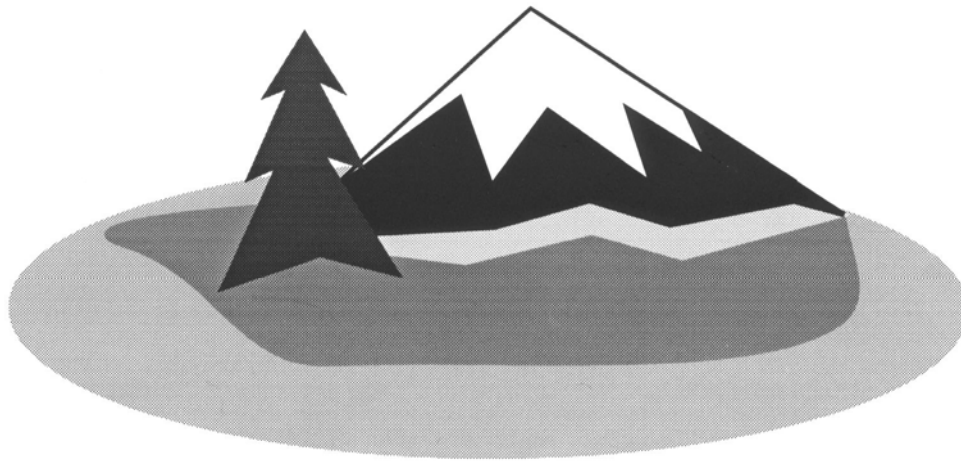
A photograph of a water treatment facility. In the background is a two-story building with a red metal roof and white panels with vertical window slats. In the foreground is a large, rectangular aeration tank filled with greenish water, surrounded by a concrete walkway with a metal railing. A green lamp post is visible on the left. The sky is clear and blue.

*Clackamas River Water*  
Adopted Budget  
Fiscal Year  
2013-2014

Celebrating 50 Years  
1964-2014

Clackamas River Water  
16770 SE 82nd Drive  
Clackamas, Oregon 97015  
Phone: 503-722-9220  
Fax: 503-656-7086

# **BUDGET DOCUMENT FY 2013-2014**



*Clackamas River Water*

**Prepared by:**

**Clackamas River Water Staff**

**Lee E. Moore, Sr., General Manager**

**Carol Bryck, Chief Financial Officer/Budget Officer**

Cover by S. DeLorenzo

Clackamas River Water Treatment Plant 2013

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*Clackamas River Water*

## **BUDGET MESSAGE 2013-2014**

### 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.

April 18, 2013

To: The Clackamas River Water Budget Committee

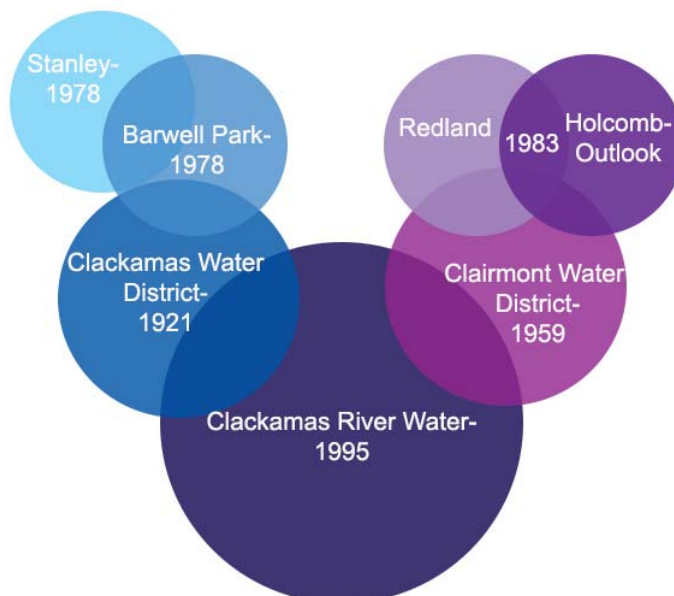
We are pleased to present the Clackamas River Water (CRW or District) budget for fiscal year 2013-2014. This budget and this message are focused on requirements to meet our core mission. This Budget Message and the budget document are submitted for consideration under the Oregon Revised Statutes Chapter 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 to our customers. Costs are also budgeted for administrative functions required to bill for water delivered, collect the funds due the District, and coordinate all operational aspects.

As a water provider, the District is required to meet all Federal and State water quality standards. Demonstration of compliance is done through sampling of water source and distribution and reporting to the Oregon Health Authority. The majority of our budgeted costs are tied to these and other external mandates, such as compliance issues in financial reporting, certifications and state law.

### General Information:

CRW is organized as a domestic water supply district under the provisions of Oregon Revised Statutes Chapter 264.

CRW has developed as a combination of water districts over time as shown below:



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.

The CRW water treatment plant will celebrate its 50<sup>th</sup> birthday in 2014 with a history of successful water treatment plant operation. There have been no water quality violations since the plant began operation in 1964. The establishment of organizational treatment goals that meet or exceed regulations ensures that water quality is never compromised.

**Budget Trends:**

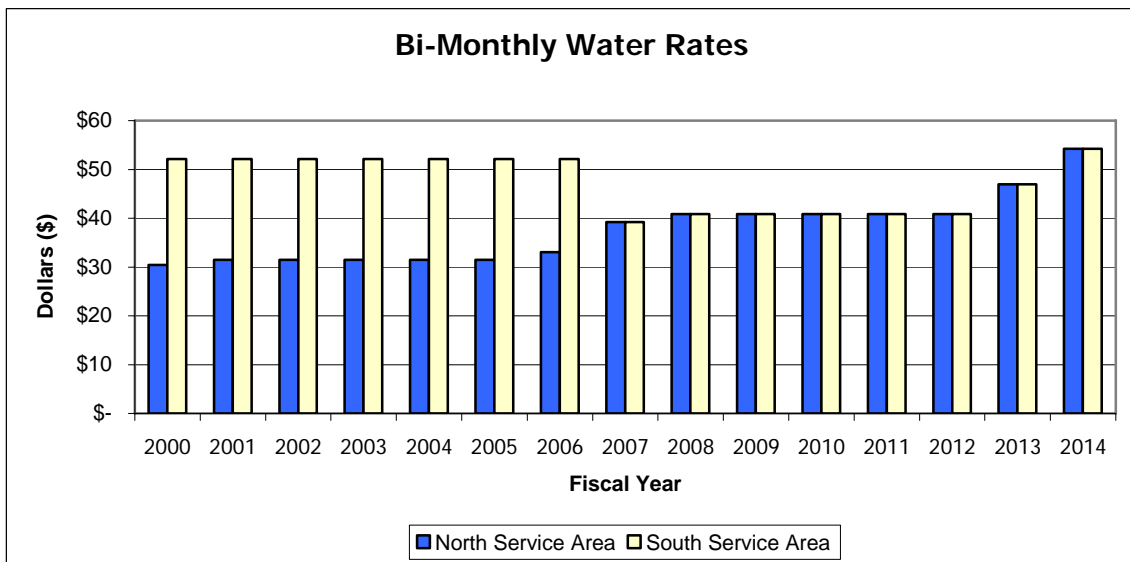
Revenues:

The revenue forecast for this Budget was based upon a rate increase approved by the CRW Board of Commissioners on March 29, 2012 effective May 1, 2013. This decision was based on financial needs of the District due to a combination of increased costs and reduction of water consumption over the past ten years. Just as our customers have seen increases in many areas of their budgets, the District has seen increases as well. CRW continues to control expenses while providing the expected level of customer service. The District is responsible for developing a rate structure that covers the cost of production and delivery of water to the customers.

providers in the region demonstrates our commitment to providing high quality safe drinking water at reasonable rates. The District utilizes increasing block rates to encourage conservation. This pricing practice charges higher water users more per unit while maintaining affordable rates for “lifeline” customers. The rate structure encourages conservation, as customer’s rates increase when they exceed certain consumption thresholds.

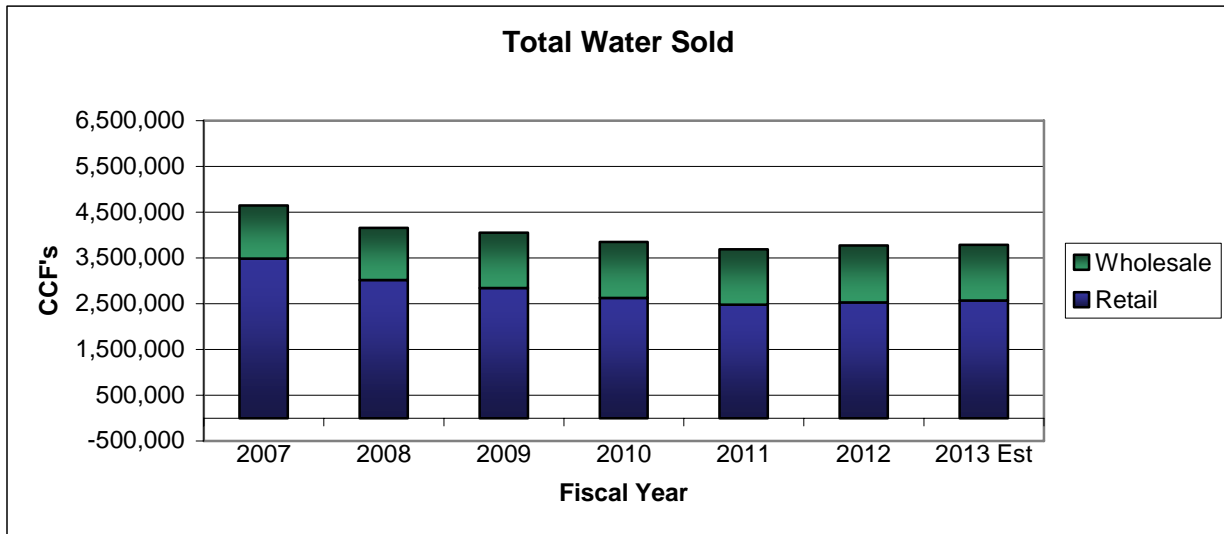
Water price signals value and should reflect the increasing scarcity of the water resource. When the cost of water is compared with almost any other type of utility, it is evident that the cost of water is low. Comparing CRW water rates with other water

Following is a graph of water rates since 2000 based on average consumption of 16 ccf (11,968 gallons) during the bi-monthly billing period. The base rates were the same for both the North and the South during this time period and the overall rates were aligned in 2007. This graph includes the approved rate increase that will be charged in the upcoming fiscal year.



Overall consumption is down due to conservation by current customers, the economic downturn, newer homes built with low water use fixtures, and fixture replacement in older homes. All of these factors impact the volume of water needed. Much of the

consumption reduction is permanent and will not recover even with a more robust economy. Due to economic recovery and changing weather patterns since summer 2012, the District is seeing increased water consumption for fiscal year 2013.



Expenditures:

External mandates from various federal, state and local jurisdictions affect every budget category. Estimated percentage of the budget externally mandated by Federal, State, local laws and regulations, as well as requirements for operation and internally mandated by Board and Operational policies make up nearly 90% of the District's General Fund budget. Examples of some mandated or other required activities are listed below by budget account category:

- Customer Services includes bad debt expense as mandated by Generally Accepted Accounting Principals (GAAP), credit card processing fees for acceptance of credit cards as a form of payment, customer statement processing costs to generate and deliver bills to our 12,000 plus connections, and public notices required by law to notify the public of regular Board meetings, special meetings, and budget or rate hearings.
- Other Support Costs include the costs of maintaining required certifications for water treatment plant operators and water mechanics, medical exams to maintain commercial driver's licenses (CDL), protective clothing for employees, required safety expenses, and training related to employee certifications.
- As water is a critical necessity during an emergency, there are Homeland Security Presidential Directives that require an all hazards approach to the protection of water systems. The costs of emergency preparedness, security monitoring, and patrol of District critical facilities are externally mandated. Additionally, in the Facilities and Security expense category, we include property taxes on the private use (rental) of facilities.
- General Administration includes general liability, property and automobile insurance required to safeguard District assets as required by law and by CRW Board policy 3.13. During fiscal year 2013 the District had to change insurance carriers. The cost of the new policy is estimated at approximately \$62,000 greater than the coverage from Special Districts Association of Oregon. Additionally, by no longer having coverage provided by an



association as part of that risk pool, the District has put aside \$75,000 in the fiscal year 2014 budget to cover risks that may not be covered under our new policy.

