

BUDGET DOCUMENT FY 2014-2015



Prepared by:

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BUDGET MESSAGE 2014-2015

June 23, 2014

To: The Clackamas River Water Budget Committee

We are pleased to present the Clackamas River Water (CRW or District) budget for fiscal year 2014-2015. This budget and message are focused on requirements to meet our core mission, Board priorities, and District strategic focus. This message and budget are submitted for consideration under the Oregon Revised Statutes Chapter 294. The budget has been prepared on the modified accrual basis of accounting by staff and management, with emphasis on the necessary costs to deliver water, bill customers, collect receivables, and coordinate all operational and administrative aspects of the District.

Some changes in this budget presentation include an additional overview section that includes history of the formation of the District and some demographics of the customer base, District and region. We hope this document provides information about District operations that assist in understanding your water provider.

Organizational Strategic Planning and Key Initiatives:

CRW's strategic planning has four key focal points:

- Customers
- Assets
- Workforce
- Process

Our customer focus includes assurance that the water delivered to each customer is the highest

quality and meets all State and Federal Clean Water standards. We also strive to ensure uninterrupted flow of water from the river to your faucet, with bi-monthly bills based on rates determined to meet the Districts operational and infrastructure needs today and into the future.

Our focus on key assets includes ongoing maintenance of all resources required to operate the District. This includes buildings, vehicles,

reservoirs, pump stations, transmission lines, etc. We work to keep all assets in excellent working order capable of performing the function they are designed for. District policies also include internal controls to ensure safeguarding of assets such as cash and cash equivalents. Our internal controls include separation of duties, review and oversight, and timely recording and reporting of activity.

CRW has a highly skilled workforce with certifications in their specialties and the District's annual budget provides funding for continuing education and renewal of certification. This provides assurance that our employees have current knowledge in their fields of expertise. Additionally, five of the 40 employees at CRW have over 25 years of service with the District and eight more have over 15 years of service. The longevity of CRW staff provides a great deal of institutional knowledge, yet the District has

also brought in newer employees with expertise in different areas that provide a great benefit to the District and will be valuable in our partnership with Sunrise Water Authority.

CRW also focuses on process to ensure that we meet or exceed state and federal water quality requirements and that all our actions are in compliance with laws, rules and regulations that govern the operation of a special district in the State of Oregon. Focusing on process has provided cost savings as well. For example development of contract templates saves time and legal review, while ensuring compliance with Oregon procurement laws and regulations. Process also ensures timely filing of required financial, water quality and budget documents and reports, as well as public meeting notices.

Board Initiatives and Priorities:

The CRW Board of Commissioners has developed specific goals for the current and upcoming year. This proposed budget addresses those priorities in a variety of ways.

- To begin the developing and implementing the intergovernmental agreements with Sunrise Water Authority (SWA).
 - The ORS 190 agreement between CRW and SWA was signed by both parties in November 2013. The Clackamas Regional Water Supply Commission (CRWSC) was created and Board members were appointed by CRW and SWA. The approved biennial budget for CRWSC was adopted May 12, 2014 as approved by the CRWSC budget committee and each Board.
 - Wholesale water purchases by SWA from CRW will be accounted for within the CRWSC agency.
 - Both CRW and SWA have entered into intergovernmental agreements with the City of Happy Valley for providing water service to businesses and residents of Happy Valley that are also within the boundaries of CRW or SWA.
- Continue the development of agreements with the City of Milwaukie.
 - Talks with Milwaukie are ongoing and at this time there are no budgeted costs included in fiscal year 2014-15 with the exception of the intergovernmental agreement for the City of Milwaukie to provide maintenance services for CRW's vehicles and equipment.
- Continue the development of agreements with the City of Oregon City.

 CRW continues work on identifying properties that have been annexed by Oregon City but not withdrawn from CRW territory.

- Oregon City has implemented a Right of Way (ROW) usage fee that has an impact on CRW directly and indirectly through our purchase of water from South Fork Water Board.
 Dollars related to the ROW usage fee are included in this budget.
- Update, orient, and verify revisions to CRW's strategic planning activities with CRW staff and Board. CRW strategic planning includes focus on Customers, Key Assets, Workforce, and Process as described above. Additionally, Board priorities and goals will be addressed in light of District strategic plans.
- Align operations plan to attain improve cohesiveness with strategic planning document.
- Identify both short and long term capital projects that need to be completed within the next five to ten years:
 - Carver Bridge Transmission Main proposed budget \$454,000
 - 2015 Master Plan to be completed by in house staff for development of the Water Master Plan.
 - Emergency Inter-tie Study for east side water suppliers with Portland (regional resource) – proposed budget of \$25,000 combined with equal amounts from Oak Lodge Water District, South Fork Water Board and SWA.

The District Board and staff are establishing long-range plans to develop our infrastructure in order to provide stability of service for our customers in years to come. The 2015 Water Master Plan will continue these efforts by identifying capital projects that meet the needs of the District and serving as a road map for improvements to the District's infrastructure.

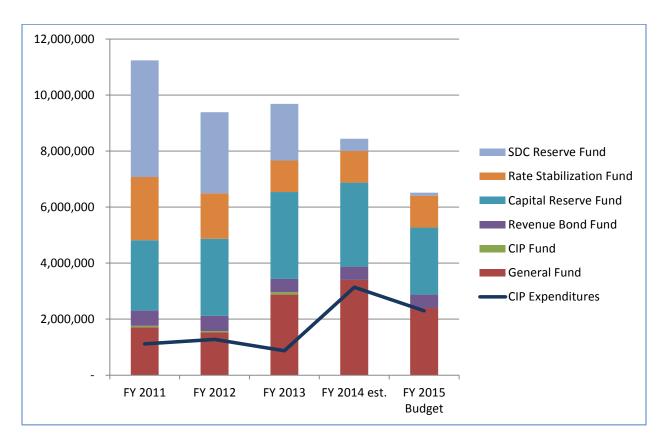
Financial Policies

The District continues to work toward full implementation of financial reserve policies approved by the Board of Commissioners in April 2013. Those policies state that CRW will maintain:

- \$500,000 contingency to cover costs of unknowns that occur after the budget is approved. This balance has proved to be sufficient in nearly all cases. The contingency is not discretionary, so any use of this budget appropriation must be approved by the Board and transferred to Personnel Services, Materials and Services or Capital Outlay prior to spending the funds.
- General Fund beginning fund balance equal to 90 days of operating expenses, with a target of \$1,919,000 for this budget year. This provides for covering operations until cash is collected from our customers for water usage.
- Transfer to Capital Reserve Fund approximately equal to annual depreciation expense. The goal is to transfer to Capital Reserve for future Capital Improvement Projects (CIP) ensuring that the District has sufficient funds to complete projects as needed. The policy recommends a transfer of \$1,750,000 per year from the General Fund to the Capital Reserve Fund. The District was transferring \$500,000 per year and is gradually increasing the transfer to meet the policy. This budget proposes a transfer of \$1,250,000.

The transfers to Capital Reserve for fiscal years 2013 and 2014 were \$500,000 and \$750,000 respectively; and the use of Capital Reserve dollars for CIP projects was \$165,000 and \$455,000. That provided a net increase to the "savings account" of \$630,000. This budget draws down Capital Reserves by \$619,000. In spite of the increase in transfers, CIP projects needs call for \$1,869,000 in Capital Reserve funds, because of the reduction of SDC Reserve balance. There have been transfers

from the SDC Reserve Fund to the CIP Fund of \$3,500,000 from FY 2011 through FY 2013 while only \$448,000 of SDC revenue was generated in the same time period. As the SDC Reserve Fund diminishes the General Fund will be fully responsible for debt service payments and the Capital Reserve Fund will need to cover CIP costs.



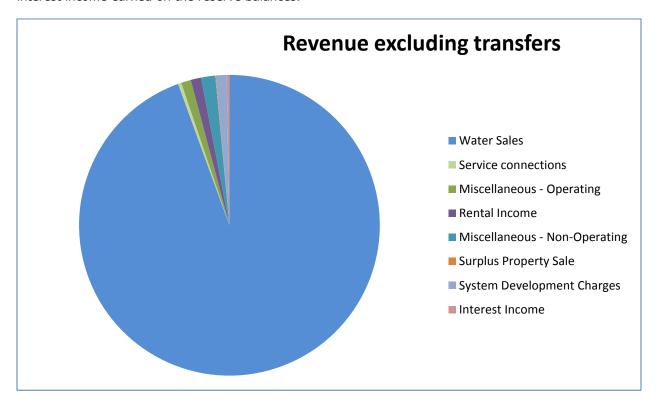
In conformance with General Fund balance policy, it's District's policy to have operating revenues (primarily water sales) pay for operating expenditures. Any variance to this policy would be specifically identified in the budget and would be for one-time expenditures. Ongoing operations should not spend down the General Fund reserve balance. This proposed budget estimates \$8,975,000 in wholesale and retail water sales and \$7,837,039 in operating expenditures and \$406,000 for Capital Outlay. Additionally, the General Fund will transfer \$455,555 to the Revenue Bond Fund for debt payments and \$1,250,000 to the Capital Reserve Fund for current and future District infrastructure projects.

In March 2014 the Board of Commissioners approved a multi-year rate plan to meet financial policies, to provide certainty of the District's revenue stream and cash flow, and to provide funding for CIP projects over the next eight years. The plan also includes potential borrowing of revenue bonds for larger projects, providing a blend of pay-as-you-go with long-term debt.

Proposed Annual Budget Summary

Revenue Excluding Transfers

The District's operating revenue is comprised primarily of water rate revenue from our wholesale and retail customers. Water sales provide for 96% of the District's total revenue. Additionally we have rental income from leasing office space in the administration building to VCA Northwest Veterinary Specialists, and some grant funding for the boat ramp at Riverside Park. Revenue is recorded in the General Fund, the CRWSC Activity Fund, and the System Development Charges Reserve Fund. Other funds generate interest income earned on the reserve balances.



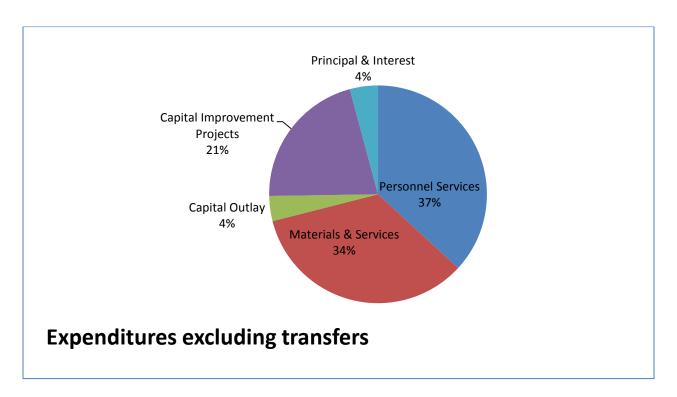
The following are estimated revenues in this proposed budget:

•	Water Sales – retail	\$8,200,000
•	Water Sales – Wholesale	775,000
•	Service connection fees	33,600
•	Miscellaneous – Operating	40,000
•	Rental Income	105,900
•	Miscellaneous - Non-operating	44,200
•	Surplus Property Sales	5,000
•	System Development Charges	110,100
•	Interest Income	28,100

Expenditures Excluding Transfers

Operating Expenditures are comprised of Personnel Service and Materials and Services. CRW staffing levels remain the same at 39.2 full-time equivalents. Staffing is distributed across five departments: Water Resources, Operations, Finance Accounting and Customer Service (FACS), Engineering, and Administration. A portion of the General Manager's salary and the Human Resources Generalist/Senior Executive Assistant's salary is charged to the Board of Commissioner's department.

Additionally, we include Capital Outlay in the General Fund budget for items that exceed the capital threshold of \$5,000 and that have an expected useful life greater than one year. The Capital Outlay descriptions and budget, along with information on expected Capital Outlay over the next four years, is provided in the Supplement section of this budget. All of the CIP fund expenditures are Capital Outlay. The CIP costs include allocation of internal labor, contracted services, and purchased materials.



Materials and Services expenditures in the General Fund are broken into several categories and comprise costs necessary for operation of the District:

- Customer Services include bad debt, customer statement processing, credit card processing fees, promotional items and public notices.
- Facilities and Security includes assessments and taxes, building and grounds maintenance, and security.
- General Administration is made up of bank fees, insurance and insurance risk pool, and dues and memberships.
- Materials include inventory and maintenance supplies.

• Office expenditures include office supplies, postage, printing and miscellaneous. For fiscal year 2014-2015 this category budgets the May 2015 Board of Commissioner's election.

- Other support costs include books and publications, certifications, employee relations, medical exams, payroll processing fees, protective clothing, safety and health, training and local travel.
- Professional and Contracted Services include the cost of the annual audit, contract work (such as meter reading), engineer and legal service, and maps.
- Equipment includes computers, peripherals and software, small tools, vehicle and equipment maintenance, equipment rental, and maintenance agreements.
- Utilities include telecommunications, gas, electric, water, sewer, surface water, and garbage services.
- Water Purchases and Treatment includes permits, telemetry, water purchases, watershed management, and water treatment and analysis.

Eighty-seven percent (\$3,330,000) of the Materials and Services budget of \$3,810,700 is externally and internally mandated. The balance of the budgeted Materials and Services, \$480,700 is based on customer expectations and industry best practices. Less than 15% of the CRW materials and service costs are discretionary.

The District issued \$7,990,000 in bonded debt in November 1999 and refunded that debt to gain a lower interest rate in November 2009. The outstanding balance of the revenue bonds is \$2,875,066 and will be paid off in November 2019. The current year debt service payment is \$455,555 made up of \$360,000 in principal and \$95,555 in interest.

Capital Improvement Plan and Relationship to Annual Budget

The CIP Fund is separate from General Fund activities and is based upon the Water Master Plan, District needs, and projects of other jurisdictions that affect CRW infrastructure. Many projects cross over fiscal years. We have provided prior and future year estimates of CIP costs (for ongoing projects) as well as total project costs. The fiscal year 2014-2015 budget includes estimates for this time-frame only, based on internal and external labor, materials and overhead. The internal labor is transferred from General Fund Personnel Services to the CIP Fund. If internal labor isn't used, Personnel Services remain within the General Fund.

Individual projects are chosen based upon initial identification of deficiencies/needs, prioritization of needs using specific evaluation criteria, and/or the project's prerequisite position in the overall plan. The projects are listed in the CIP Fund budget. Projects may be shifted from one

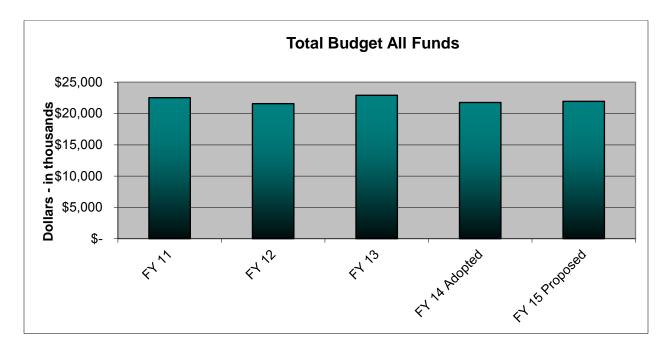
year to another and/or change amount. Often these changes are dictated to us by construction activities of overlapping jurisdictions. Changes for capital projects are the norm and not capricious in nature.

The total budget for CIP for fiscal year 2014-2015 is \$2,300,000. The Carver Bridge waterline project continues with Phase 2 and will be completed in line with the County's schedule for construction of the bridge. The majority of CIP projects for this fiscal year pertain to Clackamas County road projects and related waterline work. Waterline relocations or adjustments are addressed in conjunction with road projects to avoid conflict with maintenance or repair of CRW waterlines in the future. CIP expenditures within the District are funded with SDC Reserves and Capital Reserves which are funded by water rates.

Concluding Thoughts and Future Planning

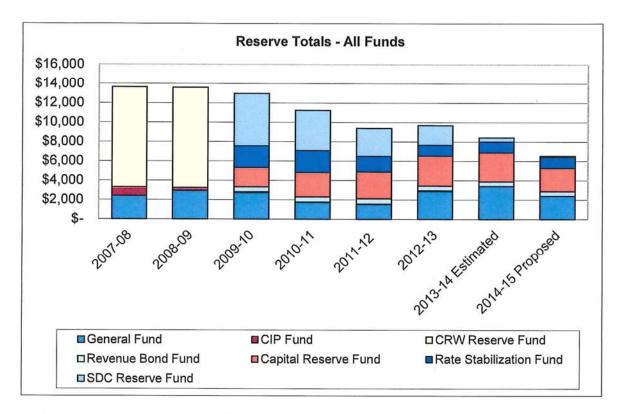
During budget preparation we considered the impact of a variety of factors affecting the District's costs and ability to provide service: regional economy, capital needs of the District, Board of Commissioner's priorities, District financial policies, estimated water sales, other

potential monetary resources, creation of the Clackamas Regional Water Supply Commission, known cost increases, and forecasted weather patterns. The total budget remains essentially the same after review of these factors.



The impact of the water rate increase will allow for capital improvements within the District and slow reduction in the reserve balance, but won't turn the balance around in the first year. Improvements are needed to ensure flow of water from the river to your faucet 24 hours a day, 365 days a year. Many of the projects are included in the Board of Commissioner's goals and priorities and will be pursued in the next several years. Significant dollars have been spent on CIP in past years for the emergency generator project to ensure continued operation of the water treatment plant should there be an extended power outage. That project is wrapping up by the end of fiscal year 2013-2014. Total project costs are estimated to be within budget.

In the past CRW could anticipate sufficient SDC reserves to cover appropriate CIP costs, but development within the District has slowed due to the economic downturn, and zoning within the District. There is little developable property within the District and land-use and zoning limit expansion and infill – particularly for residential development. In the future, as the SDC Reserve balance is used up, capital improvement projects will be funded with water rates from the General Fund and potentially from issuance of revenue bonds. Reserve balances have gone from \$13,663,000 in fiscal year 2007-2008 to a projected \$6,523,000 by the end of fiscal 2014-2015. This is a reduction of \$7,140,000 over the past eight years. Capital Improvement projects have totaled \$12,634,000 including proposed budget.



Looking forward, the implementation of the Clackamas Regional Water Supply Commission (CRWSC) should provide opportunities to share resources and reduce costs as we gain additional efficiencies in daily operations.

Acknowledgements

The creation of this budget document is an organization-wide effort. Managers and staff provided input and analysis of their departmental needs and are responsible for

executing the activities budgeted herein. We want to acknowledge the staff for their resourcefulness and expertise used in preparing this budget.

