPAL PAYMENTS			
				ISSUE DATE	BUDGETED PAYMENT DATE		
1	135,000	140,000	840,000	1. 2002A 06/04/02			1
2	0	0	0	2. 2002B 09/19/02			2
3	1,070,000	32,406,480	1,160,000	3. 2009A 03/04/09			3
4	1,270,000	36,741,025	1,360,000	4. 2009B 11/24/09			4
5	765,000	19,924,025	790,000	5. 2010 12/22/10			5
6	0	1,015,000	280,000	6. 2016 08/30/16			6
7	3,240,000	90,226,530	4,430,000	7. TOTAL PRINCIPAL	0	0	0 7
				BOND INTEREST PAYMENTS			
				ISSUE DATE	BUDGETED PAYMENT DATE		
1	49,589	43,400	35,119	1. 2002A 06/04/02			1
2	0	0	0	2. 2002B 09/19/02			2
3	1,372,643	200,799	53,700	3. 2009A 03/04/09			3
4	1,564,011	320,332	142,600	4. 2009B 11/24/09			4
5	870,069	205,718	110,450	5. 2010 12/22/10			5
6	0	2,248,169	2,976,881	6. 2016 08/30/16			6
7	3,856,312	3,018,418	3,318,750	7. TOTAL INTEREST	0	0	0 7
				SPECIAL PAYMENTS			
1			500,000	1.			1
2	0	0	500,000	2. TOTAL SPECIAL PAYMENTS	0	0	0 2
				TRANSFERRED TO OTHER FUNDS			
1		6,377,468	0	1. TO STATE LOAN FUND			1
2	0	6,377,468	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	8,333,124	1,523,656	0	6. UNAPPROPRIATED ENDING FUND BALANCE	0	0	0
	15,429,436	101,146,072	8,248,750	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
1				BEGINNING FUND BALANCE:				
2	3,196,684	4,233,289	0	1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
3				2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
4	13,659	37,933	0	3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
5				4. INTEREST				4
6	7,566,349	8,195,657	0	5. OTHER RESOURCES				5
7	5,673	1,049	0	6. MONTHLY SERVICE CHARGE REVENUE				6
8				7. OPERATION PAYMENTS-CITIES				7
9	171,610	179,610	0	8. BANCROFT BOND SALE PROCEEDS				8
10	84,301	107,481	0	9. RENTAL INCOME				9
11				10. MISCELLANEOUS INCOME				10
12				11. SYSTEM DEVELOPMENT CHARGE REVENUE				11
13				12. SPECIAL CONNECTION CHARGE REVENUE				12
14				13. CAPITAL OUTLAY PAYMENTS CITIES				13
15				14. PRINCIPAL NON-BONDED INSTALLMENT				14
16				15. INTEREST NON-BONDED INSTALLMENT				15
17				16. STATE GRANT (DEQ)				16
18				17. FEDERAL GRANT (EPA)				17
19				18. STATE LOAN				18
20				19. REVENUE BONDS PROCEEDS				19
21	321,158	354,963	0	20. INSURANCE PROCEEDS				20
22				21. INTERGOVERNMENTAL REVENUE				21
23				22. TRANSFER FROM OTHER FUNDS				22
24				23. CONTRIBUTION FROM CCSD NO. 1				23
25				24.				24
26				25.				25
27				26.				26
28				27.				27
29	11,359,434	13,109,982	0	28. FROM OTHER ENTITIES				28
30				29. TOTAL RESOURCES, EXCEPT TAXES TO BE LEVIED		0	0	29
31				30. TAXES NECESSARY TO BALANCE BUDGET				30
32				31. TAXES COLLECTED IN YEAR LEVIED				31
33	11,359,434	13,109,982	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