- In the Office category printing costs of our annual Water Quality Report, the Comprehensive Annual Financial Report (CAFR), and our annual budget are mandatory costs. Costs have been reduced in recent years as many recipients of the budget and the CAFR prefer receiving the documents electronically; however a copy continues to be required for inspection by the public.
- Professional and Contracted Services include the cost of the required financial statement audit, cost of grinding and paving Redland Road as a result of the main break, as well as labor relations legal costs to ensure compliance with statutory requirements.
- In the category of Equipment the mandated costs are related to computer system and software licensing and certain vehicle maintenance, such as tire replacement to ensure safe operation of vehicles.
- Approximately 19% of our Materials and Services budget is Utilities. This includes natural gas, electricity, and telecommunications. Electricity is required for water treatment and to operate pump stations to deliver water to customers.
- The final expense category is Water Purchases and Treatment which includes permits required by the State and other local jurisdictions, telemetry for the SCADA system, water purchased from other jurisdictions (for resale to our customers), watershed management, and water treatment and analysis, required by State and Federal Law to produce high quality, safe drinking water for our customers. This category is nearly 29% of total costs budgeted for Materials and Services.

Additionally we incur costs related to internal mandates as set forth by Board of Commissioner's policies or best practices as determined by many industry or professional organizations such as: American Water Works Association (AWWA), Government Accounting Standards Board (GASB), and Special Districts Association of Oregon (SDAO), etc.

Historically, management and staff have developed conservative projections for both revenue and expenditures while ensuring sufficient resources to maintain the level of service our customers have come to expect.

### **Overview of 2014 Budget:**

The CRW budget is compiled of six funds and departments within the General Fund:

- General Fund
  - Board of Commissioners
  - Water Resources
  - Operations
  - Finance, Accounting and Customer Service
  - Administration
  - Engineering
- Capital Improvement Projects (CIP) Fund
- Capital Reserve Fund
- Rate Stabilization Reserve Fund
- System Development Charges (SDC) Reserve Fund
- Revenue Bond Fund

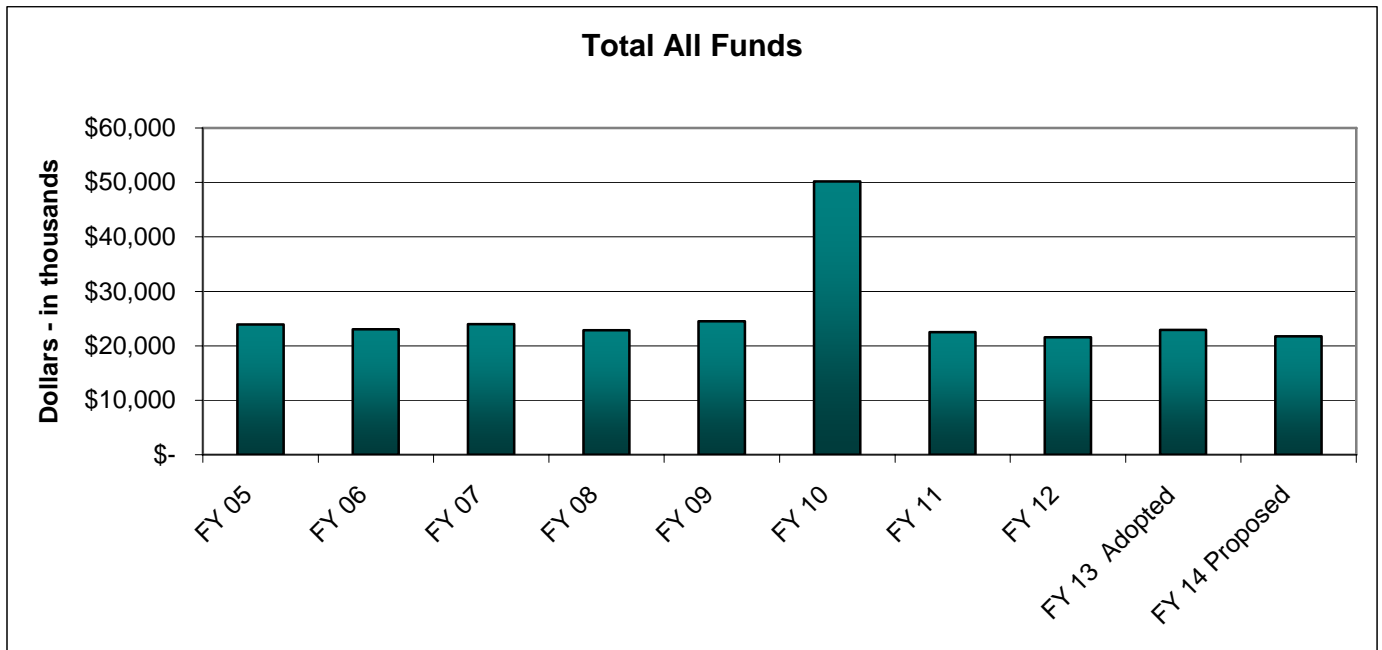
The reduction in total budget is due primarily to the use of reserve funds for CIP projects. The cost of system improvements is greater than the SDC revenue coming in and over time the reserve balance of the SDC Reserve Fund has gone down. The past two years the District has had to use Rate Stabilization Funds to meet our bonded debt covenants. We are happy to report that we will end fiscal year 2012-13 with sufficient resources to meet debt covenants and the fiscal 2013-14 budget is planned to meet those covenants as well.

**Summary of Total Budget - all Funds (in thousands)**

	FY 13-14	FY 12-13	Difference	% Change
General Fund	\$ 10,463	\$ 10,690	(227)	-2.12%
CIP Fund	3,137	3,254	(117)	-3.60%
Capital Reserve	4,021	3,636	385	10.59%
Rate Stabilization	896	1,613	(717)	-44.45%
SDC Reserve	2,306	3,154	(848)	-26.89%
Revenue Bond	939	1,130	(191)	-16.90%
<b>Total Budget</b>	<b>\$ 21,762</b>	<b>\$ 23,477</b>	<b>\$ (1,715)</b>	<b>-7.31%</b>

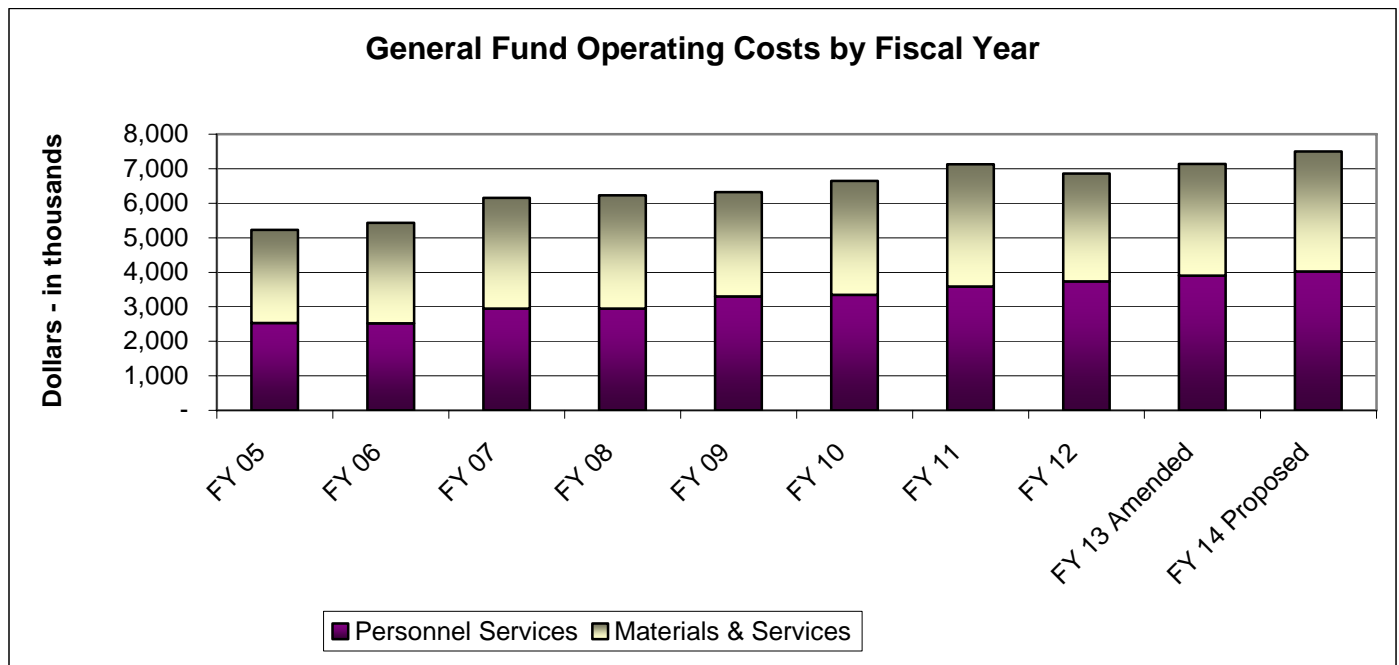
The following graph shows a comparison of total budgets over the past ten years. The increase in the fiscal year 2010 budget was not due to additional spending but was due to closing the CRW Reserve Fund and opening three new reserve funds: SDC

Reserve Fund, Capital Reserve Fund and Rate Stabilization Reserve Fund. The total budget includes all resources, therefore includes transfers in from other funds.



The General Fund appropriations are at the category level as recommended by Oregon Local Budget Law. The following chart presents the General Fund operating budget identifying Personnel Services and

Materials and Services which are the operating categories of the budget. Capital Outlay is not considered operating expense due to the long-term benefit received from those expenditures.



The District has 39 full-time equivalent employees (FTE). Positions in the proposed budget for fiscal year 2013-2014 are the same as positions in the 2012-2013 budget. No additional staffing is needed to maintain District operations.

When the budget is approved by the Budget Committee and adopted by the Board of Commissioners, the General Manager will have the authority and responsibility to ensure budget expenditures are in conformance with requirements of the Oregon Revised Statutes and the District's Local Contract Review Board Rules. Individual department managers have responsibility for the expenditures within their respective departments and programs.

### **Budget Highlights:**

- Implementation of the second year of the two year rate plan effective May 1, 2013;
- Projected operating revenue increased by \$792,900 due to the effect of the rate increase and based on estimated consumption similar to fiscal year 2011-2012 offset by slight reduction Other Operating Resources;
- Decrease in non-operating revenue of \$120,500 due to elimination of the grant funds for Continuity of Operations Plan (COOP) and the final grant payment for the Carbon Study, as well as a reduction in Miscellaneous – Non-Operating Income;
- Personnel services category within the General Fund has a net increase of 3.24%, due primarily to an increase in PERS costs for the next two fiscal years partially offset by additional internal labor costs allocated to CIP Fund projects. The budget also includes the union contract cost of living adjustment of 2%, and step increases for eligible employees;
- General Fund Materials and Services increase of 7.29% due to the following:
  - Customer Services - Increase in promotional item expenses to meet the CRW water conservation program requirements as approved by the state in December 2011;
  - Other Support Costs - Increase by \$18,500 due to use of a third party safety coordinator;
  - Cost savings have been achieved in Facilities & Security by continuing the reduction of the frequency of landscape maintenance and security patrols;
  - General Administration – Increase of \$68,100 due to the cost increase of general liability, property and automobile insurance. Additionally, we are proposing an increase of \$25,000 to maintain a risk pool to cover changes in insurance policy coverage;
  - Materials - Increase of \$15,800 for anticipated usage of inventoried materials on maintenance projects;

## FY 2012-2013 BUDGET

- Office - Reduction of \$20,600 from fiscal year 2012-13 adjusted budget. The 2012-13 budget was adjusted to accommodate the cost of a special election in March 2013;
  - Professional & Contracted Services – Costs have increased by \$20,800 to include \$20,000 for an SDC rate study, \$15,000 for a compensation study, and \$35,000 for grinding and paving Redland Road, due to damage caused by significant leaks during fiscal year 2012-13. We have continued to reduced use of external contractors, transferring activities to in-house employees where specific expertise is available and have continued reduction in reliance on legal services which offsets the studies and the paving proposed;
  - Equipment – Maintaining the same level of support for equipment maintenance as fiscal year 2012-13, but increasing the category by \$23,100 for upgrading a portion of the District's computer hardware and software to increase system compatibility and to ensure software support is available;
  - Utilities – Costs are remaining flat with a projected increase of approximately \$600;
  - Water Purchases & Treatment – Expenditures here are externally mandated to provide water service to our customers. Costs of water purchased from South Fork Water Board (SFWB) have increased based on negotiations with SFWB and the settlement agreement. Costs may vary due to volume of production/consumption.
- Capital Outlay shows an increase of \$56,000 due to scheduling activities and purchases that have been postponed for the past few years. The Capital Outlay project list is available in the Supplement tab of the budget document;
  - CIP Fund projects were selected from the 2005 Water Master Plan, external agency projects, and evaluation of current needs of the District. The projects for fiscal year 2014 show a decrease over FY 2012-13 adopted budget. The listing of projects is available within the CIP budget on page 34;

### **Financial Summary – Opportunities:**

As we have seen decreased reserve balances due to CIP costs exceeding SDC revenue over the past several years the District is using this as an opportunity to use internal expertise for the development of the District's Water Master Plan update which is due by December 31, 2015. By using internal resources rather than contracting out the District will save money. Staff time can be made available due to the reduction in the number of CIP projects being managed by the Engineering department.