We would also like to thank the members of the Budget Committee, comprised of the Board of Commissioners and citizen members, for your time, dedication, and continuing support and thoughtful analysis of the issues facing the District.

Sincerely,

Lee E Moore, Sr

General Manager

Carol Bryck, CPFO, CTP

Carol tonjek

Budget Officer

Chief Financial Officer



GOVERNING BODY UNDER ORS 264.410
BOARD OF COMMISSIONERS
16770 SE 82ND DRIVE, P.O. BOX 2439, CLACKAMAS, OREGON 97015
503-722-9220, crwater.com

Our Mission:

We will provide high quality, safe drinking water to our customers at rates consistent with responsible planning for the long term health of our district.

BUDGET COMMITTEE MEMBERS

Board of Commissioners

Larry Sowa, President
Kenneth Humberston, Secretary
Hugh Kalani, Treasurer
Grafton Sterling, Commissioner
David McNeel, Commissioner

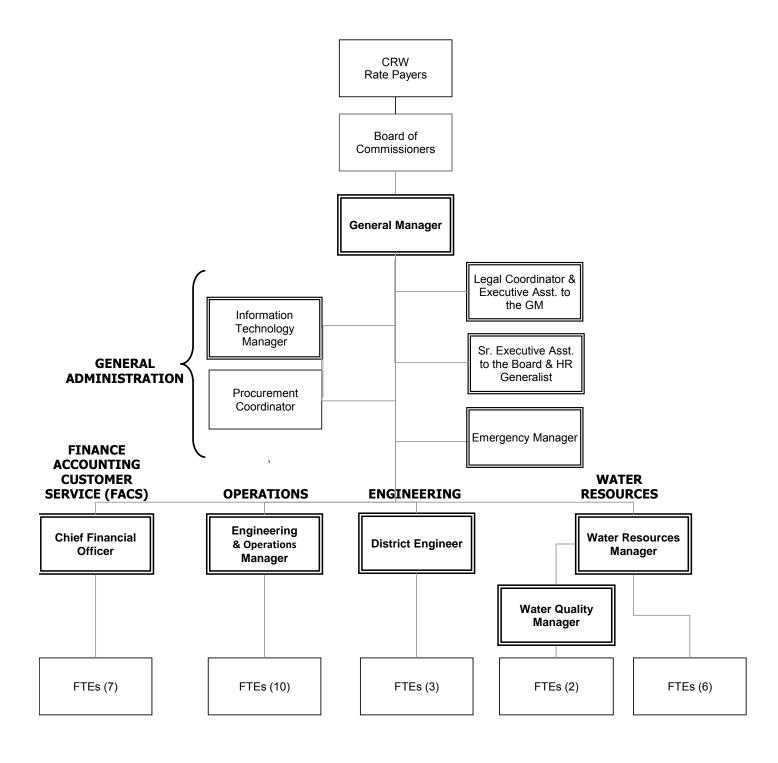
District Citizens

Cyndi Lewis-Wolfram
Pat Russell
Barbara Kemper
Gary Kerr
William Blanas

LEADERSHIP TEAM

Lee E. Moore, Sr., General Manager
Carol Bryck, Chief Finance Officer
Robert George, District Engineer
Rob Cummings, Production Manager
Donn Bunyard, Emergency Manager
Kham Keobounnam, Information Technology Manager
Adam Bjournstedt, Engineering/Operations Manager
Suzanne DeLorenzo, Water Quality Manager
Adora Campbell, HR Generalist/Sr. Executive Assistant

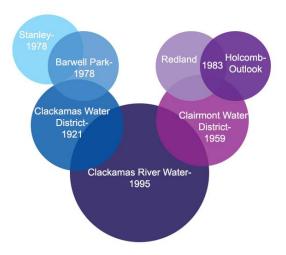
Organizational Structure



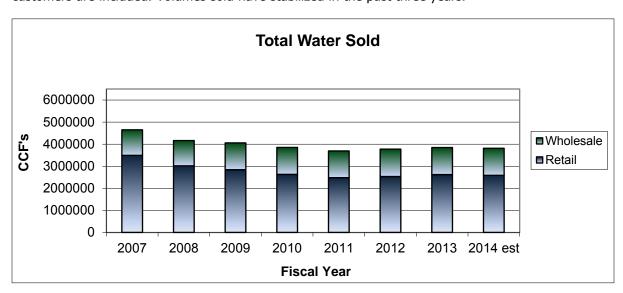
CLACKAMAS RIVER WATER

AT A GLANCE...

Clackamas River Water is organized as a domestic water supply district under the provisions of Oregon Revised Statues Chapter 264. CRW was created in July 1995 by the consolidation of the Clackamas Water District and Clairmont Water District.



CRW serves customers primarily in unincorporated Clackamas County, although some of our customers live within the limits of the City of Oregon City, City of Milwaukie, and the City of Happy Valley. In addition to providing retail service within its jurisdictional boundaries, CRW also serves Sunrise Water Authority on a wholesale basis. A population of up to 80,000 people is served when the wholesale customers are included. Volumes sold have stabilized in the past three years.



Water is sold to various types of customers. Our residential customers reside in single family homes, duplexes, multiplexes, apartment complexes, trailer parks/mobile home parks, and condominiums. Commercial accounts include business parks, retail stores, restaurants, office buildings, medical offices, etc. Industrial accounts generally manufacture or create goods. Fire service accounts are specific meters installed for fire protection of a commercial or industrial space. All other types of accounts are listed as Other and could include schools, churches, and governmental facilities. The following chart shows the numbers of the different types of accounts over the past ten fiscal years.

	ACCOUNTS BY CUSTOMER TYPE											
Fiscal Year Ended June 30	Residential	Multi- Family /Trailer Parks	Commercial	Industrial	Fire Service	Other	Total					
2013	10,612	222	802	52	328	153	12,169					
2012	11,595	229	800	57	328	182	13,191					
2011	11,495	235	820	55	327	184	13,116					
2010	11,484	230	815	56	324	184	13,093					
2009	11,371	235	822	55	317	184	12,984					
2008	11,391	234	834	59	304	184	13,006					
2007	11,468	246	817	56	311	227	13,125					
2006	11,529	252	776	59	329	194	13,139					
2005	11,469	250	730	59	321	197	13,026					
2004	11,481	239	574	58	315	158	12,825					

The District is organized into six departments:

- **The Board of Commissioners** consists of five elected members who represent ratepayers that physically reside within the boundaries of Clackamas River Water. The Board hires and oversees the General Manager, determines policies and regulations for the District and monitors compliance, and approves the operating and capital budgets. In addition to regular executive meetings, special meetings, and work sessions, the Board meets each month to consider District business.
- Administration includes information systems/technology support, emergency management, procurement of materials and services, security systems, safety and health reporting and administration, human resources, and insurance administration. The General Manager is responsible for the overall operations of the District with policy guidance from the Board of Commissioners.
- Water Resources is responsible for production of water, meeting water quality standards, maintenance of the water treatment plant and pump stations, as well as purchasing wholesale water for sale to CRW retail customers.

• **Operations** is responsible for maintaining the distribution system for delivery of finished water from the plant to individual service connections. They also take care of valve, meter and hydrant maintenance, reading commercial meters and reading residential meters for customers moving in or out of the District.

- **Engineering** provides professional technical support related to the District's water system. They also manage AutoCAD (Computer Aided Drawing) and the Geographic Information System (GIS), mapping and inventory database, and the hydraulic model of our water system. Engineering is also responsible for the development, design, and construction oversight of the Capital Improvement Program.
- Finance, Accounting, and Customer Service (FACS) creates and sends bi-monthly bills, accepts and records payments, responds to customer questions and concerns regarding their bill or water service. FACS also creates this budget document and the Comprehensive Annual Financial Report (CAFR), monitors and reconciles expenditures accounts, processes payroll and vendor payments, provides data and information to independent auditors, and oversees records and document management.

Water Treatment Plant 50th Anniversary

The CRW water treatment plant will celebrate its 50th anniversary in 2014 with a history of exceptional operation and high quality water production. This direct filtration plant was brought on-line in August 1964. The plant is well-constructed and has been well maintained and operated since inception. There have been no water quality violations in the plants 50 years of operation; organizational treatment goals that meet or exceed federal and state regulations ensure that water quality is never compromised.

Awards *Budget:* The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Distinguished Budget Presentation Award to CRW for its Adopted Budget for the fiscal year ended June 30, 2014. This award is the highest form of recognition in governmental budgeting and reflects a commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity must satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as a policy document, financial plan, operations guide and a communications device. Budget documents must be rated proficient in all four categories, and the fourteen mandatory criteria with those categories, to receive the award.

A Distinguished Budget Presentation Award is valid for a period of one year only. We believe that our current Adopted Budget for fiscal year 2014-2015 continues to meet the Distinguished Budget Presentation Awards program requirements and will again submit it to the GFOA to determine its eligibility for another certificate.



Comprehensive Annual Financial Report: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to CRW for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program requirements and will again submit it to the GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

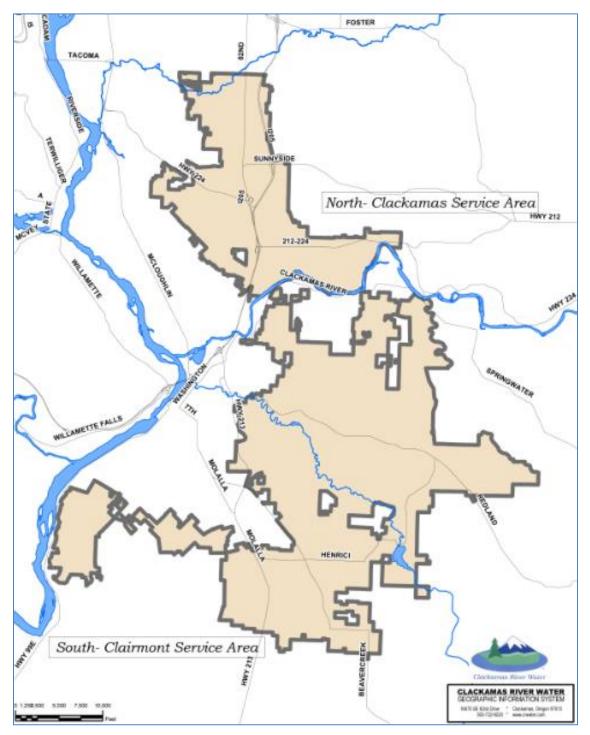
Clackamas River Water Oregon

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Service Area Map of the Clackamas River Water District Clackamas County, Oregon



Clackamas River Water has two service areas. Customers in the Clackamas (North) Service Area receive water from the Clackamas River. Customers in our Clairmont (South) Service Area receive water that comes from the Clackamas River and is purchased from South Fork Water Board.

Financial Policies

The District has formal written financial policies which provide direction and procedures. Included are some of the financial policies of the District.

Financial Reserves and Contingency Policy

- 1. Operating reserves or working capital for the General Fund should be maintained between sixty (60) and ninety (90) days worth of personnel services and material and services expenditures.
- 2. Operating contingency for the General Fund to be maintained at not less than \$500,000 for unplanned and unanticipated expenditures.
- 3. System replacement funding for system upgrades, maintenance, or replacement of District waterlines, and other District assets to be maintained at \$1,750,000, but not less than \$500,000 from water sales revenue.

Internal Control Policy

- Responsibility for the overall establishment and maintenance of sound internal controls within Clackamas River Water (the District) resides with the General Manager. The General Manager sets a positive tone at the top that instills integrity, builds control consciousness among employees, and fosters shared ethical values and teamwork in pursuit of the District objectives.
- Responsibility for the establishment and maintenance of sound internal controls at the individual department levels resides with the department heads. The department heads ensure that shared ethical values, including integrity, are established, communicated, and practiced throughout the District.

Department and work unit heads are responsible for conducting business activities and developing and maintaining policies and procedures consistent with good internal control and good business practices.

Cash Management

- 1. The District maintains an effective system of cash management that anticipates cash needs and plans adequately to satisfy them.
- 2. In order to prevent or detect error, fraud or omission, District receipts and disbursements of money are accurately and completely accounted for and adequately controlled.

Investments

 The primary investment objective for the District is to invest available cash according to established policies, while providing appropriate levels of safety, liquidity, and yield, in that order. Performance against this objective is monitored on an ongoing basis. The prospect of credit risk or risk of permanent loss is avoided. The portfolio is diversified in order to minimize risk exposures.

Financial Policies (continued)

Financial Statements

1. GASB Statement 55 incorporates the hierarchy of Generally Accepted Accounting Principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature. The District utilizes this hierarchy of accounting principle sources in the preparation of its financial statements to ensure adequate and appropriate presentation in conformity with GAAP.

2. In an effort to provide accurate, quality and useful information to its customers and public, and to evidence the spirit of transparency and full disclosure, the District continually strives for excellence in preparation and presentation of its financial activities and position, and annually submits its Comprehensive Annual Financial Report (CAFR) to the Governmental Finance Officers Association (GFOA) for review.

Revenue, Receipts & Collections

- 1. In order to adequately safeguard assets and to positively impact cash flow, it is the policy of the District to promptly and accurately collect amounts due, to issue credits to customers when credits are due, and to write off amounts due when collectability is unlikely or not cost effective. Payments and credits to customer accounts must be properly managed to protect the integrity of the accounting record, to safeguard receipts, and to avoid disputes with customers. The District ensures that its accounting and financial management systems are adequate to properly identify, claim, record, collect and report all revenue in a timely and effective manner.
- 2. In order to prevent or detect error, fraud or omission, receipts of money are accurately and completely accounted for and adequately controlled.

Capital Assets

- 1. The District effectively and efficiently safeguards District capital assets and controls the use of such assets through utilization of proper internal controls in accordance with Generally Accepted Auditing Standards (GAAS).
- 2. The District, through compliance with Generally Accepted Accounting Principles (GAAP), records, collects and maintains appropriate and complete documentation of assets (noting existence, initial cost, depreciation and obsolescence) to ensure adequate valuation for management planning, reporting, budgeting and insurance purposes.
- 3. The District promotes the best use of all capital assets, avoiding waste, duplication and inefficiency.

Financial Policies (continued)

Risk Management

1. The District and its employees are responsible for ensuring that District operations, programs, activities, and policies are conducted in a manner that considers risk of loss or injury in order to provide the maximum protection to District assets, both human and property, and prevent fiscal loss.

- 2. In order to reduce risk potential and associated losses, the District risk management efforts:
 - · Identify risks,
 - Evaluate risk potential,
 - Select the best risk management techniques to mitigate and manage risks while minimizing unnecessary impacts to essential District activities, and
 - Monitor and evaluate the results.

Summary of All Funds FY 2014-15 Adopted Budget

			Revenue	Capital	Rate	CRWSC	SDC	
	General	CIP	Bond	Reserve	Stabilization	Activit	Reserve	TOTAL
	Fund	Fund	Fund	Fund	Reserve Fund	y Funa	Fund	TOTAL
Revenues and other sources:								
Water Sales	\$ 8,200	\$ -	\$ -	\$ -	\$ -	\$ 775	\$ -	\$ 8,975
Other Operating	134	-	-	-	-			134
Non-Operating	162	-	2	12	6	100	111	393
Transfers in	875	2,299	455	1,250	-	80	-	4,959
Total Revenues	9,371	2,299	457	1,262	6	955	111	14,461
Expenditures and other uses:								
Personnel Services	4,021	-	-	-	-		-	4,021
Materials & Services	3,659	-	-	-	-	72	-	3,731
Capital Outlay	406	2,300	-	_	-	8	-	2,714
Debt Service	-	-	455	-	-		-	455
Transfers to other funds	1,785	-	-	1,869	-	875	430	4,959
Contingency	500	-	-	-	-		-	500
Total Expenditures	10,371	2,300	455	1,869	-	955	430	16,380
Excess (Deficiency) of								
Revenues over Expenditures	(1,000)	(1)	2	(607)	6	-	(319)	(1,919)
Beginning Working Capital	\$ 3,400	\$ 1	\$ 476	\$ 3,000	\$ 1,130	\$ -	\$ 430	\$ 8,437
Ending Working Capital	\$ 2,400	\$ -	\$ 478	\$ 2,393	\$ 1,136	\$ -	\$ 111	\$ 6,518

Total proposed budget in thousands

Transfers in and Transfers to other funds must equal.

Transfers to CIP Fund are from SDC Reserve and Capital Reserve funds to fund capital projects.

Transfers to Revenue Bond Fund from General Fund for debt payment.

Transfers To Capital Reserve Fund from General Fund is for future capital purchases.

Transfers to CRWSC Activity Fund from General Fund is for ORS 190 agreement with Sunrise Water Authority.

Transfers to General Fund from CRWSC Activity Fund is for wholesale water sales and other shared resources with Sunrise Water Authority through the ORS 190 agreement.

FY 2014-15 Changes in Fund Balance

Fund	Beginning Balance	Resources	Requirement s	Ending Balance	Percent Change in Fund Balance	Dollar Change in Fund Balance
General	\$ 3,400,000	\$ 9,371,000	\$ 10,371,494	\$2,399,506	-29.4%	\$(1,000,494)
CIP	1,000	2,299,000	2,300,000	-	-100.0%	(1,000)
Revenue Bond	476,000	457,555	455,555	478,000	0.4%	2,000
Rate Stabilization						
Reserve	1,130,000	5,700	-	1,135,700	0.5%	5,700
Capital Reserve	3,000,000	1,262,000	1,869,000	2,393,000	-20.2%	(607,000)
110001110	3/000/000	1/202/000	2,003,000	2,030,000	2012 70	(007,000)
CRWSC Activity	-	954,600	954,600	-	N/A	-
SDC Reserve	430,000	111,200	430,000	111,200	-74.1%	(318,800)
	\$ 8,437,000	\$14,461,055	\$ 16,380,649	\$6,517,406	-22.8%	\$(1,919,594)

This table depicts the estimated budgeted fund balance at July 1, 2014, the budgeted revenues and expenditures for FY 2014-15 and the projected ending fund balance at June 30, 2015.

General Fund decrease in fund balance is a result of additional transfers to CRW Reserve Fund for future capital projects.

CIP Fund decrease in fund balance is planned use of all resources for capital projects.

Capital Reserve Fund decrease in fund balance is planned transfers to CIP Fund for capital project funding.

CRWSC Activity Fund is a new fund created March 13, 2014.