**TRI-CITY SERVICE DISTRICT**

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2017-2018	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				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 PERSONNHEL SERVICES	0	0	0	7
				MATERIALS AND SERVICES				
1	6,124,952	6,445,135	0	1.	0			1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	6,124,952	6,445,135	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	1,000,000	2,500,000	0	2. TO CONSTRUCTION FUND	0			2
3	1,193	0	0	3. TO DEBT FUNDS	0			3
				4.				
4			0	5. GENERAL OPERATING CONTINGENCY	0			4
5	1,001,193	2,500,000	0	6. TOTAL TRANSFERS & CONTINGENCY	0	0	0	5
	7,126,145	8,945,135	0	TOTAL EXPENDITURES	0	0	0	
	4,223,289	4,164,847	0	UNAPPROPRIATED ENDING FUND BALANCE	0			
	11,349,434	13,109,982	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3	2,681,797	2,729,043	0	3. WES SERVICES						3
4	468,916	502,346	0	4. OTHER COUNTY SERVICES						4
5	407,406	489,724	0	5. PROFESSIONAL SERVICES						5
6	119,836	69,936	0	6. MISCELLANEOUS SERVICES						6
7	3,677,955	3,791,049	0	7. TOTAL SERVICES	0		0			7
8										8
9	637,414	878,345	0	9. SUPPLIES						9
10	154,884	72,416	0	10. SLUDGE DISPOSAL						10
11	780,189	684,030	0	11. UTILITIES						11
12	677,157	770,376	0	12. MISCELLANEOUS EXPENSE						12
13	197,353	248,919	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	6,124,952	6,445,135	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	6,124,952	6,445,135	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	1,354,513	2,166,687	0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	6,434	18,827	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	853,737	976,273	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	2,214,684	3,161,787	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	2,214,684	3,161,787	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 2017-2018	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				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	47,997	392,567	0	1.	0			1
2				2.				2
3				3.				3
4	47,997	392,567	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
	47,997	392,567	0	TOTAL EXPENDITURES	0	0	0	
	2,166,687	2,769,220	0	UNAPPROPRIATED ENDING FUND BALANCE	0			
	2,214,684	3,161,787	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1	47,997	392,567		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	47,997	392,567	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	47,997	392,567	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	6,098,946	6,028,858	0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	20,484	43,962	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	33,446	0	10. MISCELLANEOUS INCOME				10
11				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	1,000,000	2,500,000	0	22. TRANSFERS FROM GENERAL FUND				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28. FROM OTHER ENTITIES				28
29	7,119,430	8,606,266	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	7,119,430	8,606,266	0	32. TOTAL RESOURCES	0	0	0	32



**EXPENDITURE SUMMARY**

FORM LB-30

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

**SANITARY SEWER**

**CONSTRUCTION FUND**

NAME OF ORGANIZATIONAL UNIT-FUND

**TRI-CITY SERVICE DISTRICT**

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2017-2018	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				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	1,090,572	438,513	0	1.	0			1
2				2.				2
3				3.				3
4	1,090,572	438,513	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
	1,090,572	438,513	0	TOTAL EXPENDITURES	0	0	0	
	6,028,858	8,167,753	0	UNAPPROPRIATED ENDING FUND BALANCE	0			
	7,119,430	8,606,266	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1				1. LAND						1
2				2.						2
3				3. BUILDING AND BLDG IMPROVEMENTS						3
4				4.						4
5	431,985	367,985	0	5. TREATMENT PLANT						5
6				6.						6
7	24,337	24,992	0	7. PUMP STATIONS						7
8				8.						8
9				9. FORCE MAINS						9
10				10.						10
11	541,397	24,536	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	92,853	21,000	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	1,090,572	438,513	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	1,090,572	438,513	0	TOTAL	0		0	0	0	