Planning for the future will enable the District to carefully review requirements and to be prepared for future system improvements.

The District will also continue to work with our neighboring water providers to seek efficiencies in providing service to our customers that may provide cost savings in the future. This allows for a sustainable pathway for use of the resources; physical and financial.

We are beginning to see improvements in the economy and are cautiously optimistic that we will see improvements in the real estate market and hopefully continued reductions in the unemployment rate. An improved economy will benefit the District and our customers.

### **Financial Summary – Challenges:**

Water sales make up approximately 96 percent of the total revenues for the District. When consumption is down, revenue is down and cannot be readily made up from other sources. Despite reduced revenue, certain expenditures have increased, which we have little ability to control. The rate increase for the Public Employees Retirement System (PERS) is significant. Our total cost increase is estimated to be \$125,000 for the year. The PERS rates will remain the same through fiscal year 2014-2015.

The wholesale rates paid to South Fork Water Board (SFWB) for water purchased for the South service area increased effective July 2012 from \$0.74 per ccf to \$0.89 per ccf. This increase went into effect after the CRW rate increase effective May 1, 2012 and CRW's budget preparation for fiscal year 2012-2013. The SFWB rate is effective through fiscal year 2013-14 and will be renegotiated next spring.

Many of the District's capital projects are mandated by other entities. Oregon Department of Transportation (ODOT) or Clackamas County Department of

Transportation and Development (DTD) projects may require the District to make adjustments to water mains and services, typically without reimbursement.

The work in these areas is necessary for the District and benefits us by saving overall costs on the projects, but also redirects our priorities.

**Financial Condition:**

With no general obligation debt funded by property tax there is no property tax levy included in the proposed budget.

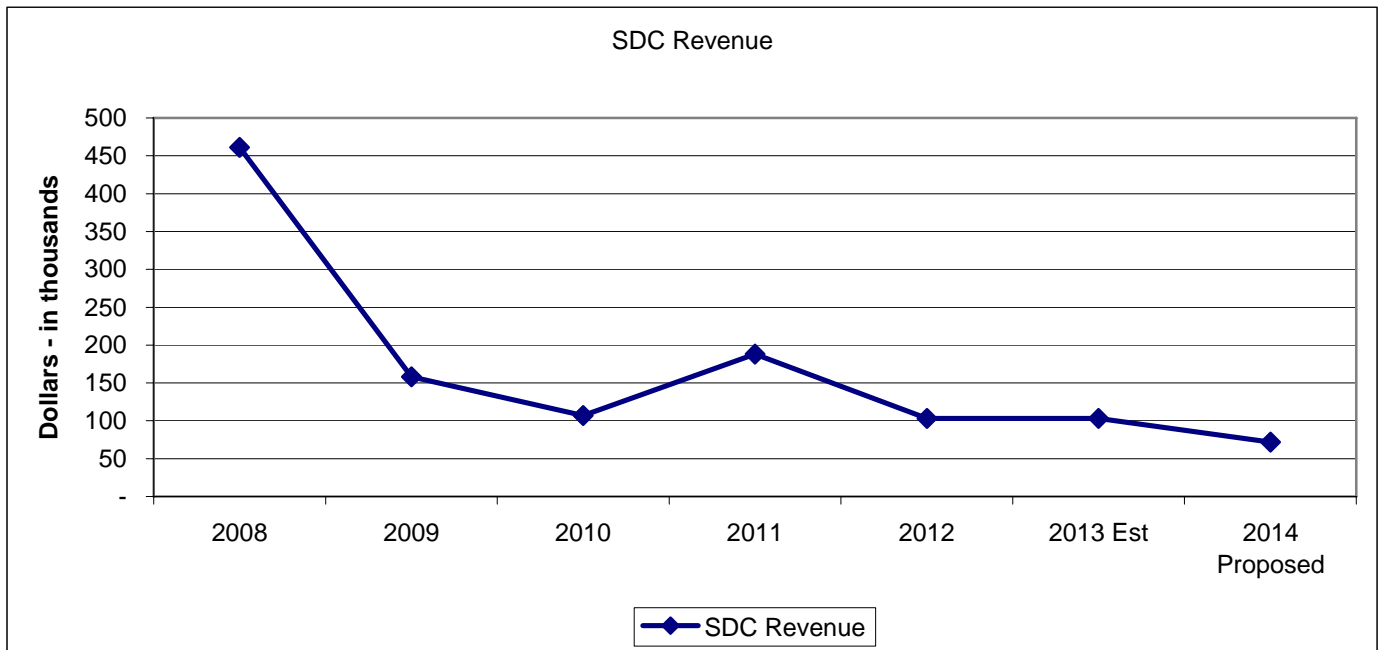
The Board of Commissioners and staff are committed to sustaining a sound financial position that ensures CRW's ability to face the challenges and responsibilities of the future.

The 2005 Water Master Plan update identified \$42.4 million in capital improvement projects over the next 20 years. The District has spent \$8.7 million on capital improvement projects from July 2005 through the end of fiscal year 2011-2012. This leaves a balance of planned projects of \$33.7 million. Due to the evolving nature of the capital improvement program, further needs and deficiencies may be identified on an annual basis. This magnitude of capital improvement expense will have an impact on water rates and will be paid for by a combination of additional bonded indebtedness and current rate revenue.

outstanding balance of the 2009 revenue bonds is \$3.1 million. The Board had previously authorized a limit of \$40 million in revenue bonds to aid in funding CRW capital improvements identified in the 1998 Water Master Plan. To date the District has issued a total of \$7.99 million in Water Revenue Bonds.

SDCs paid by new customers help cover the costs of system improvements and system reimbursements. SDCs reimburse CRW for expenditures on capital facilities for capacity already constructed plus proportionately paying for future improvements needed to serve new customers' additional demands on the system. The Board of Commissioners adopted SDCs that took effect on April 1, 1998, and these charges have been adjusted annually. The most recent adjustment has an effective date of July 1, 2013. The Engineering News Record, Seattle index is used to calculate increases in the SDC fees. This index has been relatively flat in the last few years due to the slow economy, so SDC rates have not increased significantly. Additionally, the economic environment has significantly slowed new development. The following graph shows total SDC revenue:

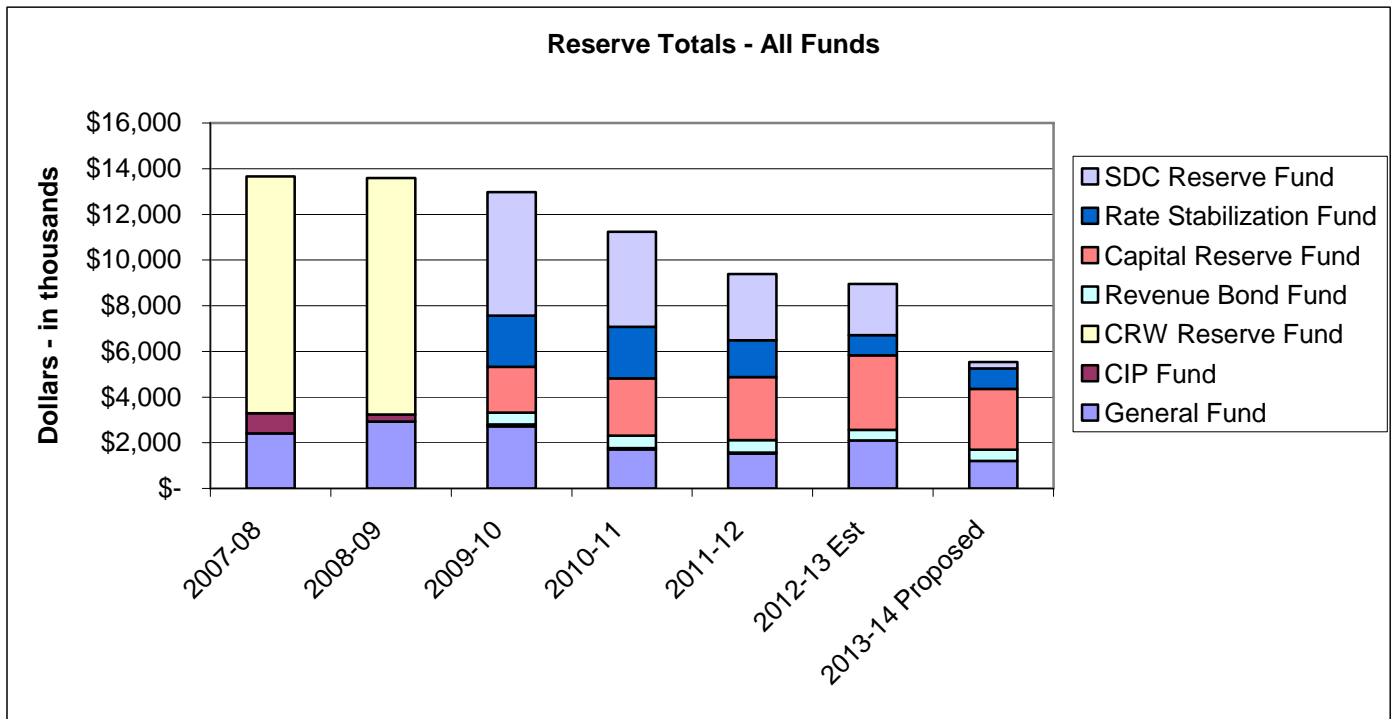
In November of 2009, CRW issued bonds to refund the outstanding 1999 series revenue bonds. The



CRW uses reserve balances for capital projects, so the reserve balances are diminishing. SDC revenue has declined therefor the outflows for projects have exceeded inflows on an annualized basis. The change in reserve balances for all funds through this proposed budget is \$8.1 million, while CIP expenditures for the same time period have been

FY 2012-2013 BUDGET

\$10.2 million. From the following graph you can see the elimination of the CRW Reserve Fund during fiscal year 2010 as well as the addition of the Rate Stabilization Fund, the Capital Reserve Fund, and the SDC Reserve Fund.



**Capital Improvement Plan and Its Relationship to the Budget:**

The CIP Fund is separate from General Fund activities and is based upon the Water Master Plan. Many project costs cross over fiscal years. We have provided estimates of those costs from prior years (for ongoing projects) and into future years to provide total projects costs. The fiscal year 2013-2014 budget includes estimates for this time frame only.

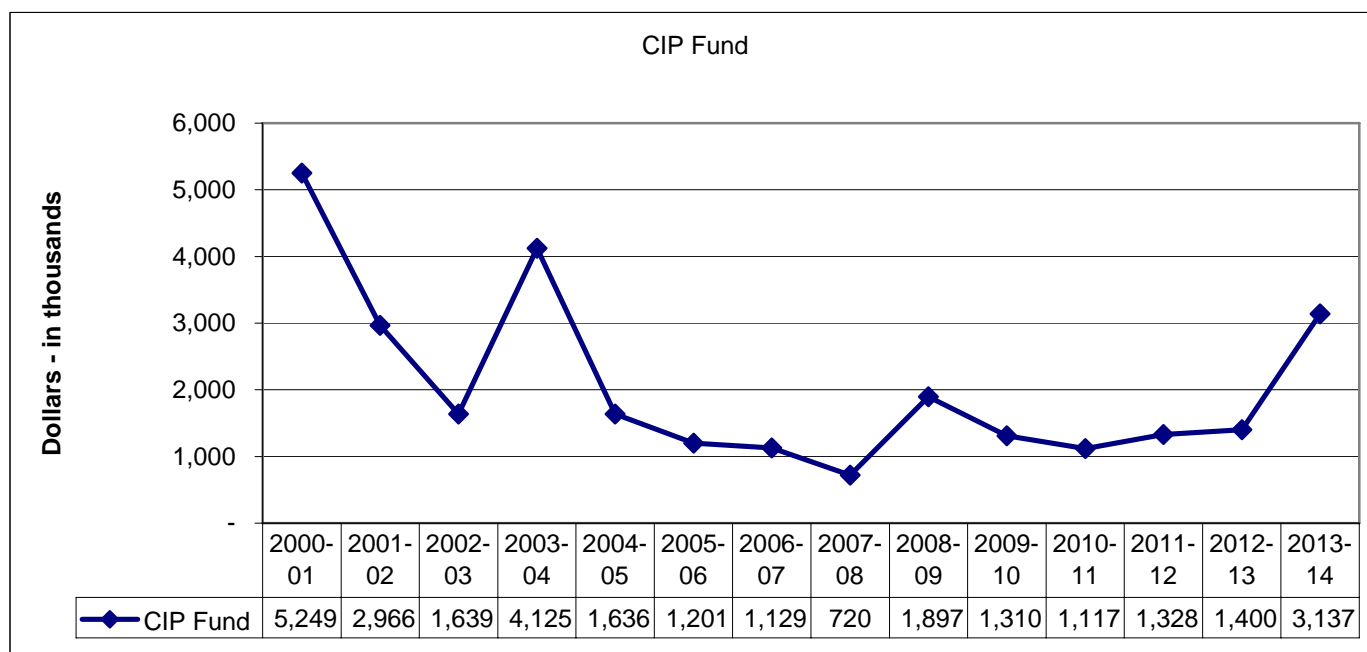
The individual projects are chosen based upon initial identification of deficiencies/needs, prioritization of needs using specific evaluation criteria, and/or the project's prerequisite position in the overall plan. The projects are listed in the CIP tab of the budget. Projects may be shifted from one 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 most significant project for this year continues to be the Water Treatment Plant emergency power and

electrical upgrades project. The necessity of the upgrades was identified during the generator system study completed in fiscal year 2010-2011. These upgrades need to be completed to meet current life, health and safety requirements.