SDC Reserve Fund decrease in fund balance is planned transfers to CIP Fund for SDC eligible capital project funding.

Summary of Transfers FY 2014-15 Adopted Budget

(Total proposed budget in thousands)

	Transfers In		Tra	nsfers Out
General Fund	\$	375	\$	1,785
CIP Fund	2,3	299		-
CRWSC Activity Fund		80		875
Capital Reserve Fund	1,3	250		1,869
SDC Reserve Fund		-		430
Revenue Bond Fund	•	455		-
	\$ 4,	959	\$	4,959

Recap of Transfers in All Funds

General Fund

Transfers In: CRWSC Activity Fund Wholesale Water Sales

Transfers Out: Captial Reserve Fund Future Capital Project Funding

CRWSC Activity Fund Commission Funding
Revenue Bond Fund Payment of Bonded Debt

CIP Fund

Transfers In: Captial Reserve Fund Current Year Capital Project Funding

SDC Reserve Fund Current Year Capital Project Funding

CRWSC Activity Fund

Transfers In: General Fund Commission Funding
Transfers Out: General Fund Wholesales Water Sales

Capital Reserve Fund

Transfers In: General Fund Future Capital Project Funding

Transfers Out: CIP Fund Current Year Capital Project Funding

SDC Reserve Fund

Transfers Out: CIP Fund Current Year Capital Project Funding

Revenue Bond Fund

Transfers In: General Fund Payment of Bonded Debt

Additional detail available in Appendix Section

GENERAL FUND

Resources and requirements of the General Fund budget are equal, creating a balanced fund. Resources include Beginning Fund Balance or Working Capital, Revenue from water sales, other sources, and Transfers from other funds. Requirements include Unappropriated Fund Balance, Transfers to Other Funds, and Expenditures.

General Fund revenue is sufficient to cover the budgeted General Fund expenditures. Revenue from water sales is estimated at \$8.2 million with \$296,000 from other sources as identified below. Expenditures are budgeted at \$8.1 million.

The General Fund records revenue for direct water sales, system connections, service charges, as well as non-operating income for rental of building space, interest earnings, and sale of scrap, excess vehicles and equipment.

The General Fund expenditures cover cost of personnel, materials and services for day to day operations, and capital outlay purchases for assets that last longer than one year and exceed the threshold purchase price of \$5,000.

Highlights

- The General Fund includes a transfer from the Clackamas Regional Water Supply Commission (CRWSC) Activity Fund (new fund in FY 2013-14) for wholesale water sales and shared resources.
- One time expenditures included in the FY 2014-15 Adoped budget equal \$181,200.

Did you know?

- CRW is celebrating the water treatment plant's 50th anniversary in August 2014.
- The CRW water treatment plant is rated to produce 30-million gallons a day (MGD).
- CRW has no General Obligation Debt funded by property tax.



GENERAL FUND RESOURCES

Summary	ACTUAL	ACTUAL	ADOPTED	PROPOSED	APPROVED	ADOPTED
Summary	2011-12	2012-13	2013-14	2014-15	2014-15	2014-15
RESOURCES						
Beginning Fund Balances	\$ 1,713,429	\$ 1,524,804	\$ 2,100,000	\$ 3,400,000	\$ 3,400,000	\$ 3,400,000
Water Sales	6,760,994	8,035,375	8,100,000	8,200,000	8,200,000	8,200,000
Other Operating Resources	161,269	180,218	132,400	133,600	133,600	133,600
Non-Operating Resources	215,027	319,305	149,000	162,400	162,400	162,400
Transfers	644,000	500,000	-	875,000	875,000	875,000
TOTAL RESOURCES	\$ 9,494,719	\$ 10,559,702	\$ 10,481,400	\$12,771,000	\$12,771,000	\$ 12,771,000

What is New?

The Board of Commissioners approved a rate plan on March 31, 2014 effective May 1, 2014. This is an eight-year plan designed to provide resources to meet fiscal policies and district infrastructure needs. Revenue from this action has been included in this budget.

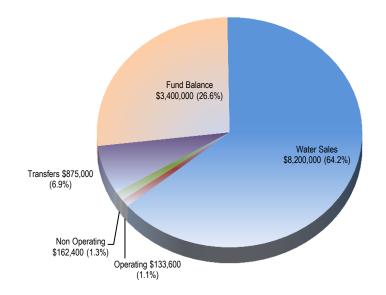
Transfers are from the CRWSC Activity Fund for Wholesale Water Sales and other resource sharing activities.

Revenues are forecast based on similar consumption as the prior year due to limited new development within the District.

General Fund's resources by major category:

Where the money comes from...

- Water Sales
- Service Connections
- Service Charges
- Miscellaneous Operating revenue related to, but not direct water sales, transmission, or production
- Rental Income
- Miscellaneous Non-Operating
 - Services other than water production
 - Surplus Property Sales
- Interest Income
- Transfers



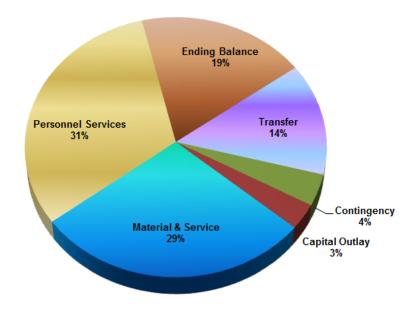
GENERAL FUND REQUIREMENTS

G	ACTUAL	ACTUAL	ADOPTED	PROPOSED	APPROVED	ADOPTED
Summary	2011-12	2012-13	2013-14	2014-15	2014-15	2014-15
REQUIREMENTS						
Personnel Services	\$ 3,731,925	\$ 3,729,841	\$ 4,024,926	\$ 4,021,339	\$ 4,021,339	\$ 4,021,339
Materials & Services	3,127,685	3,105,279	3,471,900	3,654,000	3,654,000	3,654,000
Capital Outlay	334,780	145,148	227,800	406,000	406,000	406,000
Transfers to Other Funds	775,526	704,508	964,674	1,785,155	1,785,155	1,785,155
Contingency	-	-	500,000	500,000	500,000	500,000
Unappropriated Ending Fund Bal	1,524,804	2,874,926	1,292,100	2,404,506	2,404,506	2,404,506
TOTAL REQUIREMENTS	\$ 9,494,719	\$ 10,559,702	\$ 10,481,400	\$ 12,771,000	\$ 12,771,000	\$ 12,771,000

Expenditures

- Staffing remains at FY 2013-14 levels
- Materials & Services include increases in:
 - emergency management program
 - o equipment rental for productivity enhancement
 - o phase two of computer upgrades
 - o media communication
- Capital Outlay includes pump rebuilds at WTP and pump stations, equipment replacements, and service vehicle and HVAC replacements
- Transfers to Other Funds increases future reserves for capital improvements, full bond debt payment, and funding for CRWSC activities
- Operating Contingency is for unplanned and unanticipated expenditures
- Ending Fund Balance maintains adequate reserves to meet District needs and compliance with fiscal policies

General Fund's requirements by major category:



REFERENCE TO EXPENDITURE ACCOUNTS INCLUDED IN SUMMARIZED GROUPINGS

In the following pages, the General Fund requirements are summarized into the following groupings:

Customer Services – Costs directly related to customers such as statement processing, public notices, credit card payment processing fees, collection of past due accounts, and conservation education.

- Bad Debt
- Credit Card Processing Fees
- Collection Expenses
- Customer Credit Allowance

- Customer Statement Processing
- Promotional Items
- Public Notices

Facilities & Security – Costs related to facility maintenance, security of the District, taxes due to private use, and assessments.

- Assessments & Taxes
- Building & Grounds Maintenance

Security

General Administration – Costs related to general liability insurance, service fees, dues and memberships in organizations that benefit the District.

- Bank Charges
- Insurance

- Dues & Memberships
- Insurance Deductible

Materials – Costs for material inventory and maintenance supplies needed for installing meters and maintaining the distribution system.

Inventory

Maintenance Supplies

Office – Costs related to office supplies, and printing and mailing forms and documents.

- Office Supplies
- Postage

- Printing
- Miscellaneous

Other Support Costs – Costs related to maintaining employees' safety and skills.

- Books & Publications
- Certifications
- Employee Relations
- Medical Exams
- Payroll Processing Fees

- Protective Clothing
- Safety & Health
- Training
- Travel-Local

Professional & Contracted Services – Costs related to professional and contracted services that are not provided by employees. Examples include attorneys, consultants, and meter reading.

- Audit
- Contract Work
- Engineer Service

- Legal
- Maps

Equipment – Costs related to equipment used by the District to maintain the distribution system and water treatment plant, computer systems, general office equipment and District vehicles.

- Computers, Peripherals & Software
- Equipment Maintenance
- Equipment Rental

- Maintenance Agreements
- Small Tools & Equipment
- Vehicle Maintenance

Utilities – Costs related to communication, power, heating and cooling of District facilities.

Telecommunications

Utilities

Water Purchases & Treatment – Costs related to preparing and supplying water for customer usage and maintaining the watershed.

- Permits
- Telemetry
- Water Purchases

- Watershed Management
- Water Treatment & Analysis

GENERAL FUND EXPENDITURES

The District's General Fund adopted budget includes all necessary appropriations for the fiscal year as well as unappropriated reserves. Total appropriations include expenditure categories for district-wide spending of Personnel Services, Materials and Services, Capital Outlay and Transfers, as well as the non-spendable Contingency category.

This budget includes increases in Transfers to the Capital Reserve Fund and CRW Activity Fund, expenditures for emergency management activity, contract work for media communications, paving and

disposal of spoils, a service vehicle, pump rebuilds and/or replacement, and increases the unappropriated fund balance to meet fiscal policies.

Personnel Services decrease .1 percent, Materials and Services increase 5.2 percent and Capital Outlays increase 78.2 percent. Other Requirements include Transfers and Contingency which increase by 56.0 percent and Unappropriated Fund Balance, which increases by 86.1 percent.

Poquiromonto	ACTUAL	ACTUAL	/	ADOPTED	PROPOSED		Α	PPROVED	/	ADOPTED
Requirements	2011-12	2012-13		2013-14		2014-15	2014-15			2014-15
PERSONNEL SERVICES										
FTE Positions	39.0	39.2		39.2		39.2		39.2		39.2
Salaries and Wages	\$ 2,429,650	\$ 2,430,216	\$	2,480,403	\$	2,622,018	\$	2,622,018	\$	2,622,018
Benefits and Taxes	1,302,273	1,299,625		1,544,523		1,399,321		1,399,321		1,399,321
TOTAL PERSONNEL SERVICES	\$ 3,731,924	\$ 3,729,841	\$	4,024,926	\$	4,021,339	\$	4,021,339	\$	4,021,339
MATERIALS & SERVICES										
Customer Services	107,398	72,002		84,500		88,800		88,800		88,800
Other Support Costs	64,199	62,426		104,600		122,400		122,400		122,400
Facilities & Security	301,564	240,502		277,200		253,300		253,300		253,300
General Administration	245,225	310,904		401,400		396,900		396,900		396,900
Materials	136,665	99,592		124,300		134,500		134,500		134,500
Office	64,346	70,536		78,000		80,800		80,800		80,800
Professional & Contracted Services	681,816	554,004		631,300		668,000		668,000		668,000
Overhead Reimbursement	(182,837)	(121,928)		(201,400)		(156,700)		(156,700)		(156,700)
Equipment	239,662	217,630		309,400		356,100		356,100		356,100
Utilities	619,969	634,716		660,100		667,600		667,600		667,600
Water Purchases & Treatment	849,677	924,893		1,002,500		1,042,300		1,042,300		1,042,300
TOTAL MATERIALS & SERVICES	\$ 3,127,685	\$ 3,065,278	\$	3,471,900	\$	3,654,000	\$	3,654,000	\$	3,654,000
CAPITAL OUTLAY										
Improvements	312,777	82,579		112,800		117,000		117,000		117,000
Vehicles	· -	-		· -		160,000		160,000		160,000
General Equipment & Tools	-	13,456		8,000		72,000		72,000		72,000
Laboratory Equipment	-	-		50,000		-		-		-
Computer Equipment	-	-		12,000		12,000		12,000		12,000
Other	22,002	49,113		45,000		45,000		45,000		45,000
TOTAL CAPITAL OUTLAY	\$ 334,780	\$ 145,149	\$	227,800	\$	406,000	\$	406,000	\$	406,000
OTHER REQUIREMENTS	2,300,330	3,579,434		2,756,774		4,689,661		4,689,661		4,689,661
TOTAL REQUIREMENTS	\$ 9,494,719	\$ 10,519,702	\$	10,481,400	\$	12,771,000	\$	12,771,000	\$	12,771,000

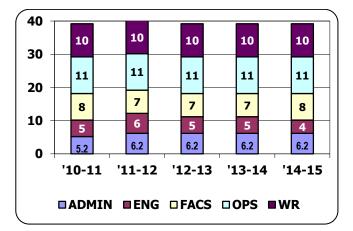
GENERAL FUND

Personnel Services:

Personnel Services decrease \$3,587, while Full Time Equivalent positions remain unchanged from the prior fiscal year.

Salary and Wages increase from the prior year due to a decrease in allocation to Capital projects in the CIP Fund and step increases for eligible employees.

Benefits and Taxes decrease due to a reduction in the PERS rate to be paid by the District for employees. This decrease is partially offset by anticipated increases in health insurance costs.



Materials & Services:

Materials & Services increase by \$181,100 over the prior fiscal year.

Customer Services (CS) expenditure category increases \$4,300 from the prior fiscal year due to planned activities for the 50th anniversary of the water treatment plan in August 2014.

Other Support Costs (Other) expenditure category increases \$17,800 from the prior fiscal year due to additional training to support employee development.

Facilities and Security (Facility) expenditure category decreases \$23,900 from the prior fiscal year due to moving emergency management activity to professional and contracted services.

General Administration (General) expenditure category decreases \$4,500 over the prior fiscal year due to reductions in the general liability and property insurance rates.

Materials expenditure category increases \$10,200 from the prior fiscal year due to anticipated meter replacements and change outs.

Office expenditure category increases \$2,800 from the prior fiscal year due to election verification costs offset by decreases in printing costs.

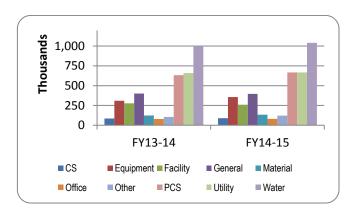
Professional and Contracted Services (PCS) expenditure category increases \$36,700 due to planning for the regional emergency intertie and survey work.

Overhead Reimbursement expenditure category decreases \$44,700 from the prior fiscal year due to decreased allocation of labor for capital projects in the CIP Fund.

Equipment expenditure category increases \$46,700 from the prior fiscal year due to a hydro-excavator lease .

Utilities expenditure category increases \$7,500 from the prior fiscal year due to planned electrical rate increase by PGE.

Water Purchases and Treatment (Water) expenditure category increases \$39,800 from the prior fiscal year due to an increase in water purchases from South Fork Water Board resulting from the shut down of Well No 1.



Capital Outlay:

Capital Outlay increases \$178,200 from the prior fiscal year. A listing and description of Capital Outlay planned for this fiscal year can be found in the Supplemental section.

Capital Outlay items are expenditures that result in the acquisition of, or addition to, capital assets and cost \$5,000 or more, with a useful life of one year or longer. Typically these items are one-time purchases. The Water Resources department has recurring purchases for the SCADA system server and pump rebuilds. The Operations department has recurring purchases for three inch and larger meter replacements.

Other Requirements:

Other Requirements increase by \$1,932,887 from the prior fiscal year and include Transfers to Other Funds, Contingency and Unappropriated Fund Balance.

Transfers to Other Funds increases \$820,481 from the prior fiscal year. Transfers include the Revenue Bond Fund for the full payment of principle and interest of the 2009 Revenue Bonds, the CRWSC Activity Fund for CRW's share of the ORS190 agreement with SWA and the Capital Reserve Fund for capital improvements to District assets.

Contingency remains at \$500,000 as budgeted in the prior fiscal year and meets our fiscal policy.

Unappropriated Fund Balance increases \$1,112,406 from the prior fiscal year and meets our fiscal policy.

BOARD OF COMMISSIONERS

Overview:

The Clackamas River Water Board of Commissioners has retained unto itself the authority and responsibility to develop and monitor compliance with Board policies, to provide appropriate financial resources needed for the daily and long term operation of the district, and to hire and oversee the General Manager's performance to ensure that ratepayers are receiving the best value from the District resources.

The Board of Commissioners has adopted the boardmanager form of government and has vested in the General Manager the authority and responsibility to manage the daily operations of the District.

The Board of Commissioner's budget covers the expenses needed to perform their duties as elected officials. A portion of Clackamas River Water's managerial expenses are allocated to the Board to cover personnel services required for management support to the Board of Commissioners.

Did you know?

Members of Clackamas River Water's Board of Commissioners must physically reside within the boundaries of Clackamas River Water and are elected to represent ratepayers of the District.

Commissioners of Clackamas River Water serve fouryear terms, with at least two board member positions up for election every two years.

Board members are volunteers who have expressed an interest in serving their community.

The Board is required by Oregon Law to meet at least once a month to carry out the business of the District.

The Clackamas Regional Water Supply Commission was formed November 2013 between Clackamas River Water and Sunrise Water Authority as one step in developing improved relationships regionally that can benefit all ratepayers in the region.

Board of Commissioners Goals

The Board of Commissioners has adopted several goals for CRW:

- To provide safe drinking water that is aesthetically pleasing, high quality, and at rates that support the maintenance, planning and continued support for the District's long-term viability.
- To protect the ratepayers' assets by providing certainty of the District's boundaries as annexations occur with neighboring cities.
- To develop an emergency intertie with the City of Portland to ensure a water supply for the region in the event the Clackamas River is compromised.
- To plan strategically with a focus on customers, key assets, workforce and process, while aligning with budget priorities and operational activities.
- To monitor and protect key water rights and ensure a water supply for future needs.