BONDED DEBT  
RESOURCES AND REQUIREMENTS

FORM LB-35

**DEBT SERVICE - STATE LOAN**  
FUND

**TRI-CITY SERVICE DISTRICT**  
(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA			DESCRIPTION OF RESOURCES AND REQUIREMENTS	BUDGET FOR NEXT YEAR 2018-2019				
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY		
	SECOND PRECEDING 2015-2016	FIRST PRECEDING 2016-2017							
	RESOURCES								
				BEGINNING FUND BALANCE:					
1				1. CASH ON HAND*(CASH BASIS), OR				1	
2	55,344	537	0	2. WORKING CAPITAL(ACCRUAL BASIS)				2	
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3	
4	193	4	0	4. EARNINGS FROM TEMPORARY INVESTMENTS				4	
5	1,193	0		5. TRANSFERRED FROM OTHER FUNDS				5	
6			0	6. MISCELLANEOUS INCOME				6	
7	56,730	541	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	
	56,730	541	0	TOTAL RESOURCES	0	0	0		
	REQUIREMENTS								
	BOND PRINCIPAL PAYMENTS								
				ISSUE DATE	BUDGETED PAYMENT DATE				
1	54,426	0	0	1. STATE LOAN	0	0	0	1	
2				2.				2	
3				3.				3	
4	54,426	0	0	4. TOTAL PRINCIPAL	0	0	0	4	
	BOND INTEREST PAYMENTS								
				ISSUE DATE	BUDGETED PAYMENT DATE				
1	1,767	0	0	1. STATE LOAN	0	0	0	1	
2				2.				2	
3				3.				3	
4	1,767	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	1	
2				2.				2	
3				3.				3	
4				4.				4	
5.	537	541	0	5. TOTAL UNAPPROPRIATED ENDING FUND BALANCE	0	0	0	5	
	56,730	541	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018		PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				BEGINNING FUND BALANCE:				
1				1. *AVAILABLE CASH ON HAND (CASH BASIS), OR				1
2	406,605	495,949	0	2. *NET WORKING CAPITAL (ACCRUAL BASIS)				2
3				3. PREVIOUSLY LEVIED TAXES ESTIMATED TO BE RECVD				3
4	1,679	4,227	0	4. INTEREST				4
5				5. OTHER RESOURCES				5
6	172,894	180,015	0	6. SERVICE ASSESSMENTS				6
7	18,370	16,482	0	7. PERMITS				7
8				8. GRANT REVENUE				8
9			0	9. MISCELLANEOUS INCOME				9
10				10.				10
11				11.				11
12				12.				12
13				13.				13
14				14.				14
15				15.				15
16				16.				16
17				17.				17
18				18.				18
19				19.				19
20				20.				20
21				21.				21
22				22.				22
23				23.				23
24				24.				24
25				25.				25
26				26.				26
27				27.				27
28				28.				28
29	599,548	696,673	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	599,548	696,673	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

**SURFACE WATER MANAGEMENT AGENCY  
OF CLACKAMAS COUNTY**

(NAME OF MUNICIPAL CORPORATION)

	HISTORICAL DATA		ADOPTED BUDGET THIS YEAR 2017-2018	EXPENDITURE DESCRIPTION	BUDGET FOR NEXT YEAR 2018-2019			
	ACTUAL				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017						
				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	103,599	134,240	0	1.				1
2				2.				2
3				3.				3
4				4.				4
5				5.				5
6				6.				6
7	103,599	134,240	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
	103,599	134,240	0	TOTAL EXPENDITURES	0	0	0	
	495,949	562,433	0	UNAPPROPRIATED ENDING FUND BALANCE	0			
	599,548	696,673	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 2018-2019			
	ACTUAL		ADOPTED BUDGET THIS YEAR 2017-2018				PROPOSED BY BUDGET OFFICER	APPROVED BY BUDGET COMMITTEE	ADOPTED BY GOVERNING BODY	
	SECOND PRECEDING YEAR 2015-2016	FIRST PRECEDING YEAR 2016-2017								
1				1. MATERIALS AND SERVICES:						1
2				2. SERVICES:						2
3	62,021	76,646	0	3. WES SERVICES						3
4	17,364	18,810	0	4. OTHER COUNTY SERVICES						4
5	10,172	18,193	0	5. PROFESSIONAL SERVICES						5
6	1,522	2,738	0	6. MISCELLANEOUS SERVICES						6
7	91,079	116,387	0	7. TOTAL SERVICES			0			7
8										8
9	2,461	1,321	0	9. SUPPLIES						9
10				10. SLUDGE DISPOSAL						10
11				11. UTILITIES						11
12	8,336	9,663	0	12. MISCELLANEOUS EXPENSE						12
13	1,723	6,869	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	103,599	134,240	0	31. TOTAL EXPENDITURES			0	0	0	31
32				32. UNAPPROPRIATED ENDING FUND BALANCE						32
	103,599	134,240	0	TOTAL			0	0	0	