The Board of Commissioners has approved the waterline project on the Carver Bridge. This budget includes Phase 1 and Phase 2 of construction to complete a District intertie with the south side service area. Prior costs incurred are related to project design and planning. Clackamas County began construction of the replacement bridge in April of 2012.

Total CIP expenditures within the District have been \$24.3 million from issuance of the Series 1999 Water Revenue bonds for \$7.99 million through fiscal year 2011-2012. The balance of funding, or \$16.3 million, was from FEMA grants, SDC Reserves and Capital Reserves funded by water rates.



### Other Funds:

This budget document also contains summaries of revenues and expenditures for other funds currently maintained. Those funds are the Capital Reserve Fund, Rate Stabilization Reserve Fund, SDC Reserve Fund, and Revenue Bond Fund. Transfers between funds are shown below:

- Transfers from General Fund
  - \$750,000 to Capital Reserve
  - \$213,674 to Revenue Bond Fund
- Transfers to CIP Fund
  - \$1,764,800 from SDC Reserve Fund
  - \$1,371,200 from Capital Reserve Fund
- Transfer to and from Capital Reserve Fund
  - \$750,000 from General Fund
  - \$1,371,200 to CIP Fund
- Transfers from SDC Reserve Fund
  - \$1,764,800 to CIP Fund
  - \$255,822 to Revenue Bond Fund
- Transfers to Revenue Bond Fund
  - \$213,674 from General Fund
  - \$255,822 from SDC Reserve Fund

The net transfers between all funds must equal zero. Transfers in must balance with transfers out. This budget proposes increasing the transfer from the General Fund to the Capital Reserve fund from \$500,000 to \$750,000. The District Reserve Balance policy recommends increasing this transfer over time up to \$1,750,000.

### Future Activities:

The District is continuing to discuss cooperation with our neighboring water providers for efficient use of regional water resources. Effective implementation has the potential to increase our plant production and therefore our revenue from wholesale water supply agreements.

We will continue our membership in the Regional Water Providers Consortium to comply with the District conservation plan as submitted to the State in FY 2011. CRW has a history of fostering water

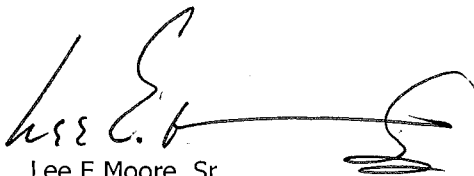
The District will continue its efforts to ensure watershed management by participation in the activities of the Clackamas River Water Providers.

Capital project expenditures to maintain and/or improve the water distribution and transmission system will depend heavily on growth and our

**Acknowledgments:**

The creation of this budget document is an organization-wide effort. Managers and staff provided input and analysis of their departmental needs and will be responsible for the execution of the activities budgeted herein. We want to acknowledge the staff for their resourcefulness and expertise utilized in preparing this budget.

Sincerely,



Lee E Moore, Sr.  
General Manager

relationships with other water providers. As an established water district with a water treatment plant, a number of aging water storage reservoirs and tanks, and many miles of aging water lines, there are significant capital improvement needs documented by the Master Plan and other district activities.

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



Carol Bryck, CPFO, CTP  
Budget Officer  
Chief Financial Officer



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## GENERAL FUND

### What's New?

The General Fund is one of six funds in the Clackamas River Water (CRW) FY 2013-14 Adopted Budget.

The General Fund includes all revenue received by the District with the exception of system development charges (SDC), which is special revenue recorded in the SDC Reserve Fund.

The General Fund includes all expenditures of the District except debt payments and construction of capital improvements which are recorded in the Revenue Bond Fund and CIP Fund, respectively.

The General Fund budget is balanced; meaning resources and requirements are equal. Resources include Beginning Fund Balance or Working Capital, Transfers from Other Funds, and Revenue from water sales and other sources. Requirements include Unappropriated Fund Balance, Transfers to Other Funds, and Expenditures.

General Fund revenue for FY 2013-14 exceeds for the budgeted General Fund expenditures. Revenue from water sales is estimated at \$8.1 million with \$262,600 from other sources. Expenditures are budgeted at \$7.8 million.

One time expenditures included in FY 2013-14 adopted budget equals \$250,600.

For the first time, CRW presented decision packages of the one-time expenditures to the Budget Committee for their consideration.

The General Fund adopted budget is 2.1 percent less than last years adopted budget.

### Did you know?

The District was formed in 1995 by the consolidation of Clairmont Water District and Clackamas Water District.

CRW owns and operates a 30-million gallons a day (MGD) water treatment plant.

CRW sells water on a retail and wholesale basis serving a population of 55,000 directly and 80,000 when including the wholesale customers.

The district has assets valued at \$82 million.

## GENERAL FUND

Summary	ACTUAL 2010-11	ACTUAL 2011-12	ADOPTED 2012-13	PROPOSED 2013-14	APPROVED 2013-14	ADOPTED 2013-14
<b>RESOURCES</b>						
Beginning Fund Balances	\$ 2,724,897	\$ 1,713,429	\$ 2,000,000	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000
Water Sales	6,522,923	6,760,994	7,300,000	8,100,000	8,100,000	8,100,000
Other Operating Resources	272,539	161,269	139,500	132,400	132,400	132,400
Non-Operating Resources	283,869	215,027	250,700	130,200	130,200	130,200
Transfers	-	644,000	1,000,000	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 9,804,228</b>	<b>\$ 9,494,719</b>	<b>\$ 10,690,200</b>	<b>\$ 10,462,600</b>	<b>\$ 10,462,600</b>	<b>\$ 10,462,600</b>

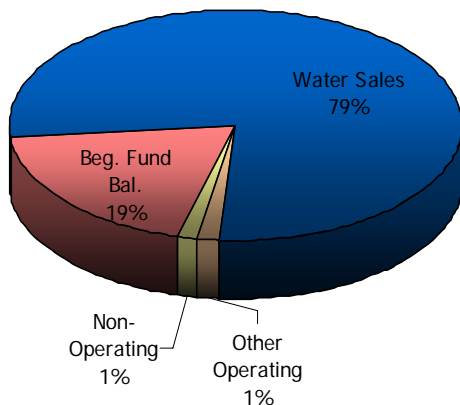
### Overview

The General Fund is the general operating fund of the District and is used to account for financial activity that is not accounted for in other, more specialized funds. This fund's primary source of revenue is water sales. It also receives revenue from service connections, service charges, interest earned on investments, rental income, and other miscellaneous operating and non-operating sources. The Board of Commissioners approved a rate increase on March 29, 2012 effective May 1, 2012, with a second increase effective May 1, 2013. Revenue from this action has been included in this budget.

### Where the money comes from...

- Water Sales
- Service Connections
- Service Charges
- Miscellaneous Operating
- Rental Income
- Miscellaneous Non-Operating
- Surplus Property Sales
- Interest Income

The following graph shows the breakdown of the General Fund's resources by major category:



- Water Sales rate increase approved March 29, 2012. Nearly four year since the prior rate increase.
- Usage expected to remain similar to prior year's usage
- No Transfer from Rate Stabilization Reserve Fund required

### Did you know?

- Our water rates are among the lowest in the region
- Water is a great value at 5 gallons for 2.3 cents
- CRW has no General Obligation Debt funded by property tax

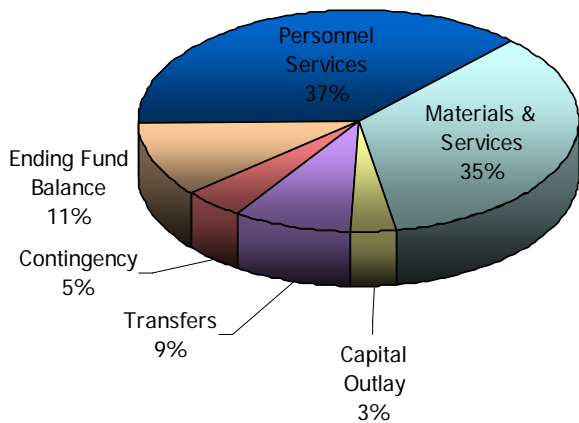
## GENERAL FUND

Summary	ACTUAL 2010-11	ACTUAL 2011-12	ADOPTED 2012-13	PROPOSED 2013-14	APPROVED 2013-14	ADOPTED 2013-14
<b>REQUIREMENTS</b>						
Personnel Services	\$ 3,584,857	\$ 3,731,925	\$ 3,898,703	\$ 4,024,926	\$ 4,024,926	\$ 4,024,926
Materials & Services	3,541,085	3,127,685	3,236,800	3,472,900	3,472,900	3,572,900
Capital Outlay	184,965	334,780	153,000	209,000	209,000	209,000
Transfers to Other Funds	779,892	775,526	704,508	963,674	963,674	963,674
Contingency	-	-	350,000	500,000	500,000	500,000
Unappropriated Ending Fund Bal	1,713,429	1,524,804	2,347,189	1,292,100	1,292,100	1,192,100
<b>TOTAL REQUIREMENTS</b>	<b>\$ 9,804,228</b>	<b>\$ 9,494,719</b>	<b>\$ 10,690,200</b>	<b>\$ 10,462,600</b>	<b>\$ 10,462,600</b>	<b>\$ 10,462,600</b>

### Where the money goes...

- Personnel Services
- Transfers to other funds
- Materials & Services
- Operating Contingency
- Capital Outlay
- Unappropriated Ending Fund Balance

The following graph shows the breakdown of the General Fund's requirements by major category:



- Personnel Service includes a PERS rate increase for all employees
- Materials & Services include one time expenditures for SDC rate study, compensation study, computer upgrades for 14 employees and Redland Road repairs
- Capital Outlay includes HVAC replacement, restroom repairs and lab equipment for improved analyzing and quicker results
- Transfers to Other Funds increases for future reserves for capital improvements
- Operating Contingency is for unplanned and unanticipated expenditures
- Ending Fund Balance maintains adequate reserves to meet District needs

## EXPENDITURE ACCOUNTS INCLUDED IN SUMMARIZED GROUPINGS

In the pages that follow, 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, leak adjustments, 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 maintain the facilities, security of the District, taxes due to private use, assessments, and emergency preparedness to respond to an event.

- Assessments & Taxes
- Building & Grounds Maintenance
- Emergency Preparedness
- 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 – Risk Pool

**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, printing forms and documents, and mailings.

- 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 supplying and preparing water for customer usage and maintaining the watershed.