Position	Actual	Actual	Adopted	Adopted
	2011-12	2012-13	2013-14	2014-15
General Manager	0.30	0.30	0.30	0.30
Sr. Executive Asst/HR Generalist	0.40	0.50	0.50	0.50
	0.70	0.80	0.80	0.80

Total Requirements

\$ 181,798 \$ 182,102 \$ 144,169 \$ 132,403

BOARD OF COMMISSIONERS

Requirements	A	CTUAL	ACTUAL		P	ADOPTED	PF	ROPOSED	AF	APPROVED		DOPTED
Requirements	2	2011-12	:	2012-13		2013-14	- :	2014-15	2	2014-15	2	2014-15
PERSONNEL SERVICES												
FTE Positions		0.7		0.8		0.8		0.8		0.8		0.8
Salaries	\$	99,216	\$	110,405	\$	124,335	\$	86,609	\$	86,609	\$	86,609
Benefits and Taxes		207		652		734		19,694		19,694		19,694
TOTAL PERSONNEL SERVICES	\$	99,423	\$	111,057	\$	125,069	\$	106,303	\$	106,303	\$	106,303
MATERIALS & SERVICES												
Customer Services		6,132		4,012		7,200		7,100		7,100		7,100
Other Support Costs		3,481		1,389		3,500		5,000		5,000		5,000
Facilities & Security		2,310		756		=		-		-		-
General Administration		1,378		28,082		6,300		7,900		7,900		7,900
Office		1,635		328		500		6,100		6,100		6,100
Professional & Contracted Services		65,512		35,875		-		-		-		-
Equipment		548		168		-		-		-		-
Utilities		1,379		435		1,600		-		-		-
TOTAL MATERIALS & SERVICES	\$	82,375	\$	71,045	\$	19,100	\$	26,100	\$	26,100	\$	26,100
DEPARTMENT TOTAL	\$	181,798	\$	182,102	\$	144,169	\$	132,403	\$	132,403	\$	132,403

Summary of Department's Adopted Budget

The adopted budget for the Board of Commissioners totals \$132,403, a decrease of \$11,766 compared to the 2013-14 adopted budget. Highlights of the FY 2014-15 adopted budget include:

- Personnel Services includes:
 - Commissioner stipends
 - o Allocation of payroll from Administration for activities to support the Board of Commissioners
- Materials & Services increase \$7,000 due to:
 - o Insurance cost increases for directors and officials liability
 - o Office expense, election verification costs for May 2015
 - o Increase for commissioner training and local travel costs

Please see Oregon Budget Law required reports located in the Appendix section.

WATER RESOURCES

Overview

Water Resources is responsible for the District's water sources including treating, filtering and pumping water from the treatment plant or buying water from agencies. Water is diverted from the Clackamas River and pumps move water from the source to the plant to be filtered and treated. Processed water is stored at the clear well before pumping it into the distribution system for storage at reservoirs or on to our wholesale, commercial, industrial and residential customers. CRW also purchases water from South Fork Water Board for delivery to customers located south of the Clackamas River.

Water Resources ensures compliance with the Safe Drinking Water Act, and federal and state water quality requirements through sample testing and analysis. The District's laboratory is qualified to perform coliform bacteria testing of water samples. In addition to our needs, the laboratory performs coliform bacteria testing for other entities.

Did you know?

The Water Treatment Plant began operations August 1964. We are celebrating 50 years of providing pure clean water to our customers.

School presentations and activities are two ways we are teaching water conservation to the next generation.

Water Resources operates, monitors and maintains 10 pumping stations and 14 reservoirs within the District.

Water quality includes performing systematic and targeted water system flushing and monitoring.

Water Resources Goals

Meet or exceed federal and state water quality requirements.

Provide information about the quality of our water to our customers through the Consumer Confidence Report (CCR).

Maintain accreditation of the CRW laboratory to perform coliform analysis.

Continue to test new treatment chemical combinations and process monitoring to save chemicals, reduce residuals and optimize the use of equipment.

Full Time Equivalent Positions

Position	Actual 2011-12	Actual 2012-13	Adopted 2013-14	Adopted 2014-15
Water Resources Manager	1.00	1.00	1.00	1.00
Water Quality/Lab Manager	1.00	1.00	1.00	1.00
Lead Maintenance Technician	1.00	1.00	1.00	1.00
Water Quality Technician	2.00	2.00	2.00	2.00
Water Treatment Operator	2.00	2.00	2.00	2.00
Water Treatment Process Specialist	3.00	3.00	3.00	3.00
	10.00	10.00	10.00	10.00

Total Requirements

\$ 2,717,715 \$ 2,661,614 \$ 2,877,696 \$ 3,023,722

WATER RESOURCES

Doguiromonto	ACTUAL	ACTUAL	,	ADOPTED	Р	ROPOSED	Α	PPROVED	/	ADOPTED
Requirements	2011-12	2012-13		2013-14	2014-15		2014-15			2014-15
PERSONNEL SERVICES										
FTE Positions	10.0	10.0		10.0		10.0		10.0		10.0
Salaries and Wages	\$ 646,638	\$ 660,271	\$	643,783	\$	683,758	\$	683,758	\$	683,758
Benefits and Taxes	333,646	326,932		370,113		367,964		367,964		367,964
TOTAL PERSONNEL SERVICES	\$ 980,284	\$ 987,203	\$	1,013,896	\$	1,051,722	\$	1,051,722	\$	1,051,722
MATERIALS & SERVICES										
Customer Services	-	375		200		13,200		13,200		13,200
Other Support Costs	10,665	6,076		16,700		21,600		21,600		21,600
Facilities & Security	57,429	50,180		57,900		81,300		81,300		81,300
General Administration	10,510	10,072		12,000		40,300		40,300		40,300
Materials	238	152		-		-		-		-
Office	8,162	4,774		8,900		10,200		10,200		10,200
Professional & Contracted Services	19,101	39,461		54,100		43,100		43,100		43,100
Equipment	37,663	49,323		66,800		65,900		65,900		65,900
Utilities	484,460	518,580		527,500		534,900		534,900		534,900
Water Purchases & Treatment	848,826	924,893		1,000,700		1,040,500		1,040,500		1,040,500
TOTAL MATERIALS & SERVICES	\$ 1,477,054	\$ 1,603,886	\$	1,744,800	\$	1,851,000	\$	1,851,000	\$	1,851,000
CAPITAL OUTLAY										
Improvements	260,377	57,069		49,000		87,000		87,000		87,000
General Equipment & Tools	200,011	13,456		8,000		22,000		22,000		22,000
Laboratory Equipment	_			50,000		,000		,000		
Computer Equipment	-	_		12,000		12,000		12,000		12,000
TOTAL CAPITAL OUTLAY	\$ 260,377	\$ 70,525	\$	119,000	\$	121,000	\$	121,000	\$	121,000
	 ,	 	т			-,		-,		-,
DEPARTMENT TOTAL	\$ 2,717,715	\$ 2,661,614	\$	2,877,696	\$	3,023,722	\$	3,023,722	\$	3,023,722

Summary of Department's Adopted Budget

The adopted budget for Water Resources totals \$3,023,722, an increase of \$146,026 as compared to the 2013-14 adopted budget. Highlights of the FY 2014-15 adopted budget include:

- Personal Services increases \$37,826 due to:
 - o Decreased labor allocations to capital improvement projects at the water treatment plant
 - o Changes in employee demographics as it relates to health insurance coverage
- Materials & Services increases \$106,200 due to:
 - Increased water volume purchases from South Fork Water Board to replace water which had been supplied by Well No 1
 - o Greater allocation of building and grounds maintenance
 - o Conservation activity through promotional events and dues in CRWP moved from Administration
 - o Offset by reduced engineering service by reliance on internal expertise for plant optimization
- Capital Outlay increases \$2,000 due to:
 - o Pump rebuilds or replacement at the Water Treatment Plant and pump stations
 - First floor coating at the Water Treatment Plant
 - See listing of Capital Outlay expenditures on page S 2 and S 3

OPERATIONS

Overview

The Operations department has responsibilities for the water distribution system and the customers of CRW. That responsibility requires specific activities to occur to ensure system repair, preventative maintenance is performed to prolong asset life, and taking steps to ensure the effective operation of the distribution system.

Primary activities include installation, maintenance, replacement or repair:

- Distribution lines and transmission mains
- Fire hydrants
- Water system valves
- Water meters for commercial and residential customers.

Other activities include water line locates for proposed excavations, leak detection to reduce water loss, meter reading, administration of the cross connection control program to prevent backflow of non-potable water into the distribution system, and coordination of fleet maintenance.

Operations Goals

To perform all activities within the distribution system at a level that meets or exceeds internal and external customer needs, government regulations and AWWA standards.

Did you know?

Large commercial and industrial meters are tested every year to ensure accuracy of usage.

Leaks are hard to detect, only 1 out of 3 system leaks can be seen.

To keep our water safe for drinking, backflow prevention assemblies are required anywhere cross contamination might occur in order to comply with Oregon Health Authority rules and regulations.

Position	Actual	Actual	Adopted	Adopted
POSICION	2011-12	2012-13	2013-14	2014-15
Operations Manager	1.00	1.00	1.00	-
Engineering/Operations Manager				1.00
Sr. Water Work Mechanic	2.00	2.00	2.00	2.00
Water Works Mechanic III	2.00	2.00	2.00	2.00
Water Works Mechanic II	4.00	4.00	5.00	6.00
Water Works Mechanic I	2.00	2.00	1.00	-
	11.00	11.00	11.00	11.00

Total Requirements

\$1,420,671 \$1,401,961 \$1,579,112 \$1,756,183

OPERATIONS

Requirements		ACTUAL		ACTUAL	1	ADOPTED	Р	ROPOSED	Α	PPROVED	ŀ	ADOPTED
noquilonionio		2011-12		2012-13		2013-14		2014-15		2014-15		2014-15
PERSONNEL SERVICES												
FTE Positions		11.0		11.0		11.0		11.0		11.0		11.0
Salaries and Wages	\$	634,754	\$	662,637	\$	680,404	\$	711,322	\$	711,322		\$662,083
Benefits and Taxes		367,565		368,096		424,408		398,319	·	398,319		366,200
TOTAL PERSONNEL SERVICES	\$	1,002,320	\$	1,030,733	\$	1,104,812	\$	1,109,641	\$	1,109,641	\$	1,028,283
MATERIALS & SERVICES												
Other Support Costs		8,032		11,026		12,200		11,600		11,600		11,600
Facilities & Security		47,190		11,947		6,300		6,500		6,500		6,500
General Administration		6,690		9,457		13,900		12,700		12,700		12,700
Materials		136,364		99,441		124,300		134,500		134,500		134,500
Office		1,726		1,245		-		2,900		2,900		2,900
Professional & Contracted Services		85,489		80,936		140,400		135,400		135,400		135,400
Overhead Reimbursement		1,946		20,757		-		-		-		-
Equipment		108,326		87,305		131,700		168,300		168,300		168,300
Water Purchases & Treatment		587		-		500		1,000		1,000		1,000
TOTAL MATERIALS & SERVICES	\$	396,349	\$	322,115	\$	429,300	\$	472,900	\$	472,900	\$	472,900
CAPITAL OUTLAY												
Improvements		_		_		18,800		_		_		_
Vehicles		_		_		-		160,000		160,000		160,000
General Equipment & Tools		-		_		_		50,000		50,000		50,000
Other		22,002		49,113		45,000		45,000		45,000		45,000
TOTAL CAPITAL OUTLAY	\$	22,002	\$	49,113	\$	63,800	\$	255,000	\$		\$	255,000
DEDARTMENT TOTAL	¢	1 420 674	Ĉ.	1 404 064	¢.	1 507 042	Ĉ.	1 027 5/4	Ĉ.	1 027 544	Ĉ.	1 750 400
DEPARTMENT TOTAL	\$	1,420,671	\$	1,401,961	\$	1,597,912	\$	1,837,541	\$	1,837,541	\$	1,756,18

Summary of Department's Adopted Budget

The adopted budget for Operations totals \$1,756,183, an increase of \$158,271 as compared to the 2013-14 adopted budget. Highlights of the FY 2014-15 adopted budget include:

- Personnel Services decreases \$76,529 due to:
 - o Combined Engineering Manager & Operations Manager into one position
 - o Increase labor allocation to CIP Fund for capital projects
 - o PERS rate decreased for FY 2014-15 due to legislation
- Materials & Services increases \$43,600 due to:
 - o Equipment rental for installation and repairs of meters and distribution system
 - o Materials for system maintenance or repairs
- Capital Outlay increases \$191,200 due to:
 - Service truck(s) replacement
 - See listing of Capital Outlay expenditures on page S 2 and S 3

FINANCE, ACCOUNTING & CUSTOMER SERVICE

Overview

The Finance, Accounting & Customer Service (FACS) department manages the utility billing and accounting computer systems, provides customer service to the public including processes payments to vendors and employees, tracks expenditures on capital projects, prepares reports on fiscal activities, provides advice and assistance to operating departments on financial and budget administration matters.

Annually FACS prepares the Comprehensive Annual Financial Report (CAFR), works with the external auditors, reviews water rates for retail and wholesale customers, and prepares the annual District budget in coordination with all departments, our Board of Commissioners, and Budget Committee.

FACS prepares water billing statements and collects the payments that generate revenue for the District to run and maintain the district water treatment plant and distribution system.

FACS also ensures fiscal compliance to our debt bond holders, customers and as required by state statutes.

Did You Know?

CRW has received a "clean opinion" on every audit since forming the district in 1996.

The annual audit and budget are available on the District's website for review.

Customers can view their balance or make a payment on-line from the Districts website.

Commercial and Industrial customers account for about fifty percent of our water sale revenue. For better cash flow management these customers are billed in alternate billing months.

The least expensive way for the District to process payments is through our RapidPay system, where your bill is automatically withdrawn from your checking or savings account on the due date.

CRW received the "Distinguished Budget Presentation Award" from GFOA for the FY 2013-14 Adopted Budget. The budget met nationally recognized guidelines for effective budget presentation.

FACS Goals

Continue to receive a "clean opinion" on the annual audit.

Submit the (CAFR) to Government Finance Officers Association (GFOA) for their "Certificate of Achievement for Excellence in Financial Reporting" award.

Process water billing statements for residential customers by the end of each billing month (February, April, June, August, October, and December) and commercial / industrial customer by the end of each billing month (January, March, May, July, September and November).

Maintain expenditures within appropriations.

Full Time Equivalent Positions

Position	Actual 2011-12	Actual 2012-13	Adopted 2013-14	Adopted 2014-15
Chief Financial Officer	1.00	1.00	1.00	1.00
Sr. Finance & Accounting Specialist	3.00	3.00	3.00	3.00
Customer Account Analyst	1.00	1.00	1.00	1.00
Customer Service Specialist	2.00	2.00	2.00	2.00
Administrative Coordinator	-	-	-	1.00
	7.00	7.00	7.00	8.00

Total Requirements

\$ 945,548 \$ 867,780 \$ 1,009,171 \$ 1,105,952

FINANCE, ACCOUNTING & CUSTOMER SERVICE

Requirements	ŀ	ACTUAL	ACTUAL	ŀ	DOPTED	Р	ROPOSED	Α	PPROVED	F	DOPTED
Nequile life lits	2	2011-12	2012-13		2013-14		2014-15	2014-15			2014-15
PERSONNEL SERVICES											
FTE Positions		7.0	7.0		7.0		8.0		8.0		8.0
Salaries and Wages	\$	444,213	\$ 381,591	\$	462,593	\$	512,850	\$	512,850	\$	512,850
Benefits and Taxes		205,662	190,293		267,178		278,402		278,402		278,402
TOTAL PERSONNEL SERVICES	\$	649,875	\$ 571,884	\$	729,771	\$	791,252	\$	791,252	\$	791,252
MATERIALS & SERVICES											
Customer Services		95,635	64,267		60,800		62,000		62,000		62,000
Other Support Costs		17,678	19,960		12,900		17,500		17,500		17,500
Facilities & Security		-	-		-		10,000		10,000		10,000
General Administration		30,268	28,647		29,500		30,700		30,700		30,700
Office		32,293	39,509		46,300		39,700		39,700		39,700
Professional & Contracted Services		92,886	113,276		100,200		116,500		116,500		116,500
Equipment		26,913	29,967		29,700		38,300		38,300		38,300
Utilities		_	269		-		_		-		-
TOTAL MATERIALS & SERVICES	\$	295,673	\$ 295,895	\$	279,400	\$	314,700	\$	314,700	\$	314,700
DEPARTMENT TOTAL	\$	945,548	\$ 867,780	\$	1,009,171	\$	1,105,952	\$	1,105,952	\$	1,105,952

Summary of Department's Adopted Budget

The adopted budget for Finance, Accounting & Customer Service totals \$1,105,952, an increase of \$96,781 as compared to the 2013-14 adopted budget. Highlights of the FY 2014-15 adopted budget include:

- Personnel Services increase of \$61,481 due to:
 - o Administrative Coordinator position moved from Administration Department
- Materials & Services increase \$35,300 due to:
 - o Records management expenditures moved from Administration Department
 - o Contract work for records management program updating
 - o Additional of Oregon City Right of Way (ROW) usage fee
 - o Partially offset by printing and mailing expense reductions

ADMINISTRATION

Overview

The Board of Commissioners has delegated to the General Manager (GM) the authority and responsibility to manage and operate the District. For efficient and effective operations the GM relies on administration staff and department managers. The GM has delegated operational authority to department managers in their functional areas. Administration staff supports functions that include:

- Information Systems/Technology support, administration, maintenance
- Network support, services and web administration
- Procurement of materials and services
- Contract administration
- Emergency Management
- Security systems and patrol administration
- · Safety and health reporting and administration
- Human Resources
- Insurance administration

The Administration department also serves as a resource that aides in the separation of functions that support the organizations efforts to maintain internal controls. This is a critical function in a district the size of Clackamas River Water.

With this revised operating structure, Clackamas River Water has been able to avoid the kind of oversight problems that has caused some agencies operational difficulties.

Did you know?

The District, entered into an intergovernmental agreement (ORS 190) with Sunrise Water Authority in December 2013. The purpose of the new Clackamas Regional Water Supply Commission is to:

- Manage the sale of water from CRW to SWA
- Coordinate securing of resources when and where appropriate
- Effectively use resources across both entities to save time, money and effort

Administration Goals

To ensure the District continues to comply with or exceed federal and state laws and regulations.

To provide Executive support to the Board of Commissioners and leadership, and oversight and coaching to Clackamas River Water's departments as they conduct the business of the District.

To meet and exceed the expectations of our ratepayers, employees and community in the manner that we conduct our business and deliver services.

To provide aesthetically pleasing and safe drinking water to our customers at reasonable costs.

To provide superior stewardship of the Clackamas River and our borders, where and when appropriate, and to secure and protect our water supply and rights

To continue to develop and nurture positive relationships with our neighboring Districts and stakeholders.