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# Appendix



*Zig Zag River*



**SANITARY SEWER AND SURFACE WATER  
MONTHLY FEES COMPARISON  
FISCAL YEAR 2017-18**

<b>AGENCY OR CITY</b>	<b>SANITARY SEWER</b>	<b>SURFACE WATER</b>
Bend	\$ 59.89 **	\$ 5.30
Canby	\$ 46.20 *	\$ -
Clackamas County Service District No. 1	\$ 46.35 *	\$ 6.70
Clean Water Services	\$ 41.40 **	\$ 8.25
Eugene	\$ 38.30 **	\$ 14.43
Gladstone	\$ 32.85 *	\$ 5.00
Gresham	\$ 32.32 **	\$ 11.32
McMinnville	\$ 58.43 **	\$ -
Milwaukie	\$ 60.83 **	\$ 22.12
Oak Lodge Sanitary District	\$ 51.56 **	\$ 8.75
Oregon City	\$ 53.87 *	\$ 9.94
Portland	\$ 71.33 **	\$ 10.01
Salem	\$ 38.31 **	\$ 15.09
Springfield	\$ 50.40 **	\$ 14.58
West Linn	\$ 41.92 *	\$ 6.78
Wilsonville	\$ 64.09 **	\$ 9.95
Woodburn	\$ 61.94 **	\$ -
 Average Rate - All Agencies	 \$ 50.00	 \$ 10.59

Based on single family dwellings in  
Oregon communities.

\* Base rate

\*\* Base rate plus water consumption factor

## Water Environment Services Department Position Summary Schedules

<b>FTEs By Performance Clackamas Program</b>	<b>FY 2015-16 Actual <sup>(1)</sup></b>	<b>FY 2016-17 Actual</b>	<b>FY 2017-18 Budget</b>	<b>FY 2018-19 Proposed</b>
Account Services <sup>(3)</sup>	-	4.40	3.37	4.79
Administrative Services <sup>(3)</sup>	-	6.40	7.15	6.49
Asset Management <sup>(3)</sup>	-	8.03	7.93	8.35
Environmental Monitoring	-	9.33	8.28	6.07
Financial Management <sup>(3)</sup>	-	6.56	6.14	5.39
Office of the Director	-	7.24	6.88	5.94
Permit Services <sup>(3)</sup>	-	6.69	8.16	8.97
Capital Delivery <sup>(2)</sup>	-	4.69	7.37	8.05
Plant Operations and Maintenance <sup>(3)</sup>	-	15.64	14.86	31.22
Resource Recovery	-	9.82	8.66	7.52
Sanitary and Surface Water Maintenance <sup>(3)</sup>	-	20.96	20.23	12.65
Watershed Protection	-	6.24	6.97	4.56
<b>Totals</b>		<b>106.00</b>	<b>106.00</b>	<b>110.00</b>

(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 FY 2017-18

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

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

## 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.

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

**Non-Bonded Installment Fees** - Includes principal and interest payments for assessment districts funded by CCSD No. 1 reserves.

**Intergovernmental Revenues** - 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.

#### **Contributions from CCSD No. 1**

Reflects the inflow of resources from CCSD No. 1's funds into WES' funds to actuate the integration of CCSD No. 1 into the WES partnership on July 1, 2018.

#### **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.

**Repairs 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** - 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.

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

**Printing and Binding** - Includes printing for budgets, audits, newsletters, and various other documents.

**Insurance Expense** - 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.

**Repairs and Maintenance** - Includes all expenditures necessary for the maintenance and repair of equipment, structures, and property of WES.

**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.

**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. Special Payments were included in CCSD No. 1’s FY 2017-18 budget to facilitate the integration of the district into the WES partnership.

### **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

**CCSD1** - Clackamas County Service District No. 1

**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

**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

**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

**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

**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

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

**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 separated wastewater and stormwater systems.

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

**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 1<sup>st</sup> through June 30<sup>th</sup> for CCSD No. 1 and 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 the CCSD No. 1's and 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.

**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.