- Permits
- Telemetry
- Water Purchases
- Watershed Management
- Water Treatment & Analysis

**GENERAL FUND**

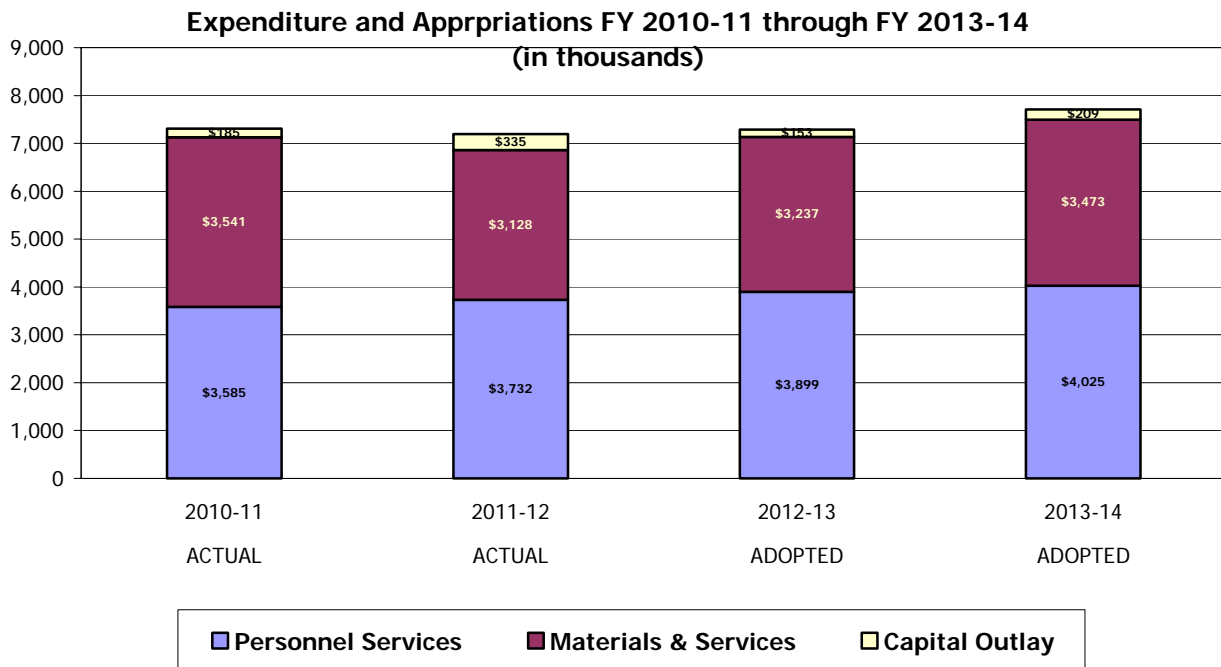
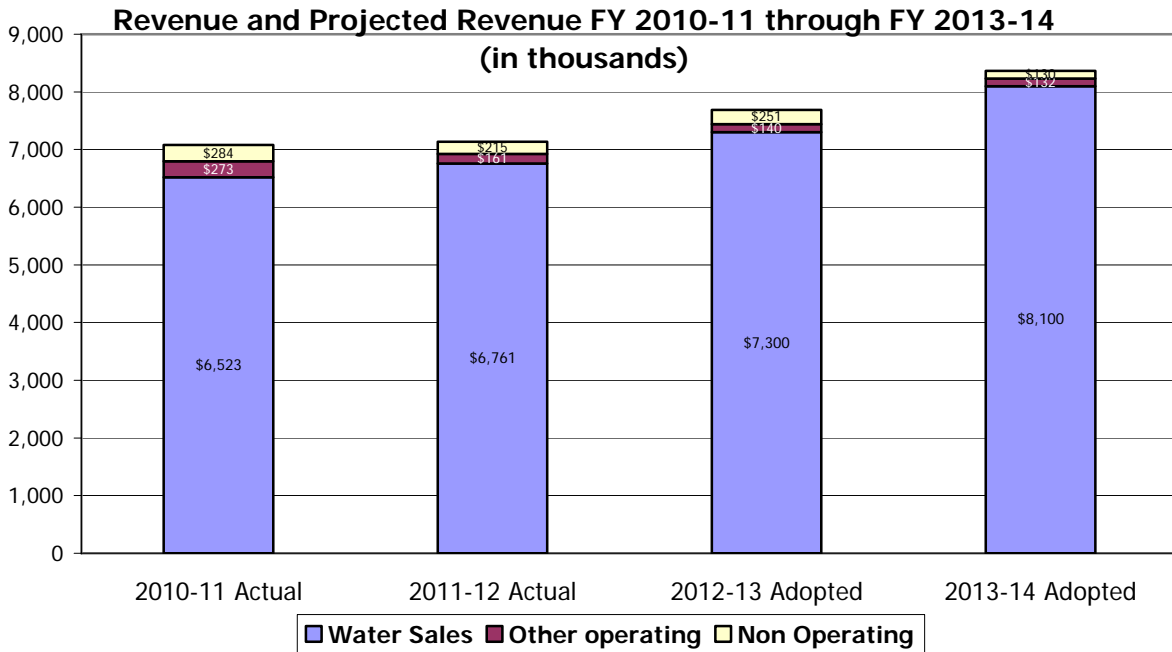
The District's General Fund adopted budget includes all necessary appropriations for the fiscal year as well as unappropriated reserves. Total appropriations include expenditure categories for district-wide spending of Personnel Services, Materials and Services, Capital Outlay and Transfers, as well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

The requirements in the General Fund adopted budget are 2.1 percent less than the prior year. This budget includes increasing Transfers to the Capital Reserve Fund and one-time expenditures for laboratory equipment, SDC rate

study, compensation study, emergency planning exercise, and Redland Road repair.

Personnel Services increase 3.2 percent, Materials and Services increase 7.3 percent and Capital Outlay increase 36.6 percent. Other Requirements include Transfers and Contingency which increases by 38.8 percent and Unappropriated Fund Balance which decrease by 48.6 percent.

<b>Requirements</b>	ACTUAL 2010-11	ACTUAL 2011-12	ADOPTED 2012-13	PROPOSED 2013-14	APPROVED 2013-14	ADOPTED 2013-14
<b>PERSONNEL SERVICES</b>						
FTE Positions	39.0	39.0	39.2	39.2	39.2	39.2
Salaries and Wages	\$ 2,453,215	\$ 2,429,650	\$ 2,523,098	\$ 2,485,403	\$ 2,485,403	\$ 2,485,403
Benefits and Taxes	1,131,642	1,302,275	1,375,605	1,539,523	1,539,523	1,539,523
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 3,584,857</b>	<b>\$ 3,731,925</b>	<b>\$ 3,898,703</b>	<b>\$ 4,024,926</b>	<b>\$ 4,024,926</b>	<b>\$ 4,024,926</b>
<b>MATERIALS &amp; SERVICES</b>						
Commissioner	10,766	-	-	-	-	-
Customer Services	112,285	107,398	77,900	84,500	84,500	84,500
Other Support Costs	101,132	64,199	86,100	104,600	104,600	104,600
Facilities & Security	326,896	301,564	281,400	277,200	277,200	277,200
General Administration	198,142	245,225	333,000	401,100	401,100	401,100
Materials	77,471	136,665	108,500	124,300	124,300	124,300
Office	59,957	64,346	98,900	78,300	78,300	78,300
Professional & Contracted Services	1,055,597	681,816	611,500	632,300	632,300	632,300
Overhead Reimbursement	(200,598)	(182,837)	(180,600)	(201,400)	(201,400)	(201,400)
Equipment	246,833	239,662	261,900	309,400	309,400	309,400
Utilities	612,578	619,969	659,500	660,100	660,100	660,100
Water Purchases & Treatment	940,027	849,677	898,700	1,002,500	1,002,500	1,002,500
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 3,541,086</b>	<b>\$ 3,127,685</b>	<b>\$ 3,236,800</b>	<b>\$ 3,472,900</b>	<b>\$ 3,472,900</b>	<b>\$ 3,472,900</b>
<b>CAPITAL OUTLAY</b>						
Improvements	119,621	312,777	53,000	94,000	94,000	94,000
Vehicles	-	-	-	-	-	-
General Equipment & Tools	4,224	-	13,000	8,000	8,000	8,000
Laboratory Equipment	20,251	-	-	50,000	50,000	50,000
Computer Equipment	13,512	-	12,000	12,000	12,000	12,000
Other	27,357	22,002	75,000	45,000	45,000	45,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 184,965</b>	<b>\$ 334,780</b>	<b>\$ 153,000</b>	<b>\$ 209,000</b>	<b>\$ 209,000</b>	<b>\$ 209,000</b>
<b>OTHER REQUIREMENTS</b>	<b>2,493,321</b>	<b>2,300,330</b>	<b>3,401,697</b>	<b>2,755,774</b>	<b>2,755,774</b>	<b>2,755,774</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$ 9,804,229</b>	<b>\$ 9,494,720</b>	<b>\$ 10,690,200</b>	<b>\$ 10,462,600</b>	<b>\$ 10,462,600</b>	<b>\$ 10,462,600</b>



## GENERAL FUND

### Personnel Services:

Personnel Services increase \$126,233 over the prior year.

Full Time Equivalent position remains unchanged from the prior fiscal year.

Salary and Wages decrease \$37,696 from the prior year due to increase allocation to Capital projects in the CIP Fund.

Benefits and Taxes increase due to the increase in the PERS rate to be paid by the District for employees and anticipated increase in health insurance costs.

### Materials & Services:

Materials & Services increase \$236,100 over the prior fiscal year.

Customer services expenditure category increase \$6,600 from the prior fiscal year due to promotion expenditures planned for conservation kits.

Other Support Costs expenditure category increases \$18,500 from the prior fiscal year due to safety and health coordinator contract.

Facilities and Security expenditure category decrease \$4,200 from the prior fiscal year due to eliminating of security at board meetings.

General Administration expenditure category increase \$68,100 over the prior fiscal year due to changes in the general liability and property insurance rates and coverage.

Materials expenditure category increase \$15,800 from the prior fiscal year due to anticipated work for meter replacement and change outs.

Office expenditure category has decrease \$20,600 from the prior fiscal year due to no special election cost for FY 2013-14.

Professional and Contracted Services expenditure category increase \$20,800 due to one time expenditures for SDC rate study, compensation study, and Redland Road grind and repave.

Overhead Reimbursement expenditure category increase \$20,800 from the prior fiscal year due to increase allocation of labor for capital projects in the CIP Fund. Overhead reimbursement is allocated on internal labor and purchased services of expenditures not directly charged to capital projects yet support activities for capital improvement to district assets.

Equipment expenditure category increase \$47,500 from the prior fiscal year due to upgrades of one half of the District desktop and laptop computers, large and small equipment maintenance, and small tools purchases.

Utilities expenditure category increases \$600 from the prior fiscal year.

Water Purchases and Treatment expenditure category increases \$103,800 from the prior fiscal year due to increase in wholesale water rates from South Fork Water Board and watershed management grant match.

### Capital Outlay:

Capital Outlay increase of \$56,000 from the prior fiscal year. A listing and description of Capital Outlay planned for this fiscal year can be found in the Supplemental section.

### Other Requirements:

Other Requirements decrease \$645,923 from the prior fiscal year. Other requirements include Transfers to Other Funds, Contingency and Unappropriated Fund Balance.

Transfers to Other Funds increase \$259,167 from the prior fiscal year. Transfers include the Revenue Bond Fund for payment of principle and interest of the 2009 Revenue Bonds and the Capital Reserve Fund for capital improvements to District assets.

Contingency increase to \$500,000 as originally budgeted in the prior fiscal year.

Unappropriated Fund Balance decreases \$1,055,089 from the prior fiscal year.



## 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; the hiring and management of a General Manager; to provide appropriate financial resources needed for the daily and long term operation of the district; and to provide for the appropriate oversight of the General Manager to ensure that ratepayers are receiving the best value from the resources of the District.

The Board of Commissioners have adopted the board-manager form of government and have 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 are elected to represent ratepayers who physically reside within the boundaries of Clackamas River Water.

Commissioners of Clackamas River Water serve four-year 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.

### Board of Commissioners Goals

The Board of Commissioners have adopted as one of it's goals; To provide safe drinking water that is aesthetically pleasing and of high quality at rates that support the maintenance, planning and continued support for the District's long-term viability.

The Board has expressed a goal of establishing improved relationships with neighboring water providers in order to maximize the water and other District assets for the greatest good of our ratepayers and the region.

The Board has also stated that it is desirable to protect the ratepayers' assets by providing certainty of the District's boundaries as annexations occur with neighboring cities.

Clackamas River Water has key water rights that need to be monitored and protected in order to insure a water supply for future needs.

### Full Time Equivalent Positions

Position	Actual 2010-11	Actual 2011-12	Adopted 2012-13	Adopted 2013-14
General Manager	0.30	0.30	0.30	0.30
Sr. Executive Asst/HR Generalist	0.40	0.40	0.50	0.50
	0.70	0.70	0.80	0.80

**Total Requirements** **\$ 313,247   \$ 181,798   \$ 157,660   \$ 144,169**

**BOARD OF COMMISSIONERS**

Requirements	ACTUAL 2010-11	ACTUAL 2011-12	ADOPTED 2012-13	PROPOSED 2013-14	APPROVED 2013-14	ADOPTED 2013-14
<b>PERSONNEL SERVICES</b>						
FTE Positions	0.7	0.7	0.8	0.8	0.8	0.8
Salaries	\$ 95,602	\$ 99,216	\$ 118,434	\$ 124,335	\$ 124,335	\$ 124,335
Benefits and Taxes	586	207	9,126	734	734	734
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 96,188</b>	<b>\$ 99,423</b>	<b>\$ 127,560</b>	<b>\$ 125,069</b>	<b>\$ 125,069</b>	<b>\$ 125,069</b>
<b>MATERIALS &amp; SERVICES</b>						
Commissioner	10,766	-	-	-	-	-
Customer Services	6,962	6,132	7,200	7,200	7,200	7,200
Other Support Costs	922	3,481	3,100	3,500	3,500	3,500
Facilities & Security	-	2,310	4,500	-	-	-
General Administration	-	1,378	-	6,000	6,000	6,000
Office	62	1,635	26,700	800	800	800
Professional & Contracted Services	196,845	65,512	4,000	-	-	-
Equipment	-	548	-	-	-	-
Utilities	1,503	1,379	1,600	1,600	1,600	1,600
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 217,060</b>	<b>\$ 82,375</b>	<b>\$ 47,100</b>	<b>\$ 19,100</b>	<b>\$ 19,100</b>	<b>\$ 19,100</b>
<b>DEPARTMENT TOTAL</b>	<b>\$ 313,248</b>	<b>\$ 181,798</b>	<b>\$ 174,660</b>	<b>\$ 144,169</b>	<b>\$ 144,169</b>	<b>\$ 144,169</b>

**Summary of Department's Adopted Budget**

The adopted budget for the Board of Commissioners totals \$144,169, a decrease of \$30,491 as compared to the 2012-13 adopted budget. Highlights of the FY 2013-14 adopted budget include:

- Personnel Services includes:
  - Commissioner stipends
  - Allocation of payroll from Administration for activities to support the Board of Commissioners
- Materials & Services decreases \$28,000 due to:
  - A decrease in legal representation and security at Board meetings
  - Insurance increase due to cancellation of SDAO insurance.
  - Election costs are not anticipated during this fiscal year

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 for processing through the water treatment plant. Pumps move water from the source to the plant.