Full Time Equivalent Positions

Position	Actual 2011-12	Actual 2012-13	Adopted 2013-14	Adopted 2014-15
General Manager	0.70	0.70	0.70	0.70
Sr. Executive Asst/HR Generalist	0.60	0.50	0.50	0.50
Executive Assistant/Legal Assistant	1.20	1.20	1.20	1.20
Operations / Emergency Manager				1.00
Information Technology Manager	1.00	1.00	1.00	1.00
Procurement Coordinator	1.00	1.00	1.00	1.00
Administrative Coordinator/Records Management	1.00	1.00	1.00	-
	5.50	5.40	5.40	5.40

Total Requirements

\$ 1,502,800 \$ 1,442,120 \$ 1,666,316 \$ 1,643,526

ADMINISTRATION

Requirements	ACTUAL	ACTUAL	ŀ	DOPTED	Pl	ROPOSED	Α	PPROVED	ŀ	ADOPTED
Requirements	2011-12	2012-13		2013-14		2014-15		2014-15		2014-15
PERSONNEL SERVICES										
FTE Positions	4.3	5.4		5.4		4.4		4.4		5.4
Salaries and Wages	\$ 386,288	\$ 370,501	\$	346,762	\$	350,173	\$	350,173		\$427,612
Benefits and Taxes	231,349	249,156		299,454		216,256		216,256		259,714
TOTAL PERSONNEL SERVICES	\$ 617,636	\$ 619,657	\$	646,216	\$	566,429	\$	566,429	\$	687,326
MATERIALS & SERVICES										
Customer Services	5,631	3,349		16,300		6,500		6,500		6,500
Other Support Costs	20,160	19,968		54,900		55,400		55,400		55,400
Facilities & Security	194,635	177,619		213,000		155,500		155,500		155,500
General Administration	195,974	234,407		339,400		305,000		305,000		305,000
Materials	63	-		-		-		-		-
Office	20,496	24,557		22,300		21,400		21,400		21,400
Professional & Contracted Services	401,114	283,962		325,800		331,700		331,700		331,700
Overhead Reimbursement	(196,606)	(146,906)		(201,400)		(156,700)		(156,700)		(156,700)
Equipment	56,969	44,567		72,000		73,900		73,900		73,900
Utilities	134,130	115,432		131,000		132,700		132,700		132,700
Water Purchases & Treatment	197	-		800		800		800		800
TOTAL MATERIALS & SERVICES	\$ 832,764	\$ 756,953	\$	974,100	\$	926,200	\$	926,200	\$	926,200
CAPITAL OUTLAY										
Improvements	52,400	25,510		45,000		30,000		30,000		30,000
TOTAL CAPITAL OUTLAY	\$ 52,400	\$ 25,510	\$	45,000	\$	30,000	\$	30,000	\$	30,000
DEPARTMENT TOTAL	\$ 1,502,800	\$ 1,402,119	\$	1,665,316	\$	1,522,629	\$	1,522,629	\$	1,643,526

Summary of Department's Adopted Budget

The adopted budget for Administration totals \$1,643,526, a decrease of \$21,790 as compared to the 2013-14 adopted budget. Highlights of the FY 2014-15 adopted budget include:

- Personnel Services increases \$41,110 due to:
 - o Operations Manager new position as Emergency Management Manager
 - Decreased labor allocations to capital improvement projects and a change in the benefit allocation to Board of Commissioners
 - o Partially offset by the Administrative Coordinator moving to FACS Department
- Materials & Services decrease \$47,900 due to:
 - Conservation promotions and dues moving to Water Resources
 - Partially offset by increases in contract work for media communication and IT server monitoring for additional storage space.
- Capital Outlay decreases \$15,000 due to:
 - See listing of Capital Outlay expenditures on page S 2 and S 3

ENGINEERING

Overview

The Engineering Department provides professional technical engineering support as it relates to the District's water system. Engineering maintains the Geographic Information System (GIS), mapping and inventory database, and the hydraulic model of our water system.

Engineering coordinates our strategic plan through active involvement in regionalization. This entails ongoing interactions with community leaders and groups that play significant roles in preparing for the future.

The Engineering Department's long-term planning helps the District to meet master planning, capital improvement and other needs, including routine planning in other CRW departments and with outside agencies.

Engineering also manages the development, design, and construction oversight of the Capital Improvement Program which is accounted for in the CIP Fund.

Engineering Goals

Identify capital improvement projects, based on the Master Plan and evaluation of existing and future needs, which support anticipated growth and development.

Prepare new Water Master Plan forecasting District needs for the next 20 years.

Update and expand Available-In-Map (AIM) for inhouse mapping, records retrieval, inventory, data analysis, and information system integration.

Provide safety officer duties to keep current on new regulations and assist with safety related training.

Maintain CRW standard specifications and details.

Did you know?

The 2005 Master Plan update identified \$42.4 million in capital water system improvements needed over the next 20 years (through 2025). From 2006 through 2012, \$8.7 million was expensed on capital improvement projects. Recent national studies have found that infrastructure, including water, is in significant need of improvement. CRW Engineering strives to provide a dynamic, relevant Capital Improvement Program which addresses system deficiencies to provide better water service to all District customers.

The in-house GIS system, AIM (Available In Map), allows field staff to quickly access water system geographic information to meet customer service, private development, and District design needs.

Our Engineering Department reviews proposed private and commercial developments for compliance with water system design standards prior to connecting with our water system

Full Time Equivalent Positions

Position	Actual 2011-12	Actual 2012-13	Adopted 2013-14	Adopted 2014-15
District Engineer	1.00	1.00	1.00	1.00
Engineering Manager	1.00	1.00	1.00	-
Engineering Associate	-	1.00	1.00	1.00
CAD-GIS Technician	1.00	1.00	1.00	1.00
New Services & Safety Coordinator	1.00	-	-	-
Engineering Technician	2.00	1.00	1.00	1.00
	6.00	5.00	5.00	4.00

Total Requirements

\$ 425,857 \$ 424,690 \$ 430,361 \$ 419,552

ENGINEERING

Paguiramenta	P	ACTUAL	-	ACTUAL	Α	DOPTED	PF	ROPOSED	Al	PPROVED	Α	DOPTED
Requirements	2	2011-12	:	2012-13		2013-14	,	2014-15		2014-15		2014-15
PERSONNEL SERVICES												
FTE Positions		6.0		5.0		5.0		5.0		5.0		4.0
Salaries and Wages	\$	218,542	\$	244,812	\$	222,525	\$	277,306	\$	277,306		\$249,106
Benefits and Taxes		163,844		164,494		182,636		118,686		118,686		107,347
TOTAL PERSONNEL SERVICES	\$	382,387	\$	409,307	\$	405,161	\$	395,992	\$	395,992	\$	356,452
MATERIALS & SERVICES												
Other Support Costs		4,183		4,006		4,400		11,300		11,300		11,300
General Administration		405		240		300		300		300		300
Office		34		123		-		500		500		500
Professional & Contracted Services		17,713		494		10,800		41,300		41,300		41,300
Overhead Reimbursement		11,824		4,221		-		-		-		-
Equipment		9,244		6,299		9,200		9,700		9,700		9,700
Water Purchases & Treatment		67		-		500		-		-		_
TOTAL MATERIALS & SERVICES	\$	43,470	\$	15,384	\$	25,200	\$	63,100	\$	63,100	\$	63,100
DEPARTMENT TOTAL	\$	425,857	\$	424,690	\$	430,361	\$	459,092	\$	459,092	\$	419,552

Summary of Department's Adopted Budget

The adopted budget for Engineering totals \$419,552, a decrease of \$10,809 as compared to the 2013-14 adopted budget. Highlights of the FY 2014-15 adopted budget include:

- Personnel Services decreases \$48,709 due to:
 - o One position moved to Operations Department
 - o A change in the benefit allocation to capital improvement projects
 - o A decrease in labor allocation to capital improvement projects in the CIP Fund
- Materials & Services increase \$37,900 due to:
 - Survey work in the district
 - Regional emergency intertie planning
 - o Staff attendance at conferences and seminars
 - o Staff development for engineering systems

CAPITAL IMPROVEMENT PROJECTS FUND

Overview

The Capital Improvement Projects (CIP) Fund accounts for construction activity of the District. Construction activity includes additions, replacements, and improvements for storage, transmission, distribution, supply, and treatment facilities of the District. Major projects to be included are staged from the District's Master Plan.

The primary resources for these projects are transfers from the SDC Reserve Fund and the Capital Reserve Fund.

Requirements for the CIP Fund are shown as Capital Outlay and include internal labor costs associated with project management, design review and construction inspection, as well as external contract work, engineering, public notices, printing and supplies that are directly associated with capital projects.

Projects for years after fiscal year ending June 30, 2015, are contained in the Master Plan and other district documents.

CIP projects that cannot be bonded are maintenance or replacing in-kind distribution and transmission lines and other similar projects. These types of projects require full funding by accumulating funds through current and future rates, system development charges when appropriate, until they are actually constructed. Some accumulated reserves may be used to pay for part of these projects, but current accumulations are not sufficient to meet these needs in perpetuity. Thus rate monies required to build the reserves to meet these needs are accumulated over a period of one or more years.

Where the money comes from...

- Transfers from SDC Reserve Fund
- Transfers from Capital Reserve Fund

Where the money goes...

Capital Projects

Summary	ACTUAL 2011-12			ACTUAL 2012-13		ADOPTED 2013-14	PROPOSED 2014-15			APPROVED 2014-15	ADOPTED 2014-15
RESOURCES											
Beginning Fund Balance Non-Operating Resources ODOT - reimbursement	\$ 47,034 1,096	\$	48,570 1,228 114,018	\$ 1,000 - -	\$	1,000 - -	\$	1,000	\$ 1,000		
Transfers	1,280,200		795,000	3,136,000		2,299,000		2,299,000	2,299,000		
TOTAL RESOURCES	\$ 1,328,330	\$	958,816	\$ 3,137,000	\$	2,300,000	\$	2,300,000	\$ 2,300,000		
REQUIREMENTS											
Capital Outlay Reserved for Future Expenditure	\$ 1,279,760 48,570	\$	873,413 85,403	\$ 3,137,000	\$	2,300,000	\$	2,300,000	\$ 2,300,000		
TOTAL REQUIREMENTS	\$ 1,328,330	\$	958,816	\$ 3,137,000	\$	2,300,000	\$	2,300,000	\$ 2,300,000		

Summary of Fund's Adopted Budget

The adopted budget for the Capital Improvement Projects Fund totals \$2,300,000, a decrease of \$837,000 as compared to the FY 2013-14 adopted budget. Highlights of the adopted budget include:

- Capital Outlay decreases \$837,000 due to a decrease in planned projects for FY 2014-15 compared with those of the FY 2013-14 adopted budget. See Projects Listing on page CIP 2 for breakdown of planned projects.
- Transfers In consists of \$430,000 from the SDC Reserve Fund and \$,1869,000 from the Capital Reserve Fund. Transfers from the SDC Reserve Fund are restricted for projects that qualify for system development charges funding. Transfers from the Capital Reserve Fund are not restricted and are used to fund projects as needed.

CAPITAL IMPROVEMENT PROJECTS FUND PROJECTS LISTING FY 2014-15

Project Description	Assigned Project Number	FY 2014-15 Budget
ODOT and Clackamas County DTD Adjustments		125,000
Sunrise JTA Project	5122-5134	47,000
Carver Bridge Waterline - Transmission Main - Phase 2	5072	454,000
Bell Avenue Waterline Replacement	5154	783,000
Tolbert Bridge Waterline Relocation	5148	407,000
Monterey Ave Extension Waterline Project	5155	361,000
Butterfield Rd Transmission Main - Preliminary Design &		
Survey		20,000
Hatton Rd Transmission Main - Preliminary Design &		
Survey		25,000
Redland Rd Waterline Upgrade at Neibur Rd/ Redland Rd		
Paving		78,000
		\$ 2,300,000

PROJECT DESCRIPTIONS FY 2014-2015

ODOT and Clackamas County DTD Adjustments

Purpose: To provide resources to make adjustments to water mains and services necessitated

by Oregon Department of Transportation (ODOT) or Clackamas County Department

of Transportation and Development (DTD) projects.

Analysis: If these projects are not completed, CRW access to waterline related infrastructure

(i.e.: valves, vaults, fire hydrants & meters) would be greatly limited and increase maintenance and operational costs. In some cases reconstructed or relocation of vaults, meters and fire hydrants would not occur to accommodate roadway

reconstruction.

Description: These transportation projects include roadway realignments and construction by the

State or County. The District's response entails planning, design and construction to adjust, relocate, and upgrade locations of waterlines, valves, hydrants and associated appurtenances due to road reconstruction, bridgework, sidewalks, storm drains and other transportation-related improvements. This category of projects also includes any other outside agency projects affecting access to existing District

facilities or actual installation of water related facilities.

There are potential projects slated for completion by these governmental entities in the next 3-7 years. The District will need to expend funds to ensure that an adequate response can be made to this development and safeguard the District

future needs.

FY 2014-15 Budget: \$125,000

PROJECT DESCRIPTIONS FY 2014-2015

Sunrise JTA Project (Multi-year Project)

Purpose: To provide resources to make adjustments to water mains and services

> necessitated by the Oregon Department of Transportation's (ODOT) proposed roadway improvements as planned under the Sunrise Job and

Transportation Act (JTA) project.

Analysis: If this project is not completed by CRW, ODOT and Clackamas County will,

> at their discretion, design and relocate CRW's water facilities that conflict with the JTA Highway Project. CRW will be financially responsible for all

relocation work completed by either ODOT or Clackamas County.

Description: ODOT's Sunrise JTA Project is a condensed version of the original Sunrise Corridor Preferred Alternative (4 lane highway). The JTA project consists of a new two-lane highway (one lane in each direction) from the Milwaukie Expressway (OR 224) at I-205 to SE 122nd Avenue at OR 212/224. When complete, the JTA project is intended to reduce congestion, increase safety, and improve economic development opportunities and freight mobility.

> The design portion of this project began in FY 2012-13. CRW entered into a design professional services agreement with OBEC Engineering to provide waterline relocation designs and drawings. OBEC, working with ODOT, determined that portions of the waterline relocation work were the financial responsibility of ODOT. Both design and construction work items were divided into reimbursable and non-reimbursable components. The budget listed below reflects CRW's financial responsibility for the non-reimbursable portion of work.

> The design work was completed in December 2012 and subsequently incorporated into ODOT's construction contract documents. In January 2013 the JTA project moved into the bidding/construction bidding phase with an anticipated 3 year construction period starting in April 2013. This past year ODOT's contractor, Kerr Construction, focused on the construction of the highway main route, sound walls and the I-205 overpass which limited work on to CRW' infrastructure. Based on project schedules provide by ODOT, relocation of the waterlines are to be completed in the next two fiscal years.

Estimated Costs through FY 2012-14: \$ 573,000

FY 2014-15 Budget: 47,000

Projected FY 2015-16 Budgets: 50,000

> Projected Total: \$ 634,000

PROJECT DESCRIPTIONS FY 2014-2015

Carver Bridge Transmission Main – Phase 2: Bridge Waterline

Purpose: To design and construct an 18-inch waterline within the limits of the new

Clackamas County Carver Bridge project. The work consists of approximately 1,120 feet of 18-inch ductile iron waterline. The bridge replacement offers an opportunity for the District to consider adopting a possible alignment to complete a district intertie with the south side service

area, as outlined in the 2005 Water Master Plan Update.

Analysis: The County's bridge construction is currently underway. The waterline work

is included with the County's bridge contract and waterline materials have been delivered onsite but not installed. Should CRW choose to cancel this project, it would result in financial impact given the current construction and County contract; as well as higher long-term costs should CRW choose to separately install the water main across Carver Bridge at a future date.

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Description: Clackamas County is in the process of replace the existing Carver Bridge, which crosses the Clackamas River on Springwater Road in Carver. The total bridge replacement construction process was scheduled for a three year period. The County completed the bidding process in February 2011 but the "Notice to Proceed" for construction was not issued until April 2011. This date for the start of construction caused issues with the "in-stream" construction period. Due to these unforeseen issues the County granted the Contractor's request to delay the start of construction until April 2012. The County bridge project is currently under construction and the majority of the

CRW is partnering with the County under a design and construction IGA for the bridge waterline work. The total CRW project cost is estimated at \$560,000.

bridge waterline work is projected to be completed this fiscal year.

Estimated Costs through FY 2008-14: \$ 106,000

FY 2014-15 Budget: <u>454,000</u>

Estimated Total: \$ 560,000

PROJECT DESCRIPTIONS FY 2014-2015

Bell Avenue Water Line Replacement

Purpose: To relocate approximately 2,600 LF of 8-inch cast iron waterline on SE Bell

Avenue due to Clackamas County's phased roadway improvements project.

Analysis: If this project is not completed, the existing 8-inch cast iron waterline will be

in conflict with the County's design for installing sidewalks, storm lines, and drainage swales along Bell Avenue. The waterline will be compromised by construction activity and at risk of failure due to breakage. The long term maintenance of this line will be complicated and expensive if it remains in

place, due to the County's planned improvements.

Description: This project is required due to the County's phased improvements along SE

Bell Avenue (storm, sidewalks, drainage, etc.). The existing 8-inch cast iron waterline on the west side of the road will need to be abandoned in place, and approximately 2,600 LF of 8-inch ductile iron waterline installed on the east side. Waterline work will include various interconnections with side

street waterlines, services, and fire hydrants.

Preliminary designs and coordination with the County were completed January – April 2014. The overall project design and construction is

estimated to occur between May-November 2014.

FY 2014-15 Budget: \$783,000

PROJECT DESCRIPTIONS FY 2014-2015

Tolbert Bridge Waterline Relocation

Purpose: To relocate and upgrade approximately 1,100 LF of 12- and 8-inch

waterlines on SE Tolbert Road due to Clackamas County's Tolbert Overpass

roadway project.

Analysis: If this project is not completed, the existing waterlines will be in conflict

with the County's design for construction of the new Tolbert Overpass and associated improvements. The waterline will be compromised by construction activity and at risk of failure due to breakage. The long term maintenance of this line will be complicated and expensive if it remains in

place, due to the County's planned improvements.

Description: The County is in the early design stages of their planned Tolbert Road

Overpass ("Tolbert Bridge"), which will connect Minuteman Way near Camp Withycombe to 82nd Drive across the Union Pacific Railroad in Clackamas. The proposed overpass will impact CRW waterlines on Tolbert Road and adjacent side streets at the west end of the new bridge. CRW will need to relocate waterlines, valves, hydrants, and services to protect them for long-

term operation and maintenance.