After processing and filtering, water is stored at the clear well before pumping it into the distribution system for storage at reservoirs or to our wholesale customer and customer homes.

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

CRW also purchases water from South Fork Water Board and maintains a well near Oregon City.

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 prepared an average of 8.14 millions of gallons of water daily during 2012.

The district takes over 2,400 water samples from the source and throughout the system to ensure water quality.

### 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.

Perform systematic and targeted water system flushing and monitoring.

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

### Full Time Equivalent Positions

Position	Actual 2010-11	Actual 2011-12	Adopted 2012-13	Adopted 2013-14
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	1.00	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
	9.00	10.00	10.00	10.00

<b>Total Requirements</b>	<b>\$ 2,587,538</b>	<b>\$ 2,717,715</b>	<b>\$ 2,681,320</b>	<b>\$ 2,881,696</b>
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## WATER RESOURCES

Requirements	ACTUAL	ACTUAL	ADOPTED	PROPOSED	APPROVED	ADOPTED
	2010-11	2011-12	2012-13	2013-14	2013-14	2013-14
<b>PERSONNEL SERVICES</b>						
FTE Positions	10.0	10.0	10.0	10.0	10.0	10.0
Salaries and Wages	\$ 644,003	\$ 646,638	\$ 640,090	\$ 643,783	\$ 643,783	\$ 643,783
Benefits and Taxes	264,502	333,646	343,030	370,113	370,113	370,113
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 908,505</b>	<b>\$ 980,284</b>	<b>\$ 983,120</b>	<b>\$ 1,013,896</b>	<b>\$ 1,013,896</b>	<b>\$ 1,013,896</b>
<b>MATERIALS &amp; SERVICES</b>						
Customer Services	-	-	-	200	200	200
Other Support Costs	11,318	10,665	13,700	16,700	16,700	16,700
Facilities & Security	61,852	57,429	62,600	57,900	57,900	57,900
General Administration	2,200	10,510	9,500	12,000	12,000	12,000
Materials	126	238	-	-	-	-
Office	6,415	8,162	6,800	8,900	8,900	8,900
Professional & Contracted Services	19,327	19,101	69,300	54,100	54,100	54,100
Overhead Reimbursement	1,086	-	-	-	-	-
Equipment	46,800	37,663	60,800	66,800	66,800	66,800
Utilities	490,386	484,460	528,300	527,500	527,500	527,500
Water Purchases & Treatment	938,866	848,826	897,200	1,000,700	1,000,700	1,000,700
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 1,578,376</b>	<b>\$ 1,477,054</b>	<b>\$ 1,648,200</b>	<b>\$ 1,744,800</b>	<b>\$ 1,744,800</b>	<b>\$ 1,744,800</b>
<b>CAPITAL OUTLAY</b>						
Improvements	76,182	260,377	25,000	49,000	49,000	49,000
General Equipment & Tools	4,224	-	13,000	8,000	8,000	8,000
Laboratory Equipment	20,251	-	-	50,000	50,000	50,000
Computer Equipment	-	-	12,000	12,000	12,000	12,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 100,657</b>	<b>\$ 260,377</b>	<b>\$ 50,000</b>	<b>\$ 119,000</b>	<b>\$ 119,000</b>	<b>\$ 119,000</b>
<b>DEPARTMENT TOTAL</b>	<b>\$ 2,587,538</b>	<b>\$ 2,717,715</b>	<b>\$ 2,681,320</b>	<b>\$ 2,877,696</b>	<b>\$ 2,877,696</b>	<b>\$ 2,877,696</b>

### **Summary of Department's Adopted Budget**

The adopted budget for Water Resources totals \$2,877,696, an increase of \$196,376 as compared to the 2012-13 adopted budget. Highlights of the FY 2013-14 adopted budget include:

- Personal Services increases \$30,776 due to:
  - Increased labor allocations to capital improvement projects at the water treatment plant
  - PERS rate increase for FY 2013-14 and FY 2014-15
- Materials & Services increases \$96,600 due to:
  - Water purchases from South Fork Water Board includes the rate increase
  - Water treatment at well site #1
  - MSDS on-line program
- Capital Outlay increases \$69,000 due to:
  - ½ payment on a Flow CAM
  - Security upgrades at the Water Treatment Plant
  - Painting of Filler Cells at the Water Treatment Plant
  - See listing of Capital Outlay expenditures on page S 2 and S 3

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

# OPERATIONS

## Overview

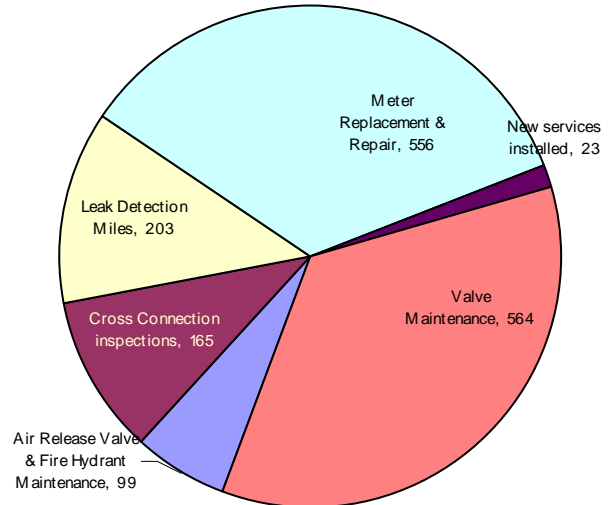
The Operations department has responsibilities for the water distribution system and the customers of CRW. That responsibility requires specific activities to occur to ensure system repair, preventative maintenance is performed to prolong asset life, and taking steps to ensure the effective operation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

## Annual Activities Count



## 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 any where cross contamination might occur in order to comply with Oregon Health Authority rules and regulations.

## 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.

## Full Time Equivalent Positions

Position	Actual 2010-11	Actual 2011-12	Adopted 2012-13	Adopted 2013-14
Operations Manager	1.00	1.00	1.00	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	4.00	5.00
Water Works Mechanic I	2.00	2.00	2.00	1.00
<b>Total</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>

## Total Requirements

**\$ 1,212,040    \$ 1,420,671    \$ 1,477,990    \$ 1,579,112**

**OPERATIONS**

Requirements	ACTUAL 2010-11	ACTUAL 2011-12	ADOPTED 2012-13	PROPOSED 2013-14	APPROVED 2013-14	ADOPTED 2013-14
<b>PERSONNEL SERVICES</b>						
FTE Positions	11.0	11.0	11.0	11.0	11.0	11.0
Salaries and Wages	\$ 596,075	\$ 634,754	\$ 676,473	\$ 680,404	\$ 680,404	\$ 680,404
Benefits and Taxes	342,304	367,565	389,917	424,408	424,408	424,408
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 938,379</b>	<b>\$ 1,002,320</b>	<b>\$ 1,066,390</b>	<b>\$ 1,104,812</b>	<b>\$ 1,104,812</b>	<b>\$ 1,104,812</b>
<b>MATERIALS &amp; SERVICES</b>						
Other Support Costs	15,924	8,032	15,700	12,200	12,200	12,200
Facilities & Security	20,066	47,190	22,000	6,300	6,300	6,300
General Administration	5,501	6,690	10,200	13,900	13,900	13,900
Materials	77,345	136,364	108,500	124,300	124,300	124,300
Office	2,539	1,726	1,400	-	-	-
Professional & Contracted Services	61,324	85,489	64,100	140,400	140,400	140,400
Overhead Reimbursement	742	1,946	-	-	-	-
Equipment	61,702	108,326	106,200	131,700	131,700	131,700
Water Purchases & Treatment	1,161	587	500	500	500	500
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 246,304</b>	<b>\$ 396,349</b>	<b>\$ 328,600</b>	<b>\$ 429,300</b>	<b>\$ 429,300</b>	<b>\$ 429,300</b>
<b>CAPITAL OUTLAY</b>						
Improvements	-	-	8,000	-	-	-
Other	27,357	22,002	75,000	45,000	45,000	45,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 27,357</b>	<b>\$ 22,002</b>	<b>\$ 83,000</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>
<b>DEPARTMENT TOTAL</b>	<b>\$ 1,212,040</b>	<b>\$ 1,420,671</b>	<b>\$ 1,477,990</b>	<b>\$ 1,579,112</b>	<b>\$ 1,579,112</b>	<b>\$ 1,579,112</b>

**Summary of Department's Adopted Budget**

The adopted budget for Operations totals \$1,579,112, an increase of \$101,122 as compared to the 2012-13 adopted budget. Highlights of the FY 2013-14 adopted budget include:

- Personnel Services increases \$38,422 due to:
  - An estimated 2% cost of living adjustment as required by contractual employer union obligations as well as step increases for eligible employees
  - PERS rate increase for FY 2013-14 and FY 2014-15
- Materials & Services increases \$110,700 due to:
  - Contract work for Redland Road repaving, other paving projects and fill disposal
  - Heavy equipment and vehicle maintenance and repairs
  - Small tools purchase of traffic control light stands
  - Partially offset by reduction of staff attendance at conferences and seminars
- Capital Outlay decreases \$38,000 due to:
  - Commercial/industrial meter and vault replacements
  - See listing of Capital Outlay expenditures on page S 2 and S 3

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

## 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 annual financial report, works with the external auditors, reviews water rates for retail and wholesale customers, and prepares the annual District budget by working with all departments, our Board of Commissioners, and Budget Committee.

FACS prepares the water billing statements and collects the payments that generate the 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.

Customer Service processed over 66,000 payments during 2012.

The annual audit is available on the Districts website for review.

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

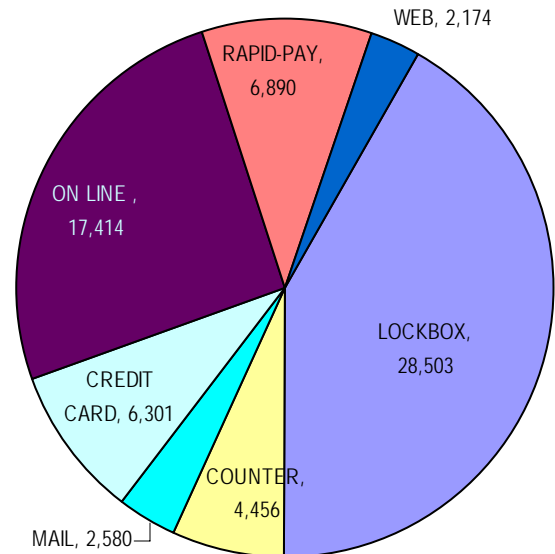
### Full Time Equivalent Positions

Position	Actual 2010-11	Actual 2011-12	Adopted 2012-13	Adopted 2013-14
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	-	-	-
	8.00	7.00	7.00	7.00

### Total Requirements

**\$ 941,278    \$ 945,548    \$ 950,380    \$ 1,009,171**

**2012 - Payment Type**



### FACS Goals

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

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

Process water billing statements for all customers by the end of each billing month (February, April, June, August, October, and December).

Maintain expenditures within appropriations.

**FINANCE, ACCOUNTING & CUSTOMER SERVICE**

Requirements	ACTUAL 2010-11	ACTUAL 2011-12	ADOPTED 2012-13	PROPOSED 2013-14	APPROVED 2013-14	ADOPTED 2013-14
<b>PERSONNEL SERVICES</b>						
FTE Positions	8.0	7.0	7.0	7.0	7.0	7.0
Salaries and Wages	\$ 486,447	\$ 444,213	\$ 456,268	\$ 462,593	\$ 462,593	\$ 462,593
Benefits and Taxes	175,675	205,662	217,412	267,178	267,178	267,178
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 662,122</b>	<b>\$ 649,875</b>	<b>\$ 673,680</b>	<b>\$ 729,771</b>	<b>\$ 729,771</b>	<b>\$ 729,771</b>
<b>MATERIALS &amp; SERVICES</b>						
Customer Services	102,878	95,635	59,400	60,800	60,800	60,800
Other Support Costs	17,811	17,678	16,700	12,900	12,900	12,900
General Administration	29,728	30,268	31,000	29,500	29,500	29,500
Office	34,314	32,293	37,500	46,300	46,300	46,300
Professional & Contracted Services	71,057	92,886	98,900	100,200	100,200	100,200
Equipment	22,018	26,913	33,200	29,700	29,700	29,700
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 277,806</b>	<b>\$ 295,673</b>	<b>\$ 276,700</b>	<b>\$ 279,400</b>	<b>\$ 279,400</b>	<b>\$ 279,400</b>
<b>CAPITAL OUTLAY</b>						
Computer Equipment	1,350	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 1,350</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>DEPARTMENT TOTAL</b>	<b>\$ 941,278</b>	<b>\$ 945,548</b>	<b>\$ 950,380</b>	<b>\$ 1,009,171</b>	<b>\$ 1,009,171</b>	<b>\$ 1,009,171</b>

**Summary of Department's Adopted Budget**

The adopted budget for Finance, Accounting & Customer Service totals \$1,009,171, an increase of \$58,790 as compared to the 2012-13 adopted budget. Highlights of the FY 2013-14 adopted budget include:

- Personnel Services increase \$56,090 due to:
  - Estimated 2% cost of living adjustment as required by contractual employer union obligations as well as step increases for eligible employees
  - PERS rate increase effective for FY 2013-14 and FY 2014-15
  - Changes in employee demographics as it relates to health insurance coverage
- Materials & Services increase \$2,700 due to:
  - Printing and mailing for a water rate hearing
  - Increase in banking fees for merchant services as more customers use this option for bill paying
  - Partially offset by reduction of staff attendance at conferences and seminars

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



## 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
- Security systems and patrol administration
- Records and document management
- Safety and health reporting and administration
- Human Resources
- Conservation education and awareness programs
- 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, as a government agency, is required to comply with State of Oregon procurement laws (ORS.279) when making purchases. A few areas of estimated annual savings:

- \$3,000 estimated annual savings for paving services
- \$16,000 estimated annual savings for janitorial services
- \$9,000 of estimated savings in the first year of participation in a public contract for fuel

### Administration Goals

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

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

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

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

### Full Time Equivalent Positions

Position	Actual 2010-11	Actual 2011-12	Adopted 2012-13	Adopted 2013-14
General Manager	0.70	0.70	0.70	0.70
Sr. Executive Asst/HR Generalist	0.60	0.60	0.50	0.50
Executive Assistant/Legal Assistant	1.00	1.20	1.20	1.20
Information Systems & Security Administration	1.00	1.00	1.00	1.00
Procurement & Conservation Coordinator	1.00	1.00	1.00	1.00
Administrative Coordinator/Records Management	-	1.00	1.00	1.00
	4.30	5.50	5.40	5.40

<b>Total Requirements</b>	<b>\$ 1,463,507</b>	<b>\$ 1,502,800</b>	<b>\$ 1,552,507</b>	<b>\$ 1,659,512</b>
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**ADMINISTRATION**

Requirements	ACTUAL 2010-11	ACTUAL 2011-12	ADOPTED 2012-13	PROPOSED 2013-14	APPROVED 2013-14	ADOPTED 2013-14
<b>PERSONNEL SERVICES</b>						
FTE Positions	4.3	4.3	5.4	5.4	5.4	5.4
Salaries and Wages	\$ 328,207	\$ 386,288	\$ 362,508	\$ 351,762	\$ 351,762	\$ 351,762
Benefits and Taxes	172,253	231,349	250,799	294,454	294,454	294,454
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 500,460</b>	<b>\$ 617,636</b>	<b>\$ 613,307</b>	<b>\$ 646,216</b>	<b>\$ 646,216</b>	<b>\$ 646,216</b>
<b>MATERIALS &amp; SERVICES</b>						
Customer Services	2,445	5,631	11,300	16,300	16,300	16,300
Other Support Costs	50,462	20,160	30,500	54,900	54,900	54,900
Facilities & Security	244,978	194,635	192,300	213,000	213,000	213,000
General Administration	160,713	195,974	282,000	339,400	339,400	339,400
Materials	-	63	-	-	-	-
Office	16,627	20,496	26,400	22,300	22,300	22,300
Professional & Contracted Services	437,366	401,114	371,700	326,800	326,800	326,800
Overhead Reimbursement	(233,610)	(196,606)	(180,600)	(201,400)	(201,400)	(201,400)
Equipment	107,776	56,969	55,200	72,000	72,000	72,000
Utilities	120,689	134,130	129,600	131,000	131,000	131,000
Water Purchases & Treatment	-	197	800	800	800	800
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 907,446</b>	<b>\$ 832,764</b>	<b>\$ 919,200</b>	<b>\$ 975,100</b>	<b>\$ 975,100</b>	<b>\$ 975,100</b>
<b>CAPITAL OUTLAY</b>						
Improvements	43,439	52,400	20,000	45,000	45,000	45,000
Computer Equipment	12,162	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 55,601</b>	<b>\$ 52,400</b>	<b>\$ 20,000</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>
<b>DEPARTMENT TOTAL</b>	<b>\$ 1,463,507</b>	<b>\$ 1,502,800</b>	<b>\$ 1,552,507</b>	<b>\$ 1,666,316</b>	<b>\$ 1,666,316</b>	<b>\$ 1,666,316</b>

**Summary of Department's Adopted Budget**

The adopted budget for Administration totals \$1,666,316, an increase of \$213,809 as compared to the 2012-13 adopted budget. Highlights of the FY 2013-14 adopted budget include:

- Personnel Services increase \$32,909 due to:
  - Decrease in Personnel Services salaries due to allocation to CIP Fund for network connection project
  - PERS rate increase effective for FY 2013-14 and FY 2014-15
- Materials & Services increase \$155,900 due to:
  - Increase in insurance rates and a necessary change in insurance providers due to cancellation of SDAO coverage
  - Software and hardware updates and upgrades for several CRW employees – this project has been deferred for several years now
  - In an effort to keep the Districts rates current, CRW will perform an SDC rate study
  - In compliance with the current labor agreement and in preparation for the negotiation of the labor agreement in FY2014 CRW is performing a compensation study
  - CRW contracts with Wilson Heirgood for the services of a safety services coordinator. As a water district, safety is both a priority and requirement
- Capital Outlay increases \$25,000 due to:
  - See listing of Capital Outlay expenditures on page S 2 and S 3

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

## 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 and coordination with other agencies and entities. This entails being active 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 that support anticipated growth and development.

Maintain AIM for in-house 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 2010-11	Actual 2011-12	Adopted 2012-13	Adopted 2013-14
District Engineer	1.00	1.00	1.00	1.00
Engineering Manager	1.00	1.00	1.00	1.00
Engineering Associate	-	-	1.00	1.00
CAD-GIS Technician	1.00	1.00	1.00	1.00
New Services & Safety Coordinator	1.00	1.00	-	-
Engineering Technician	1.00	2.00	1.00	1.00
	5.00	6.00	5.00	5.00

<b>Total Requirements</b>	<b>\$ 793,297</b>	<b>\$ 425,857</b>	<b>\$ 451,646</b>	<b>\$ 430,361</b>
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**ENGINEERING**

Requirements	ACTUAL 2010-11	ACTUAL 2011-12	ADOPTED 2012-13	PROPOSED 2013-14	APPROVED 2013-14	ADOPTED 2013-14
<b>PERSONNEL SERVICES</b>						
FTE Positions	5.0	6.0	5.0	5.0	5.0	5.0
Salaries and Wages	\$ 302,881	\$ 218,542	\$ 269,325	\$ 222,525	\$ 222,525	\$ 222,525
Benefits and Taxes	176,322	163,844	165,321	182,636	182,636	182,636
<b>TOTAL PERSONNEL SERVICES</b>	<b>\$ 479,203</b>	<b>\$ 382,387</b>	<b>\$ 434,646</b>	<b>\$ 405,161</b>	<b>\$ 405,161</b>	<b>\$ 405,161</b>
<b>MATERIALS &amp; SERVICES</b>						
Other Support Costs	4,695	4,183	6,400	4,400	4,400	4,400
General Administration	-	405	300	300	300	300
Office	-	34	100	-	-	-
Professional & Contracted Services	269,678	17,713	3,500	10,800	10,800	10,800
Overhead Reimbursement	31,184	11,824	-	-	-	-
Equipment	8,537	9,244	6,500	9,200	9,200	9,200
Water Purchases & Treatment	-	67	200	500	500	500
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 314,094</b>	<b>\$ 43,470</b>	<b>\$ 17,000</b>	<b>\$ 25,200</b>	<b>\$ 25,200</b>	<b>\$ 25,200</b>
<b>DEPARTMENT TOTAL</b>	<b>\$ 793,297</b>	<b>\$ 425,857</b>	<b>\$ 451,646</b>	<b>\$ 430,361</b>	<b>\$ 430,361</b>	<b>\$ 430,361</b>

**Summary of Department's Adopted Budget**

The adopted budget for Engineering totals \$430,361, a decrease of \$21,285 as compared to the 2012-13 adopted budget. Highlights of the FY 2013-14 adopted budget include:

- Personnel Services decrease \$29,485 due to:
  - An increase in the allocation to capital improvement projects in the CIP Fund
  - PERS rate increase effective for FY 2013-14 and FY 2014-15
  
- Materials & Services increase \$8,200 due to:
  - Survey work in the district
  - Additional computer software, hardware, plotter, or scanner equipment as needed
  - Partially offset by reduction of staff attendance at conferences and seminars

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

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## 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, 2014, 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 2010-11	ACTUAL 2011-12	ADOPTED 2012-13	PROPOSED 2013-14	APPROVED 2013-14	ADOPTED 2013-14
<b>RESOURCES</b>						
Beginning Fund Balance	\$ 82,417	\$ 47,034	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Non-Operating Resources	1,429	1,096	-	-	-	-
Transfers	1,080,000	1,280,200	3,252,700	3,136,000	3,136,000	3,136,000
<b>TOTAL RESOURCES</b>	<b>\$ 1,163,846</b>	<b>\$ 1,328,330</b>	<b>\$ 3,253,700</b>	<b>\$ 3,137,000</b>	<b>\$ 3,137,000</b>	<b>\$ 3,137,000</b>
<b>REQUIREMENTS</b>						
Personnel Services	\$ 251,212	\$ -	\$ -	\$ -	\$ -	\$ -
Materials & Services	865,600	-	-	-	-	-
Capital Outlay	-	1,279,760	3,253,700	3,137,000	3,137,000	3,137,000
Reserved for Future Expenditure	47,034	48,570	-	-	-	-
<b>TOTAL REQUIREMENTS</b>	<b>\$ 1,163,846</b>	<b>\$ 1,328,330</b>	<b>\$ 3,253,700</b>	<b>\$ 3,137,000</b>	<b>\$ 3,137,000</b>	<b>\$ 3,137,000</b>

### Summary of Fund's Adopted Budget

The adopted budget for the Capital Improvement Projects Fund totals \$3,136,000, a decrease of \$116,700 as compared to the FY 2012-13 adopted budget. Highlights of the adopted budget include:

- Capital Outlay decreases \$116,700 due to a decrease in planned projects for FY 2013-14 compared with those of the FY 2012-13 adopted budget. See Projects Listing on page CIP 2 for breakdown of planned projects.
- Transfers In consists of \$1,764,800 from the SDC Reserve Fund and \$1,371,200 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 2013-14**

Project Description	Assigned Project Number	FY 2013-14 Budget
ODOT and Clackamas County DTD Adjustments	N/A	\$ 125,000
Sunrise JTA Project	5122-5134	111,000
Water Treatment Plant Emergency Power & Electrical Upgrades	5096	2,255,000
Carver Bridge/North Transmission Intertie - Phase 1	5108	78,000
Carver Bridge Waterline - Transmission Main - Phase 2	5072	453,000
IT Network Infrastructure Upgrades	TBD	115,000
<b>TOTAL CAPITAL IMPROVEMENT PROJECTS</b>		<b><u><u>\$ 3,137,000</u></u></b>

## PROJECT DESCRIPTIONS FY 2013-2014

### 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 2013-14 Budget:            \$125,000**



## PROJECT DESCRIPTIONS FY 2013-2014

### 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.

Estimated Costs through FY 2012-13:           \$ 473,000

**FY 2013-14 Budget:**                               **111,000**

Projected FY 2014-15  
and 2015-16 Budgets:                               50,000

Projected Total:                                     \$ 634,000

## PROJECT DESCRIPTIONS FY 2013-2014

### Water Treatment Plant Emergency Power and Electrical Upgrades (2-year Project)

**Purpose:** Design and construct electrical upgrades which include a 2,000 kilowatt, diesel-fired, emergency power generation system at the Water Treatment Plant (WTP).