CRW's design will include relocating the existing 12-inch waterline off of Tolbert Road so that it is out of the way of the new overpass construction. Waterline laterals serving side streets off of Tolbert Road (Church Street, 94th and 93rd Avenues) will also be relocated and upgraded under this

project.

It is estimated that CRW design for the waterline work can be complete by August 2014, with construction completion estimated in December 2014.

FY 2014-15 Budget: \$407,000

PROJECT DESCRIPTIONS FY 2014-2015

Monterey Ave Extension Waterline Project

Purpose: To construct approximately 1,400 LF of 12-inch ductile iron waterline in

conjunction with the County's Monterey Avenue Extension

Analysis: If this project is not completed, the District will not benefit from improved

hydraulic capacity in this segment of the Mather Pressure Zone between 82nd Avenue and Fuller Road. Should CRW desire to install a waterline after the County's road work is complete, there will be significant cost increases due to the need to meet County road opening/utility permit requirements, including backfill and pavement resurfacing stipulations.

Description: The County plans to extend Monterey Avenue from 82nd Avenue to Fuller

Road in Clackamas. The roadway extension presents an opportunity for the District to construct a new waterline alongside the County's road work which will improve hydraulic capacity (looping) for this part of the distribution system. From early estimates using the hydraulic model, a 12-inch waterline will be sufficient to improve existing flows in this area. Significant cost savings will be realized by installing the waterline concurrently with the

County's road work.

It is estimated that CRW's waterline design will be completed by October 2014, with construction dependent on the County's road work schedule but

estimated for the Spring of 2015.

FY 2014-15 Budget: \$361,000

PROJECT DESCRIPTIONS FY 2014-2015

Butterfield Rd Transmission Main

Purpose: To survey and prepare a preliminary transmission main design in

anticipation of future waterline work related to upgrades and expansion of

transmission mains in the Redland Pressure Zone.

Analysis: If this project is not completed, more detailed project development including

cost estimates and final designs, as well as long term South service goals,

will be delayed.

Description: CRW's preliminary design will include sizing and routing approximately 9,610

LF of a ductile iron waterline along Butterfield Lane and Potter Road between the Redland Reservoirs and Redland Road. This transmission main will improve system hydraulic performance including fire flows, local service

pressures and lower pumping costs.

FY 2014-15 Budget: \$20,000

PROJECT DESCRIPTIONS FY 2014-2015

Hatton Rd Transmission Main

Purpose: To survey and prepare a preliminary transmission main design in

anticipation of future waterline work related to upgrades and expansion of

transmission mains in the Redland Pressure Zone.

Analysis: If this project is not completed, more detailed project development including

cost estimates and final designs, as well as long term South service goals,

will be delayed.

Description: CRW's preliminary design will include hydraulic analysis, main sizing,

detailed project cost estimates, and routing approximately 9,625 LF of ductile iron waterline along Hattan Road between the Carver Bridge Phase 2 transmission main work and the 8-inch waterline feed to the Redland Road reservoirs. This transmission main will provide an intertie between CRW's

north service area and the Redland Pressure Zone.

FY 2014-15 Budget: \$25,000

PROJECT DESCRIPTIONS FY 2014-2015

Redland Rd Water Line Upgrade at Neibur Rd

Purpose: To design and construct a street crossing consisting of approximately 80

> lineal feet of 8-inch waterline at the intersection of Redland Road and Neibur Road. This waterline work is in conjunction with CRW repaying a portion of Redland Road where multiple waterline breaks have caused

pavement damage.

Analysis: Clackamas County is requiring CRW to repave portions of damaged

pavement on Redland Road between the Redland Pump Station and Neibur

Road.

Description: During the past 15 years, the original 1960s-era 8-inch cast iron waterline along Redland Road (and located on the high pressure side of the Redland Road Pump Station) has seen an above average number of main breaks. Just in the past six years two major breaks have occurred, costing CRW more than \$40,000 in waterline repairs and property damage. Based on field investigation of the damaged pipe sections and hydraulic modeling, it has been determined that corrosive factors in conjunction with high system pressures (200 psi) are the main causes of the breaks. Hydraulic modeling has determined that the newer 12-inch ductile iron waterline that parallels the 8-inch can meet current water demands, thereby allowing the abandonment of the older 8-inch waterline. Based on these facts, last year CRW abandoned approximately 1,300 feet of the 8-inch waterline. Prior to paving the damaged pavement, CRW will use this opportunity to abandon an additional 300 feet of 8-inch main and update the waterline crossing at the Neibur/Redland intersection. This work will minimize future main breaks

and associated costly repairs.

The design and construction is estimated to occur between July and

September 2014.

FY 2014-15 Budget: \$78,000

Capital Improvements 5-year Plan For Fiscal Years 2014-2015 through 2018-2019

Project Title	2014-15	2015-16
ODOT and Clackamas County DTD Adjustments	\$ 125,000	\$ 125,000
Sunrise JTA Project	47,000	50,000
Carver Bridge Waterline - Transmission Main - Phase 2	454,000	
Bell Avenue Waterline Replacement	783,000	
Tolbert Bridge Waterline Relocation	407,000	
Monterey Ave Extension Waterline Project	361,000	
Butterfield Rd Transmission Main - Preliminary Design & Survey	20,000	
Hatton Rd transmission Main - Preliminary Design & Survey	25,000	
Redland Rd Waterline Upgrade at Neibur Rd/ Redland Rd	78,000	
Paving		
Carver Bridge Phase 3 - Hattan Rd Intertie		
Butterfield Rd (Redland Reservoirs to Ferguson Rd)		1,600,000
Henrici Road (East of Beavercreek to Ferguson Rd)		
Loder Road		
Ferguson Road (Redland Rd to Beckman Rd)		
Ferguson Road (Beckman Rd to 18713 Ferguson Rd)		
Ferguson Rd (Conley Ct to 18713 Ferguson Rd)		
Athens Drive (Henrici Rd north to end of 4 in AC)		
Manor Drive (Bradley Rd to the west)		177,000
View Glen and Homestead Drive		
82nd Drive		
82nd Ave (Johnson Creek south to Otty)		
Johnson Creek Blvd		
Pump Stations: Arc-Flash Study & Upgrades		120,000
Redland Reservoir 1MG (2 ea painting)		
North SCADA Improvements		10,000
WTP SCADA Improvements		5,000
South SCADA Improvements		5,000
Project Totals by Year	\$2,300,000	\$2,092,000

Capital Improvements 5-year Plan For Fiscal Years 2014-2015 through 2018-2019

2016-17	2017-18	2018-19	5-Year Total
\$ 125,000	\$ 125,000	\$ 125,000	\$ 625,000
			97,000
			454,000
			783,000
			407,000
			361,000
			20,000
			25,000
			78,000
	500,000		500,000
800,000			2,400,000
	967,000		967,000
	317,000		317,000
237,000			237,000
	522,000		522,000
178,000	70,000		70,000
140,000			178,000
,			140,000
		177,000	354,000
		198,000	198,000
		445,000	445,000
		199,000	199,000
150,000	150,000	150,000	570,000
		350,000	350,000
20,000	30,000		60,000
20,000	25,000		50,000
20,000	25,000		50,000
\$1,690,000	\$2,731,000	\$1,644,000	\$10,457,000

CAPITAL RESERVE FUND

Overview

The Capital Reserve Fund accounts for funds reserved for future expansion and improvements to the system. The primary resources of the fund are interest earned on investments and transfers from the General Fund.

Where the money comes from...

- Transfers from General Fund
- Earnings on investments

Where the money goes...

- Transfers to the CIP Fund
- Reserved for Future Expenditures

Summary	ACTUAL	ACTUAL	1	ADOPTED	Р	ROPOSED	Α	PPROVED	1	ADOPTED
Summary	2011-12	2012-13		2013-14		2014-15		2014-15		2014-15
RESOURCES										
Beginning Fund Balance	\$ 2,510,241	\$ 2,748,623	\$	3,258,000	\$	3,000,000	\$	3,000,000	\$	3,000,000
Non-Operating Resources	12,557	16,432		13,200		12,000		12,000		12,000
Transfers	500,000	500,000		750,000		1,250,000		1,250,000		1,250,000
TOTAL RESOURCES	\$ 3,022,798	\$ 3,265,055	\$	4,021,200	\$	4,262,000	\$	4,262,000	\$	4,262,000
REQUIREMENTS										
Transfers to Other Funds	\$ 274,175	\$ 165,000	\$	1,371,200	\$	1,869,000	\$	1,869,000	\$	1,869,000
Reserved for Future Expenditure	2,748,623	3,100,055		2,650,000		2,393,000		2,393,000		2,393,000
TOTAL REQUIREMENTS	\$ 3,022,798	\$ 3,265,055	\$	4,021,200	\$	4,262,000	\$	4,262,000	\$	4,262,000

Summary of Fund's Adopted Budget

The adopted budget for the Capital Reserve Fund totals \$4,262,000, an increase of \$240,800 as compared to the FY 2013-14 adopted budget. Highlights of the FY 2014-15 adopted budget include:

- Non-Operating Resources decreases \$1,200 due to returns on investments as reserve balances have decreased due to construction of capital projects
- Transfers increase by \$500,000 due to planned increases from current water rates
- Transfers to Other Funds increased by \$497,800 as required to complete the planned capital projects for FY 2014-15 (See CIP 2 for schedule of Planned Capital Projects)

CRWSC ACTIVITY FUND

Overview

The CRWSC Activity Fund accounts for costs related to Clackamas Regional Water Supply Commission created by the ORS 190 agreement (the Commission) with Sunrise Water Authority (SWA). The primary resources of the fund are payments from SWA for wholesale water and services provided, interest earned on investments and transfers from the General Fund.

This is a new fund created by Resolution No. 17-2014 adopted March 13, 2014.

Where the money comes from...

- Wholesales water sales
- Payments for services provided
- Transfers from the General Fund
- Earnings on investments

Where the money goes...

- Materials & Services expenditures
- Transfers to the General Fund

Cummon	ACT	UAL	AC	TUAL	ADO	OPTED	Pl	ROPOSED	AF	PPROVED	ADOPTED
Summary	201	1-12	201	12-13	20	13-14		2014-15		2014-15	2014-15
RESOURCES											
Water Sales							\$	775,000	\$	775,000	\$ 775,000
Non-Operating Resources								100,000		100,000	100,000
Transfers					\$	1,000		79,600		79,600	79,600
TOTAL RESOURCES	\$	•	\$	•	\$	1,000	\$	954,600	\$	954,600	\$ 954,600
REQUIREMENTS											
Materials & Services					\$	1,000	\$	72,100		\$ 72,100	\$ 72,100
Capital Outlay								7,500		7,500	7,500
Transfers to Other Funds								875,000		875,000	875,000
TOTAL REQUIREMENTS	\$	•	\$	-	\$	1,000	\$	954,600	\$	954,600	\$ 954,600

Summary of Fund's Adopted Budget

The adopted budget for the CRWSC Activity Fund totals \$954,600. Highlights of the FY 2014-15 adopted budget include:

- Wholesale water sales are based on CRWSC budget and wholesale water sales agreement
- Non-Operating Resources are based on CRWSC budget for resource sharing through intergovernmental agreements and may include internal labor
- Transfers in are CRW funding of the Commission.
- Materials & Services and Capital Outlay are the Commission expenditures attributable to CRW
- Transfers to Other Funds of \$875,000 to the General Fund for wholesale water sales and payments for services through intergovernmental agreements

RATE STABILIZATION RESERVE FUND

Overview

The Rate Stabilization Reserve Fund accounts for funds reserved for stabilizing the revenues of the District to maintain the bond covenants on the 2009 revenue bond issue. The primary resources are interest earned on investments and transfers from the General Fund.

Where the money comes from...

• Earnings on investments

Where the money goes...

- Transfers to the General Fund
- Reserved for Rate Stabilization

Summany	ACTUAL	ACTUAL	ADOPTED	Р	ROPOSED	Α	PPROVED	ŀ	ADOPTED
Summary	 2011-12	2012-13	2013-14		2014-15		2014-15		2014-15
RESOURCES									
Beginning Fund Balance	\$ 2,256,651	\$ 1,621,125	\$ 890,800	\$	1,130,000	\$	1,130,000	\$	1,130,000
Non-Operating Resources	8,474	4,295	5,400		5,700		5,700		5,700
TOTAL RESOURCES	\$ 2,265,125	\$ 1,625,420	\$ 896,200	\$	1,135,700	\$	1,135,700	\$	1,135,700
REQUIREMENTS									
Transfers to Other Funds	\$ 644,000	\$ 500,000	\$ -	\$	-	\$	-	\$	-
Reserved for Rate Stabilization	1,621,125	1,125,420	896,200		1,135,700		1,135,700		1,135,700
TOTAL REQUIREMENTS	\$ 2,265,125	\$ 1,625,420	\$ 896,200	\$	1,135,700	\$	1,135,700	\$	1,135,700

Summary of Fund's Adopted Budget

The adopted budget for the Rate Stabilization Reserve Fund totals 1,135,700, an increase of \$239,500 as compared to the FY 2013-14 adopted budget. Highlights of the FY 2014-15 adopted budget include:

- Non-Operating Resources increase by \$300 due to increased returns on investments as reserve balances are higher than budgeted at the end of FY 2013-14
- Reserved for Rate Stabilization increases \$239,500 as water sales revenue has increased to meet the bond covenant requirements without the use of Rate Stabilization Reserves

SDC RESERVE FUND

Overview

The SDC Reserve Fund accounts for funds reserved for future expansion and improvements to the system. The primary resources are interest earned on investments and system development charges (SDC) on new service applications. The monies in the SDC Reserve Fund are restricted by ORS 223 on system development charges.

Where the money comes from...

- SDC Reimbursements
- SDC Improvements
- Earnings on investments

Where the money goes...

- Transfers to the CIP Fund
- Reserved for Future Expenditures

Summary	ACTUAL	ACTUAL	-	ADOPTED	PI	ROPOSED	AF	PPROVED	Α	ADOPTED
Summary	2011-12	2012-13		2013-14		2014-15		2014-15		2014-15
RESOURCES										
Beginning Fund Balance	\$ 4,166,576	\$ 2,894,006	\$	2,234,000	\$	430,000	\$	430,000	\$	430,000
SDC Reimbursement/Improvements	85,911	120,998		71,000		110,100		110,100		110,100
Non-Operating Resources	17,278	13,097		1,100		1,100		1,100		1,100
TOTAL RESOURCES	\$ 4,269,765	\$ 3,028,101	\$	2,306,100	\$	541,200	\$	541,200	\$	541,200
REQUIREMENTS										
Transfers to Other Funds	\$ 1,375,759	\$ 1,005,077	\$	2,020,622	\$	430,000	\$	430,000	\$	430,000
Reserved for Future Expenditure	2,894,006	2,023,024		285,478		111,200		111,200		111,200
TOTAL REQUIREMENTS	\$ 4,269,765	\$ 3,028,101	\$	2,306,100	\$	541,200	\$	541,200	\$	541,200

Summary of Fund's Adopted Budget

The adopted budget for the SDC Reserve Fund totals \$541,200, a decrease of \$1,764,900 as compared to the FY 2013-14 adopted budget. Highlights of the FY2014-15 adopted budget include:

- Beginning Fund Balance decreases \$1,804,000 due to using reserves for planned capital projects
- SDC Reimbursement/Improvements increases \$39,100 due to anticipated new service requests
- Transfers to Other Funds decrease \$1,590,622 as required to complete the planned capital projects for FY 2014-15 (See CIP 2 for schedule of Planned Projects)
- Reserves for Future Expenditures decreases \$174,278 as a result of planned capital projects requirements using reserves during the prior year

REVENUE BOND FUND

Overview

The Revenue Bond Fund accounts for the redemption of revenue bond principal and interest expenditures. The primary resources are transfers from the General Fund.

The revenue bonds were originally issued November 1999. In November 2009 the revenue bonds were refunded with a new issue at a lower interest rate saving ratepayers approximately \$600,000 over the remaining bond term. The balance outstanding as of June 30, 2014 is \$2,790,000. The 2009 revenue bonds final payment will be November 2019.

Where the money comes from...

- Transfers from the General Fund
- Earnings on investments

Where the money goes...

Debt Service

Sman,	ACTUAL	ACTUAL	Í	ADOPTED	Ρ	ROPOSED	Α	PPROVED	/	ADOPTED
Summary	2011-12	 2012-13		2013-14		2014-15		2014-15		2014-15
RESOURCES										
Beginning Fund Balance	\$ 545,380	\$ 547,949	\$	468,000	\$	476,000	\$	476,000	\$	476,000
Non-Operating Resources	2,569	2,531		2,000		2,000		2,000		2,000
Transfers	645,260	579,585		469,496		455,555		455,555		455,555
TOTAL RESOURCES	\$ 1,193,209	\$ 1,130,065	\$	939,496	\$	933,555	\$	933,555	\$	933,555
REQUIREMENTS										
Debt Service	\$ 645,260	\$ 654,585	\$	446,460	\$	455,555	\$	455,555	\$	455,555
Unappropriated and Reserved	 547,949	475,480		493,036		478,000		478,000		478,000
TOTAL REQUIREMENTS	\$ 1,193,209	\$ 1,130,065	\$	939,496	\$	933,555	\$	933,555	\$	933,555

Summary of Fund's Adopted Budget

The adopted budget for the Revenue Bond Fund totals \$933,555, a decrease of \$5,941 as compared to the FY 2013-14 adopted budget. Highlights of the adopted budget over the FY 2014-14 adopted budget include:

- Debt Service increases \$9,095 due to an increase in the principle payment per the schedule for FY 2014-15.
- The Unappropriated & Reserved decreases by \$15,036

CAPITAL OUTLAY DESCRIPTIONS FY 2014-2015

5 - Year Capital Outlay Plan

Water Resources

Item	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
First Floor Coating	\$42,000				
Pump Rebuilds	\$45,000	\$25,000	\$25,000	\$30,000	\$30,000
HVAC Replacement		\$15,000			
Programmable Logic Control Upgrades			\$30,000		\$20,000
Parking Lot Seal Coating		\$12,000			
Chemical Feeder Replacements			\$25,000		
Plant Roofing			\$30,000		
Plant Exterior and Filter Cell Paint					\$20,000
Filter Valve & Surface Wash Replacement				\$25,000	\$25,000
Process Analyzer Replacements	\$22,000	\$5,000		\$20,000	\$18,000
Filter Media Replacement		\$12,000		\$18,000	
Water Treatment Polymer Mixer Replacement		\$30,000			
SCADA Server Replacement	\$12,000		\$15,000		\$15,000
Plc Hardware/Software		\$16,000		\$15,000	
Water Resources Total	\$121,000	\$115,000	\$125,000	\$108,000	\$128,000

Operations

Item	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Service Truck With Utility Box		\$75,000		\$75,000	
Service Truck ¾ Ton		\$40,000			
Service Truck With Heavy Duty Utility Box	\$160,000				
Dump Truck With 5-Yard Box		\$80,000	\$80,000		
Leak Correlator	\$40,000				
Valve Operating Equipment	\$10,000				
Valve Maintenance Trailer			\$40,000		
Vac Truck / Excavator				\$250,000	
Meter Replacement >3inch	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Operations Total	\$255,000	\$240,000	\$165,0000	\$370,000	\$45,000

CAPITAL OUTLAY DESCRIPTIONS FY 2014-2015

Finance, Accounting and Customer Service

Item	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Update Utility Billing System		\$30,000			
Update Financial System		\$100,000			
FACS Total		\$130,000			

Administration

Item	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
HVAC Replacement	\$30,000	\$30,000	\$30,000		
Network Upgrade		\$50,000		\$50,000	
Administration Total	\$30,000	\$80,000	\$30,000	\$50,000	

Engineering

Item	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Hardware/Software		\$7,500		\$7,500	
Scanner – Full Size		\$10,000			
Engineering Total		\$17,500		\$7,500	

Total Capital Outlay by Year

Item	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Improvements	\$117,000	\$82,000	\$110,000	\$75,000	\$75,000
Vehicles	\$160,000	\$195,000	\$80,000	\$75,000	
Equipment & Tools	\$72,000	\$47,000	\$70,000	\$288,000	\$38,000
Computer Equipment	\$12,000	\$213,500	\$15,000	\$72,500	\$15,000
Other	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Total Capital Outlay	\$406,000	\$582,500	\$320,000	\$555,500	\$173,000

CAPITAL OUTLAY DESCRIPTIONS FY 2014-2015

Water Resources

Chemical Room Floor Coating and Retrofit

Purpose: To improve the occupant safety and building appearance of the Water

Treatment Plant (WTP).

Description: Install an industrial non-slip coating system on the first floor of the Water

Treatment Plant. Fill stress cracks as needed. Clean and prepare concrete surfaces. Then coat with approved fluid-applied acrylic and mineral layered coating system. This type of floor coating was employed on the second floor utility area of the Water Treatment Plant in 2011.

Budget: \$42,000

Pump Rebuild and Replacement

Purpose: To maintain system reliability through repair and replacement of two

pumps, one at the Water Treatment Plant and the other at the Glen Oak

Pump Station.

Description: The pumps rebuild and replacement projects mirrors two other projects

that were completed in recent years.

1) Remove, inspect, and repair or replace a 350 horsepower, 5,300 gallon per minute (qpm) pump and motor at the high lift pump at the Water Treatment Plant. Utilize available technologies like ceramic restoration of pump impellers where existing structure will support the solution.

1) Replace a pump and drive motor at the Glen Oak Pump Station. Replace a 50 horsepower, 550 (gpm) pump that is worn to the point

that replacement cost is very similar to rebuilding.

\$45,000 **Budget:**

CAPITAL OUTLAY DESCRIPTIONS FY 2014-2015

Process Analyzer Replacements

Purpose: To maintain the effectiveness of water treatment process analyzers,

through the periodic replacement of monitoring and control equipment.

Description: Replacement of water treatment process analyzers including:

- 1) Streaming current monitor (a key tool for process control);
- 2) Chlorine analyzer; and

3) Multi-function bench top water quality analyzer.

Budget: \$22,000

SCADA Server

Purpose: Improve reliability of the existing Supervisory Control and Data Acquisition

(SCADA) system.

Description: Replace one SCADA server to insure reliable water system monitoring and

control. The District replaces the main SCADA server every three years, to ensure reliable backup of the SCADA system. The old server is retained

as backup of the system.

Budget: \$12,000

CAPITAL OUTLAY DESCRIPTIONS FY 2014-2015

Operations

Service Truck with Heavy Duty Utility Box

Purpose: Purchase service truck with heavy duty utility box and determine if

repurposing the current truck chassis could to be advantageous to our

current fleet.

Description: The current truck is a 550 Ford used by the construction crew and for

emergency after hours call outs. This vehicle is equipped with all the equipment, parts and tools required for construction projects and after hours emergency response. A hazardous overload situation is created when specific project materials are added to the truck because the vehicle exceeds its rated capacity. The truck has required extra maintenance and

repairs as a result.

Prior to purchase we will review the needs of the construction truck with heavy duty utility box and our load requirements to ensure the correct chassis is purchased to carry the loads required by Operations.

The current heavy duty utility box could be possibly be reused after preparation to modify and transfer to a new chassis. If the heavy duty utility box cannot be modified, a replacement box would be required.

The construction truck chassis might be repurposed for another service truck. We plan to review the use and needs of our current fleet to determine our best options.

Budget: \$160,000

CAPITAL OUTLAY DESCRIPTIONS FY 2014-2015

Leak Correlator

Purpose: Purchase a leak correlator to replace out dated equipment. Most leak

correlators serve two major purposes:

1) to detect the presence of a leak, and

2) once detected, to pinpoint the location of the leak for repair.

Description: A leak correlator helps identify leaks in a pipeline through the use of

sound sensors placed in contact with the pipe, at two or more points. Most correlators analyze sound levels and frequencies to determine the size and severity of the leak. Additionally the leak correlator helps to determine if there is a leak in the pipe, valve, hydrant, or service line.

Each year, Operations plans to scan approximately 320 miles of pipeline for potential leaks. Once a leak is detected, the next step is the process of pinpointing the exact location of the leak for repair. The higher the accuracy of the leak pinpoint the lower the cost for leak repair.

By identifying leaks and making repairs in the distribution system CRW meets the requirements of our water management and conservation plan, reduces maintenance and repair costs and reduces water loss in the distribution system.

Budget: \$40,000

CAPITAL OUTLAY DESCRIPTIONS FY 2014-2015

Valve Operating Equipment

Purpose: Purchase valve operating equipment to replace out dated equipment.

Description: Valve operating equipment allows Operations to ensure the distribution

system can be maintained during routine and emergency activities. Per AWWA standards, water system control valves should be operated at least once per year. There are over 4,000 valves in the distribution system.

Water system control valves come in several sizes and require routine operation to ensure that they will open and close as work requirements demand. Valves require 16 to over 200 turns to open and close. One function of the equipment is to count the turns to ensure the valve is in proper working order. New equipment is safer and lighter for employees to operate.

Budget: \$10,000

Meter Replacements 3-Inch and Larger

Purpose: Replace and upgrade industrial and commercial meters 3-inch and larger

which fail testing standards.

Description: Several large meters have reached the end their lifecycle and require

replacement. New meters maintain a higher level of reliability, reducing maintenance and meter reading costs and increase revenue through improved reading accuracies at higher and lower flows. Meter vaults need replaced due to non-compliance with existing standards and life, health

and safety concerns to staff due to confined space entry.

A new lead prohibition in waterworks materials took effect January 2014. Meters that must be removed from service for repair will require replacement due to lead content of the meter. Manufacturers have also declared that they will stop production of some meters and repair parts

will only be available for a limited amount of time.

Budget: \$45,000

CAPITAL OUTLAY DESCRIPTIONS FY 2014-2015

Administration

Replace Administration Building HVAC Units

Purpose: Improve reliability and efficiency of Heating Ventilating and Cooling

(HVAC) at the Administration Building.

Description: The Administration Building has seven HVAC units to heat and cool the

two story building. One unit was replaced by the tenant after the remodel in 2010. The remaining six units have decreased in efficiency due to age. Replacement parts could be difficult to acquire as the units are out-of-

date.

Replace two HVAC units serving the common areas of the Administration Building to provide reliable and efficient HVAC operations. The existing units have not been replaced since CRW purchased the building in 1996. Newer units are more efficient and reduce gas and electric consumption.

Budget: \$30,000

GENERAL FUND RESOURCES LB 20

FY 11-12 FY 1		FY 12-13		Y 13-14		F	Y 14-15	FY 14-15		FY 14-15
ACTUAL		ACTUAL		ADOPTED BUDGET	RESOURCE DESCRIPTION		ROPOSED BUDGET	 PPROVED BUDGET	_	ADOPTED BUDGET
					BEGINNING FUND BALANCE:					
\$ 1,713,429	\$	1,524,804	\$	2,100,000	Net Working Capital (Budget)	\$	3,400,000	\$ 3,400,000	\$	3,400,000
					OTHER RESOURCES:					
6,760,994		8,035,375		8,100,000	Water Sales		8,200,000	8,200,000		8,200,000
41,896		90,881		32,400	Service Connection Fees		33,600	33,600		33,600
62,100		71,241		60,000	Service Charges		60,000	60,000		60,000
57,273		18,096		40,000	Miscellaneous - Operating		40,000	40,000		40,000
6,922,263		8,215,593		8,232,400	Subtotal - Operating resources		8,333,600	8,333,600		8,333,600
116,079		114,514		102,900	Rental Income		105,900	105,900		105,900
4,431		7,548		7,300	Earnings from Investments		7,300	7,300		7,300
94,517		197,143		15,000	Miscellaneous - Non-Operating		44,200	44,200		44,200
				18,800	Grant Funds		-	-		-
-		100		5,000	Surplus Property Sale		5,000	5,000		5,000
 215,027		319,305		149,000	Subtotal - Non operating resources		162,400	162,400		162,400
644,000		500,000		-	Transfer From Rate Stabilization Reserves		-	-		
 -		-			Transfer From CRWSC Activity Fund		875,000	875,000		875,000
\$ 9,494,719	\$	10,559,702	\$	10,481,400	TOTAL RESOURCES	\$	12,771,000	\$ 12,771,000	\$	12,771,000

GENERAL FUND REQUIREMENTS SUMMARY BY DEPARTMENT LB-30

	Y 11-12 ACTUAL	FY 1 ACT		AD	/ 13-14 OOPTED UDGET	EXPENDITURE DESCRIPTION	PI	Y 14-15 ROPOSED BUDGET	A	Y 14-15 PPROVED BUDGET	FY 14-15 ADOPTED BUDGET	
						PERSONNEL SERVICES						
\$	980,284	\$ 9	987,203	\$	1,013,896	Water Resources	\$	1,051,722	\$	1,051,722	\$	1,051,722
	1,002,320	1,0	030,733		1,104,812	Operations		1,109,641		1,109,641		1,028,284
	649,875		571,884		729,771	FACS		791,252		791,252		791,252
	99,423		111,057		125,069	Board		106,303		106,303		106,303
	617,636		619,657		646,217	Administration		566,429		566,429		687,326
	382,387	4	409,307		405,161	Engineering		395,992		395,992		356,452
	3,731,925	3,7	729,841		4,024,926	TOTAL PERSONNEL SERVICES		4,021,339		4,021,339		4,021,339
						MATERIALS & SERVICES						
	1,477,054	1,6	603,886		1,744,800	Water Resources		1,851,000		1,851,000		1,851,000
	396,349	,	322,115		429,300	Operations		472,900		472,900		472,900
	295,673	2	295,895		279,400	FACS		314,700		314,700		314,700
	82,375		71,045		19,100			26,100		26,100		26,100
	832,764	-	796,953		974,100	Administration		926,200		926,200		926,200
	43,470		15,384		25,200	Engineering		63,100		63,100		63,100
	3,127,685	3,	105,278		3,471,900	TOTAL MATERIALS & SERVICES		3,654,000		3,654,000		3,654,000
						CAPITAL OUTLAY						
	260,377		70,525		119,000	Water Resources		121,000		121,000		121,000
	22,002		49,113		63,800	Operations		255,000		255,000		255,000
	52,400		25,510		45,000	Administration		30,000		30,000		30,000
	334,779		145,148		227,800	TOTAL CAPITAL OUTLAY		406,000		406,000		406,000
	7,194,389	6,9	980,267		7,724,626	TOTAL DEPARTMENT EXPENDITURES		8,081,339		8,081,339		8,081,339
						TRANSFERS						
	275,526	2	204,508			To Revenue Bond Fund		455,555		455,555		455,555
					1,000	To CRWSC Activity Fund		79,600		79,600		79,600
						To Capital Reserve Fund						
	500,000		500,000		750,000	Future Reserves		1,250,000		1,250,000		1,250,000
	775,526		704,508		964,674	TOTAL TRANSFERS TO OTHER FUNDS		1,785,155		1,785,155		1,785,155
	-				500,000	General Operating Contingency		500,000		500,000		500,000
	775,526	-	704,508		1,464,674	TOTAL TRANSFERS & CONTINGENCY	•	2,285,155		2,285,155		2,285,155
	7,969,915	7,0	684,775		9,189,300	TOTAL EXPENDITURES		10,366,494		10,366,494		10,366,494
	1,524,804	2,8	874,926		1,292,100	UNAPPROPRIATED FUND BALANCE		2,404,506		2,404,506		2,404,506
\$	9,494,719		559,701	\$ 1	10,481,400	TOTAL	\$	12,771,000	\$	12,771,000	\$	12,771,000
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GENERAL FUND DETAILED REQUIREMENTS LB-31

		FD-21				
FY 12-13			FY 14-15	FY 14-15	FY 14-15	
ACTUAL	ACTUAL ADOPTED	Expenditure Description	PROPOSED	APPROVED	ADOPTED	
	BUDGET		BUDGET	BUDGET	BUDGET	
		Personnel Services:				
2,429,712	2,429,712 2,485,40	3 Salaries	2,622,018	2,622,018	2,622,018	
1,300,129	1,300,129 1,539,52	Benefits and taxes	1,399,321	1,399,321	1,399,321	
\$ 3,729,841	\$ 3,729,841 \$ 4,024,92	PERSONNEL SERVICES TOTAL	\$ 4,021,339	\$ 4,021,339	4,021,339	
		Materials & Services:				
72,002	72,002 84,50	Customer Services	88,800	88,800	88,800	
217,630	217,630 309,40) Equipment	356,100	356,100	356,100	
240,502	240,502 277,20	Facilities & Security	253,300	253,300	253,300	
325,725	325,725 401,10	General Administration	396,900	396,900	396,900	
99,592	99,592 124,30) Materials	134,500	134,500	134,500	
95,715	95,715 78,30	Office	80,800	80,800	80,800	
62,426	62,426 104,60	Other Support Costs	122,400	122,400	122,400	
(121,928)	(121,928) (201,40)) Overhead Reimbursement (CIP Fund)	(156,700)	(156,700)	(156,700	
554,004	554,004 631,30	Professional & Contracted Services	668,000	668,000	668,000	
634,716	634,716 660,10) Utilities	667,600	667,600	667,600	
924,893	·) Water Purchases & Treatment	1,042,300	1,042,300	1,042,300	
3,105,278	3,105,278 3,471,90	MATERIALS & SERVICES TOTAL	3,654,000	3,654,000	3,654,000	
		Capital Outlay:				
82,579	82.579 94.00) Improvements	117,000	117,000	117,000	
-		Vehicles	160,000	160,000	160,000	
13,456	13,456 26,80		72,000	72,000	72,000	
-) Laboratory Equipment	-	-		
_	- 12,00		12,000	12,000	12,000	
49,113	,	Other	45,000	45,000	45,000	
145,149		CAPITAL OUTLAY TOTAL	406,000	406,000	406,000	
6,980,269		DEPARTMENT TOTALS	8,081,339	8,081,339	8,081,339	
0,300,203	0,300,203 1,124,02	DEPARTMENT TOTALS	0,001,000	0,001,000	0,001,000	
		Transfers & Contingency:				
204,508	204,508 213,67	1 To Revenue Bond Fund	455,555	455,555	455,555	
	1,00	To CRWSC Activity Fund	79,600	79,600	79,600	
		To Capital Reserve Fund				
500,000	500,000 750,00	-	1,250,000	1,250,000	1,250,000	
-) General Operating Contingency	500,000	500,000	500,000	
704,508	704,508 1,464,67	— 1 TRANSFERS & CONTINGENCY TOTAL	2,285,155	2,285,155	2,285,155	
2,874,926	2,874,926 1,292,10	UNAPPROPRIATED FUND BALANCE	2,404,506	2,404,506	2,404,506	
		—) TOTAL GENERAL FUND BUDGET				

CRWSC ACTIVITY FUND SPECIAL FUND - LB 10 RESOURCES AND REQUIREMENTS

FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ADOPTED BUDGET	Description of Resources and Requirements	FY 14-15 PROPOSED BUDGET	FY 14-15 APPROVED BUDGET	FY 14-15 ADOPTED BUDGET
			RESOURCES			
			Wholesale Water Sales Contract Services / Resource Sharing Transferred In:	\$ 775,000 100,000	\$ 775,000 100,000	\$ 775,000 100,000
		1,000	General Fund	79,600	79,600	79,600
		1,000	Resources Without Taxes	954,600	954,600	954,600
		\$ 1,000	TOTAL RESOURCES	\$ 954,600	\$ 954,600	\$ 954,600
			REQUIREMENTS Material & Services:	40.000	40.000	40.000
			Equipment	40,200	40,200	40,200
			Customer Services	3,000	3,000	3,000
			General Administraton Materials	5,500	5,500	5,500
		1,000	Professional & Contracted Services	12,500 1,300	12,500 1,300	12,500 1,300
		1,000	Water Purchases & Treatment	9,600	9,600	9,600
		1,000	Material & Services Total	72,100	72,100	72,100
			Capital Outlay: Computer Equipment Capital Outlay Total	7,500 7,500	7,500 7,500	7,500 7,500
		-	Transfers:	7,500	1,300	7,300
			General Fund	875,000	875,000	875,000
		-	Transfers Total	875,000	875,000	875,000
		\$ 1,000	TOTAL REQUIREMENTS	\$ 954,600	\$ 954,600	\$ 954,600

Fund established Res. No. 17-2014

CAPITAL IMPROVEMENT PROJECTS FUND SPECIAL FUND - LB 10 RESOURCES AND REQUIREMENTS

FY 11-12 ACTUAL	FY 12-13 ACTUAL	A	FY 13-14 ADOPTED BUDGET	Description of Resources and Requirements	Pl	FY 14-15 PROPOSED BUDGET		FY 14-15 PPROVED BUDGET	A	FY 14-15 ADOPTED BUDGET
\$ 47,034	\$ 48,570	\$	1,000	RESOURCES BEGINNING FUND BALANCE: Cash on hand (cash basis):	\$	1,000	\$	1,000	\$	1,000
1,096	1,228 114,018		-	Earnings from investments ODOT-Reimbursement Transferred In:		-		-		-
1,006,025 274,175	630,000 165,000		1,764,800 1,371,200	SDC Reserve Fund Capital Reserve Fund		430,000 1,869,000		430,000 1,869,000		430,000 1,869,000
1,328,330	958,816		3,137,000	Resources Without Taxes		2,300,000		2,300,000		2,300,000
\$ 1,328,330	\$ 958,816	\$	3,137,000	TOTAL RESOURCES	\$	2,300,000	\$	2,300,000	\$	2,300,000
				REQUIREMENTS						
				Capital Outlay:						
1,279,760	873,413		3,137,000	Project Expenses		2,300,000		2,300,000		2,300,000
1,279,760	873,413		3,137,000	Capital Outlay Total		2,300,000		2,300,000		2,300,000
48,570 48,570	85,403 85,403			Reserved Future Expenditures: Reserved Future Expenditures Reserved Future Expenditures Total		<u>-</u>		<u>-</u>		<u>-</u>
\$ 1,328,330	\$ 958,816	\$	3,137,000	TOTAL REQUIREMENTS	\$	2,300,000	\$	2,300,000	\$	2,300,000

CAPITAL RESERVE FUND RESERVE FUND - LB 11 RESOURCES AND REQUIREMENTS

Y 11-12 ACTUAL	FY 12-13 ACTUAL		A	Y 13-14 DOPTED BUDGET	Description of Resources and Requirements	PF	Y 14-15 ROPOSED BUDGET	A	Y 14-15 PPROVED BUDGET	A	Y 14-15 DOPTED BUDGET
					RESOURCES						
\$ 2,510,241	\$	2,748,623	\$	3,258,000	BEGINNING FUND BALANCE: Cash on hand (cash basis):	\$	3,000,000	\$	3,000,000	\$	3,000,000
500,000		500,000		750,000	Transferred From General Fund Future Reserves		1,250,000		1,250,000		1,250,000
12,557		16,432		13,200	Earnings from investments		12,000		12,000		12,000
3,022,798		3,265,055		4,021,200	Resources Without Taxes		4,262,000		4,262,000		4,262,000
\$ 3,022,798	\$	3,265,055	\$	4,021,200	TOTAL RESOURCES	\$	4,262,000	\$	4,262,000	\$	4,262,000
					REQUIREMENTS						
\$ 274,175	\$	165,000	\$	1,371,200	Transfer to CIP Fund	\$	1,869,000	\$	1,869,000	\$	1,869,000
2,748,623		3,100,055		2,650,000	Reserved for Future Expenditures		2,393,000		2,393,000		2,393,000
\$ 3,022,798	\$	3,265,055	\$	4,021,200	TOTAL REQUIREMENTS	\$	4,262,000	\$	4,262,000	\$	4,262,000

Fund established on Res. No. 34-2009

RATE STABILIZATION RESERVE FUND RESERVE FUND - LB 11 RESOURCES AND REQUIREMENTS

FY 11-12 ACTUAL		FY 12-13 ACTUAL		Y 13-14 DOPTED BUDGET	Description of Resources and Requirements	FY 14-15 PROPOSED BUDGET		FY 14-15 APPROVED BUDGET		A	Y 14-15 ADOPTED BUDGET
					RESOURCES						
\$ 2,256,651	\$	1,621,125	\$	890,800	BEGINNING FUND BALANCE: Cash on hand (cash basis):	\$	1,130,000	\$	1,130,000	\$	1,130,000
8,474		4,295		5,400	Earnings from investments		5,700		5,700		5,700
2,265,125		1,625,420		896,200	Resources Without Taxes		1,135,700		1,135,700		1,135,700
\$ 2,265,125	\$	1,625,420	\$	896,200	TOTAL RESOURCES	\$	1,135,700	\$	1,135,700	\$	1,135,700
					REQUIREMENTS						
\$ 644,000	\$	500,000	\$	-	Transfer to General Fund	\$	-	\$	-	\$	-
1,621,125		1,125,420		896,200	Reserved for Rate Stabilization		1,135,700		1,135,700		1,135,700
\$ 2,265,125	\$	1,625,420	\$	896,200	TOTAL REQUIREMENTS	\$	1,135,700	\$	1,135,700	\$	1,135,700

Fund established on Res. No. 35-2009

SDC RESERVE FUND RESERVE FUND - LB 11 RESOURCES AND REQUIREMENTS

_	Y 11-12 ACTUAL	FY 12-13 ACTUAL				Description of Resources and Requirements	FY 14-15 PROPOSED BUDGET		FY 14-15 APPROVED BUDGET		Al	Y 14-15 DOPTED SUDGET
						RESOURCES						
\$	4,166,576	\$	2,894,006	\$	2,234,000	BEGINNING FUND BALANCE: Cash on hand (cash basis):	\$	430,000	\$	430,000	\$	430,000
	38,346 47,565		54,000 66,998		32,000 39,000	SDC Reimbursement SDC Improvement		49,100 61,000		49,100 61,000		49,100 61,000
	17,278		13,097		1,100	Earnings from investments		1,100		1,100		1,100
	4,269,765		3,028,101		2,306,100	Resources Without Taxes		541,200		541,200		541,200
\$	4,269,765	\$	3,028,101	\$	5,276,607	TOTAL RESOURCES	\$	541,200	\$	541,200	\$	541,200
						REQUIREMENTS						
\$	1,006,025 369,734	\$	630,000 375,077	\$	1,764,800 255,822	Transfer to CIP Fund Transfer to Revenue Bond Fund	\$	430,000	\$	430,000	\$	430,000
	2,894,006		2,023,024		285,478	Reserved Future Expenditures		111,200		111,200		111,200
\$	4,269,765	\$	3,028,101	\$	2,306,100	TOTAL REQUIREMENTS	\$	541,200	\$	541,200	\$	541,200

Fund established Res. No. 36-2009

REVENUE BOND FUND BONDED DEBT - LB 35 RESOURCES AND REQUIREMENTS

_	Y 11-12 ACTUAL	_	Y 12-13 ACTUAL	ΑC	7 13-14 DOPTED UDGET	Description of Resources and Requirements	FY 14-15 PROPOSED BUDGET		s PROPOSE		PROPOSED		ΑP	Y 14-15 PROVED UDGET	ΑI	Y 14-15 DOPTED UDGET
						RESOURCES:						_				
						BEGINNING FUND BALANCE:										
\$	545,380	\$	547,949	\$	468,000	Cash on hand (cash basis)	\$	476,000	\$	476,000	\$	476,000				
	2,569		2,531		2,000	Earning From Investments		2,000		2,000		2,000				
	275,526		204,508		213,674	Transfer From General Fund		455,555		455,555		455,555				
	369,734		375,077		255,822	Transfer From SDC Fund		-		-						
	1,193,209		1,130,065		939,496	Resources Without Taxes		933,555		933,555		933,555				
\$	1,193,209	\$	1,130,065	\$	939,496	TOTAL RESOURCES	\$	933,555	\$	933,555	\$	933,555				
						REQUIREMENTS:										
\$	510,000	\$	535,000	\$	340,000	Principal	\$	360,000	\$	360,000	\$	360,000				
	135,260		119,585		106,460	Interest		95,555		95,555		95,555				
	547,949		475,480		493,036	Unappropriated and Reserved		478,000		478,000		478,000				
\$	1,193,209	\$	1,130,065	\$	939,496	TOTAL REQUIREMENTS	\$	933,555	\$	933,555	\$	933,555				

SUPPLEMENT LB-36

FY 11-12 ACTUAL BUDGET	A	FY 12-13 ADOPTED BUDGET		Y 13-14 DOPTED BUDGET	Schedule of Payments	FY 14-15 PROPOSED BUDGET		yments PRO		ΑP	Y 14-15 PROVED SUDGET	ΑI	Y 14-15 DOPTED UDGET
					BOND PRINCIPAL PAYMENTS								
\$ 510,000	\$	535,000	\$	340,000	Issue Date - Payment Date 2009 11/1/14	\$	360,000	\$	360,000	\$	360,000		
510,000		535,000		340,000	Total Principal Payments		360,000		360,000		360,000		
					BOND INTEREST PAYMENTS								
135,260		119,585		106,460	Issue Date - Payment Date 2009 11/1/14 & 5/1/15		95,555		95,555		95,555		
135,260		119,585		106,460	Total Interest Payments		95,555		95,555		95,555		
					UNAPPROPRIATED ENDING FUN	ID							
547,949		475,480		493,036	Unappropriated Fund Balance		478,000		478,000		478,000		
\$ 1,193,209	\$	1,130,065	\$	939,496	TOTAL REQUIREMENTS	\$	933,555	\$	933,555	\$	933,555		

FY 2014-2015 BUDGET BUDGET BUDGET MODIFICATION

CLACKAMAS RIVER WATER FY 2014-2015

CHANGES FROM PROPOSED to APPROVED BUDGET

There Were No Changes To The Proposed Budget.

CHANGES FROM APPROVED to ADOPTED BUDGET

Adjustments were made in the Personnel Services distribution between Operations, Engineering, and Administration Department. Appropriation total remains unchanged from approved to adopted budget.

OREGONIAN MEDIA GROUP

1320 S.W. Broadway, Portland, OR 97201-3499

Affidavit of Publication

I,, being first duly sworn depose and say that I am the Principal Clerk Of The
Publisher of The Oregonian, a newspaper of general circulation, published at Portland, in Multnomah County, Oregon; that I
know from my personal knowledge that the advertisement, a printed copy of which is hereto annexed, was published in the
entire issue of said newspaper in the following issues:
4/16/2014
_ K Bleage
Principal Clerk of the Publisher
Subscribed and sworn to before me this date: 17th day of and 3, 2014.
and ar angre series of early interest of extensional relation (by Art or bythe are a Art are passed in a Afger The angree of the control of
Christine D. Cassel
Notary Public for Oregon
My commission expires 271h day of May, 20 16.
Ad Order Number: 0003587125

MEETING NOTICE

A public meeting of the Budget Committee of Clackamas River Water, Clackamas County, State of Oregon, to discuss the budget for the fiscal year July 1, 2014, to June 30, 2015 will be held at 16770 SE 82nd Drive, Clackamas, Oregon, 97015. The first meeting will take place on the **Thursday May 1, 2014**, at 6:00 p.m. Additionally, the second and third meetings are scheduled for Thursday May 15, 2014 and Thursday May 22, 2014, if needed. The purpose of the meetings is to receive the budget message and to receive comment from the public on the budget. This is a public meeting where deliberation of the Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the Budget Committee. A copy of the budget document may be inspected or obtained on April 25, 2014, or anytime thereafter, at 16770 SE 82nd Drive, between the hours of 8:00 a.m. and 4:00 p.m. or on-line at www.crwater.com, finance page.The budget committee meeting is open to the public and will be held at CRW Administrative Offices at 16770 SE 82nd Drive, Clackamas, in the Boardroom.



FY 2014-15 BUDGET BUDGET MODIFICATION

FORM LB-1

NOTICE OF BUDGET HEARING

A public meeting of the Clackamas River Water Board of Commissioners will be held on June 11, 2014 at 6:00 pm at 16770 SE 82nd Drive, Clackamas, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2014 as approved by the Clackamas River Water Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at 16770 SE 82nd Drive, Clackamas, Oregon, between the hours of 8:00 a.m. and 5:00 p.m. or online at WWW.CRWATER.COM. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the preceding year.

Contact: Larry Sowa Telephone: 503-722-9226 Email: Isowa@crwater.com

FINANCI	AL SUMMARY - RESOURCES		
TOTAL OF ALL FUNDS	Actual Amount	Adopted Budget	Approved Budget
	2012-13	This Year 2013-14	Next Year 2014-15
Beginning Fund Balance/Net Working Capital	9,385,077	8,951,800	8,437,000
Interfund Transfers / Internal Service Reimbursements	2,374,585	4,356,496	4,959,155
All Other Resources Except Current Year Property Taxes	8,807,497	8,455,300	9,501,900
Total Resources	20,567,159	21,763,596	22,898,055

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION					
Personnel Services	3,729,841	4,024,926	4,021,339		
Materials and Services	3,105,278	3,472,900	3,726,100		
Capital Outlay	1,018,562	3,346,000	2,713,500		
Debt Service	654,585	446,460	455,555		
Interfund Transfers	2,374,585	4,356,496	4,959,155		
Contingencies	0	500,000	500,000		
Unappropriated Ending Balance and Reserved for Future Expenditure	9,684,308	5,616,814	6,522,406		
Total Requirements	20,567,159	21,763,596	22,898,055		

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *					
Name of Organizational Unit or Program		•			
FTE for that unit or program					
Water Resources Department	2,661,614	2,877,696	3,023,722		
FTE	10	10	10		
Operations Department	1,401,961	1,579,112	1,837,541		
FTE	11	11	11		
Finance, Accounting and Customer Service	867,779	1,009,171	1,105,952		
FTE	7	7	8		
Engineering	424,691	430,361	459,092		
FTE	5	5	5		
Administration Department	1,442,120	1,666,316	1,522,629		
FTE	5.4	5.4	4.4		
Board of Commissioners Department	182,102	144,169	132,403		
FTE	0.8	0.8	0.8		
Not Allocated to Organizational Unit or Program	13,586,892	14,056,771	14,816,716		
FTE					
Total Requirements	20,567,159	21,763,596	22,898,055		
Total FTE	39.2	39.2	39.2		

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

Total budget resources for FY2014-15 increase by 5.2 percent or \$1,135,459 over FY 2013-14 budget, primarily due to Interfund Transfers increasing \$603,659 or 13.9 percent. Beginning Fund Reserves declined by \$514,800 or 5.7 percent as reserved are used for capital improvements of the infrastructure. Water Sales include a rate change for retail customers that was approved by the Board of Commissioners March 31, 2014.

The FY 2014-15 total requirements are expected to increase 5.2 percent or \$1,135,459 over FY 2013-14 Adopted Budget, primarily due to increase in Interfund Transfers of \$603,659 or 13.9 percent and unappropriated Fund Balance and Reserved for Future Expenditures by \$905,592 or 16.1 percent. Total FTE remains unchanged from FY 2013-14 to FY 2014-15.

The CRWSC Activity Fund was created during FY 2013-14 to track activity of CRW's participation in the CRWSC agency. This agency, created under ORS 190, is a partnership with Sunrise Water Authority for sharing of resources.

STATEMENT OF INDEBTEDNESS				
LONG TERM DEBT	Estimated Debt Outstanding Estimated Debt Authorized, But			
	on July 1.	Not Incurred on July 1		
Other Bonds	\$2,790,000	\$37,210,000		
Total	\$2,790,000	\$37,210,000		

CLACKAMAS RIVER WATER

RESOLUTION No. 21-2014

A RESOLUTION FOR ADOPTING THE BUDGET AND MAKING APPROPRIATIONS FOR CLACKAMAS RIVER WATER FOR FISCAL YEAR 2014-2015

WHEREAS, pursuant to the requirements of ORS Chapter 294, the Board of Commissioners for Clackamas River Water is required to adopt the budget and make appropriations for the District for the 2014-15 annual period; and,

WHEREAS, on May 15, 2014, following public notice and meetings thereon, the duly appointed and authorized Budget Committee approved the annual budget proposed for the 2014-15 period, on file at the District office, and recommended adoption by the Board of Commissioners; and,

WHEREAS on May 15, 2014, Clackamas River Water has the authority to levy taxes and that the Budget Committee declared No Tax Levy be imposed on the ratepayers of Clackamas River Water for the 2014-15 period; and,

WHEREAS, on June 11, 2014, the Board of Commissioners held the Budget Hearing following public notice thereon as required by ORS 294.453.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CLACKAMAS RIVER WATER THAT:

Section 1: The Board of Commissioners of Clackamas River Water hereby adopts the annual budget as approved by the Budget Committee for FY 2014-2015 in the total sum of \$22,898,055 now on file at the district office as required by ORS 294.556.

Section 2: That the amounts for the fiscal year beginning July 1, 2014 and for the purposes shown below are hereby appropriated as follows:

GENERAL FUND

Α						

Personnel Services	\$ 4,021,339
Materials & Services	3,654,000
Capital Outlay	406,000
Interfund Transfers	2,285,155
Operating Contingency	500,000
Appropriation Total (General Fund)	\$ 10,366,494

(Continued on next page)

CAPITAL RESERVE FUND

Interfund Transfers Appropriation

\$1,869,000

SDC RESERVE FUND

Interfund Transfers Appropriation

\$430,000

CAPITAL IMPROVEMENT PROJECTS FUND

Capital Outlay Appropriation

\$2,300,000

CRWSC ACTIVITY FUND

Appropriations:

Materials & Services72,100Capital Outlay7,500Interfund Transfers875,000Appropriation Total (CRWSC Activity Fund)\$ 954,600

REVENUE BOND FUND

Debt Service Appropriation

\$455,555

TOTAL APPROPRIATIONS:

\$15,889,960

Unappropriated Ending Fund and Reserved for

Future Expenditures

\$7,008,095

Total Budget

\$22,898,055

Section 3: The General Manager or his designee shall file with Clackamas County and Oregon Department of Revenue information as required by ORS 294.458.

This resolution shall be deemed effective upon adoption. This resolution ADOPTED by the Clackamas River Water Board of Commissioners on this 11th day of June, 2014.

Larry Sowa, Board President

Ken Humberston, Board Secretary

ATTESTED: 154

Lee Moore, Sr., General Manager

FY 2014-2015 BUDGET BUDGET BUDGET MODIFICATION

BUDGET CALENDAR

FY 2014-2015

1.	Appoint budget officer	January 9, 2014
2.	Publish first notice of budget committee meeting in <i>The Oregonian</i> and post on District web site	April 16, 2014
3.	Hold budget committee meeting	May 1, 2014
4.	Hold budget committee meeting	May 15, 2014
5.	Approve budget	May 15, 2014
6.	Publish hearing notice in <i>The Oregonian</i>	June 6, 2014
7.	Hold budget hearing	June 11, 2014
8.	Adopt the budget and make appropriations by Resolution #21-2014 with no taxes to levy	June 11, 2014
9.	Submit budget to State, County Assessor, Treasurer and Clerk	July 15, 2014