**Analysis:** If this project is not completed, critical upgrades to improve the life, health and safety aspects of the water treatment plant electrical systems will not be made. This will have significant deleterious effects on CRW's ability to safely and reliably treat and supply water in the future.

**Description:** This project spans multiple fiscal years and proposes to continue design and construction phases of the current emergency power and electrical upgrades project at the treatment plant. The District, along with its Construction Manager/General Contractor (CM/GC) and electrical engineer consultant, will complete final design and construction of critical electrical system upgrades at the water treatment plant and installation of the emergency generator system.

Project design and construction will maximize project safety and functionality goals to best serve the District's immediate and future electrical and emergency power needs. The design and construction team (led by the CM/GC) will yield a project designed to improve performance and safety of existing electrical facilities (including electrical service, motor control panels and pump motor starters), and enhance performance of the treatment plant's critical systems via an emergency generator facility.

CRW has entered into an agreement with PGE's Dispatchable Standby Generation (DSG) program which will provide direct benefits to the District – including PGE financial construction assistance and long-term maintenance of the generator system.

Project design, early submittal reviews and approved early pre-construction site work was completed in FY 2012-13, which will allow for main project construction to occur in late summer of 2013 (FY 2013-14). Main project construction components include installation of the generator system, motor control upgrades at the Water Treatment Plant and Low Lift Pump Station, and electrical service upgrades (by PGE). Final commissioning, start-up and completion is estimated for December 2013.

Estimate Costs through FY 2012-13: \$ 961,000

**FY 2013-14 Budget: 2,255,000**

Estimated Total: \$ 3,216,000

## PROJECT DESCRIPTIONS FY 2013-2014

### Carver Bridge Transmission Main: Bridge Waterline – Phase 2

**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:** If this project is not completed, the District would lose the opportunity to partner with Clackamas County and install a waterline crossing on the new Carver Bridge at an affordable project cost. Construction of a waterline crossing on the bridge at a later date could be prohibited or be substantially higher in cost.

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

CRW has completed agreements and construction IGAs with the county for the Phase 2 waterline. The total CRW project cost is estimated at \$533,000.

Estimated Costs through FY 2008-13:           \$ 78,000

**FY 2013-14 Budget:**                               **452,000**

Estimated Total:                               \$ 530,000

## PROJECT DESCRIPTIONS FY 2013-2014

### Carver Bridge North Transmission Intertie - Phase 1

**Purpose:** To coordinate the design and construction of approximately 165 feet of 12-inch waterline from Highway 224 south along Springwater Road. This phase provides source water from Sunrise Water Authority's distribution system to connect to the new Phase 2 bridge waterline, which will feed the CRW south side service area.

**Analysis:** If this project is not completed, additional cost is forecasted for the Carver Bridge Main Transmission Phase 2 project. Phase 1 is designed to supply water for the Phase 2 work. This source water is required to complete pressure testing and the chlorination process for the new 18-inch waterline on the bridge. Delaying this work would require the Phase 2 source water to be transported or construction of a temporary water line.

**Description:** Clackamas County is in the process of replacing the existing Carver Bridge, which crosses the Clackamas River on Springwater Road in Carver. The bridge replacement offers an opportunity for CRW to consider adopting a possible alignment to complete a CRW intertie with the south side service area, as outlined in the 1998 Water Master Plan and the 2005 Water Master Plan Update.

CRW is working with Clackamas County and Sunrise Water Authority to design a transmission pipeline for short and long term distribution of water to customers in CRW's south side service area. CRW is working with Sunrise Water Authority to negotiate a wholesale water agreement. Phase 1 consists of approximately 165 feet of 12-inch ductile iron waterline from the SWA distribution system at Highway 224 and Springwater Road, south on Springwater Road and connecting to the 18-inch bridge waterline (Phase 2 project).

**FY 2013-14 Budget:           \$78,000**

## PROJECT DESCRIPTIONS FY 2013-2014

### IT Network Infrastructure Upgrades (1-Year Project)

**Purpose:** To enhance electronic data transmission between the District's Administration Building, Treatment Plant, and Operations buildings.

**Analysis:** If this project is not completed, the District will continue to experience issues with transmission of electronic information between its key facilities (Administration, Treatment Plant, and Operations). These deficiencies impact CRW's ability to provide efficient and effective responses to customer needs, and plan for the long-term health of the District.

**Description:** The updated IT infrastructure will help support the new server, improve connectivity, provide redundancy, segregate core and access devices, increase bandwidth and improve security. The upgraded infrastructure will also be more manageable. Due to limited bandwidth and age of equipment, the current IT network does not allow efficient and effective communication between these facilities. Network upgrades will result in increased efficiency and data delivery, through updated Information Technology infrastructure for the District.

The IT upgrades includes:

- Evaluating the existing network connectivity between CRW's Administration, Treatment Plant, and Operations buildings.
- Procuring network equipment and maintenance services.
- Re-routing, removing, and otherwise minimizing all obsolete data cables.
- Constructing, installing and configuring upgraded network equipment.
- Separating core, distribution and access devices.

CRW's Information Technology Manager will manage the selection and supervision of the network vendor for this, in accordance with CRW's local contract review board rules. This project will use a fiber line own by the Clackamas County Broadband Express. The service to use this line will cost approximately \$3,000 a year.

**FY 2013-14 Budget:** **\$ 115,000**

## 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 2010-11	ACTUAL 2011-12	ADOPTED 2012-13	PROPOSED 2013-14	APPROVED 2013-14	ADOPTED 2013-14
<b>RESOURCES</b>						
Beginning Fund Balance	\$ 1,998,549	\$ 2,510,241	\$ 2,560,000	\$ 3,258,000	\$ 3,258,000	\$ 3,258,000
Non-Operating Resources	11,692	12,557	11,500	13,200	13,200	13,200
Transfers	500,000	500,000	500,000	750,000	750,000	750,000
<b>TOTAL RESOURCES</b>	<b>\$ 2,510,241</b>	<b>\$ 3,022,798</b>	<b>\$ 3,071,500</b>	<b>\$ 4,021,200</b>	<b>\$ 4,021,200</b>	<b>\$ 4,021,200</b>
<b>REQUIREMENTS</b>						
Transfers to Other Funds	\$ -	\$ 274,175	\$ 752,700	\$ 1,371,200	\$ 1,371,200	\$ 1,371,200
Reserved for Future Expenditure	2,510,241	2,748,623	2,318,800	2,650,000	2,650,000	2,650,000
<b>TOTAL REQUIREMENTS</b>	<b>\$ 2,510,241</b>	<b>\$ 3,022,798</b>	<b>\$ 3,071,500</b>	<b>\$ 4,021,200</b>	<b>\$ 4,021,200</b>	<b>\$ 4,021,200</b>

### Summary of Fund's Adopted Budget

The adopted budget for the Capital Reserve Fund totals \$4,021,200, an increase of \$949,700 as compared to the FY 2012-13 adopted budget. Highlights of the FY2013-14 adopted budget include:

- Non-Operating Resources increases of \$1,700 due to returns on investments as reserve balances have increased due to less construction of capital project than anticipated
- Transfers increase by \$250,000 due to planned increases from current water rates
- Transfers to Other Funds increased by \$618,500 as required to complete the planned capital projects for FY 2013-14 (See CIP 2 for schedule of Planned Capital Projects)

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

## 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

Summary	ACTUAL 2010-11	ACTUAL 2011-12	ADOPTED 2012-13	PROPOSED 2013-14	APPROVED 2013-14	ADOPTED 2013-14
<b>RESOURCES</b>						
Beginning Fund Balance	\$ 2,244,926	\$ 2,256,651	\$ 1,610,000	\$ 890,800	\$ 890,800	\$ 890,800
Non-Operating Resources	11,725	8,474	3,000	5,400	5,400	5,400
<b>TOTAL RESOURCES</b>	<b>\$ 2,256,651</b>	<b>\$ 2,265,125</b>	<b>\$ 1,613,000</b>	<b>\$ 896,200</b>	<b>\$ 896,200</b>	<b>\$ 896,200</b>
<b>REQUIREMENTS</b>						
Transfers to Other Funds	\$ -	\$ 644,000	\$ 1,000,000	\$ -	\$ -	\$ -
Reserved for Rate Stabilization	2,256,651	1,621,125	613,000	896,200	896,200	896,200
<b>TOTAL REQUIREMENTS</b>	<b>\$ 2,256,651</b>	<b>\$ 2,265,125</b>	<b>\$ 1,613,000</b>	<b>\$ 896,200</b>	<b>\$ 896,200</b>	<b>\$ 896,200</b>

### Summary of Fund's Adopted Budget

The adopted budget for the Rate Stabilization Reserve Fund totals 896,200, a decrease of \$716,280 as compared to the FY 2012-13 adopted budget. Highlights of the FY 2013-14 adopted budget include:

- Non-Operating Resources increase by \$5,400 due to increased returns on investments as reserve balances are higher than budgeted at the end of FY 2012-13
- Transfers to Other Funds decreases \$1,000,000 as water sales revenue has increased to meet the bond covenant requirements

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

## 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
- Transfers to the Revenue Bond Fund
- Reserved for Future Expenditures

Summary	ACTUAL 2010-11	ACTUAL 2011-12	ADOPTED 2012-13	PROPOSED 2013-2014	APPROVED 2013-2014	ADOPTED 2013-2014
<b>RESOURCES</b>						
Beginning Fund Balance	\$ 5,411,340	\$ 4,166,576	\$ 3,000,000	\$ 2,234,000	\$ 2,234,000	\$ 2,234,000
SDC Reimbursement/Improvements	187,501	85,911	153,300	71,000	71,000	71,000
Non-Operating Resources	23,328	17,278	600	1,100	1,100	1,100
Transfers	-	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 5,622,169</b>	<b>\$ 4,269,765</b>	<b>\$ 3,153,900</b>	<b>\$ 2,306,100</b>	<b>\$ 2,306,100</b>	<b>\$ 2,306,100</b>
<b>REQUIREMENTS</b>						
Transfers to Other Funds	\$ 1,455,593	\$ 1,375,759	\$ 2,875,077	\$ 2,020,622	\$ 2,020,622	\$ 2,020,622
Reserved for Future Expenditure	4,166,576	2,894,006	278,823	285,478	285,478	285,478
<b>TOTAL REQUIREMENTS</b>	<b>\$ 5,622,169</b>	<b>\$ 4,269,765</b>	<b>\$ 3,153,900</b>	<b>\$ 2,306,100</b>	<b>\$ 2,306,100</b>	<b>\$ 2,306,100</b>

### Summary of Fund's Adopted Budget

The adopted budget for the SDC Reserve Fund totals \$2,306,100, a decrease of \$847,800 as compared to the FY 2012-13 adopted budget. Highlights of the FY2013-14 adopted budget include:

- Beginning Fund Balance decreases \$766,000 due to utilizing reserves for planned capital projects.
- SDC Reimbursement/Improvements decrease \$82,300 due to anticipated decline in new service requests
- Non-Operating Resources increase of \$500 due to returns on investments as a result of increased reserve balance due to less construction of capital project than anticipated
- Transfers to Other Funds decrease \$854,455 as required to complete the planned capital projects for FY 2013-14 (See CIP 2 for schedule of Planned Projects) and for payment on bonded debt
- Reserves for Future Expenditures increases \$6,655 as a result of planned capital projects requiring less requiring in the prior year

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



## 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 and the SDC Reserve Fund.

### Where the money comes from...

- Transfers from the General Fund
- Transfers from the SDC Reserve Fund
- Earnings on investments

### Where the money goes...

- Debt Service

Summary	ACTUAL 2010-11	ACTUAL 2011-12	ADOPTED 2012-13	PROPOSED 2013-14	APPROVED 2013-14	ADOPTED 2013-14
<b>RESOURCES</b>						
Beginning Fund Balance	\$ 516,583	\$ 545,380	\$ 547,800	\$ 468,000	\$ 468,000	\$ 468,000
Non-Operating Resources	2,454	2,569	2,300	2,000	2,000	2,000
Transfers	655,485	645,260	579,585	469,496	469,496	469,496
<b>TOTAL RESOURCES</b>	<b>\$ 1,174,522</b>	<b>\$ 1,193,209</b>	<b>\$ 1,129,685</b>	<b>\$ 939,496</b>	<b>\$ 939,496</b>	<b>\$ 939,496</b>
<b>REQUIREMENTS</b>						
Debt Service	\$ 629,142	\$ 645,260	\$ 654,585	\$ 446,460	\$ 446,460	\$ 446,460
Unappropriated and Reserved	545,380	547,949	475,100	493,036	493,036	493,036
<b>TOTAL REQUIREMENTS</b>	<b>\$ 1,174,522</b>	<b>\$ 1,193,209</b>	<b>\$ 1,129,685</b>	<b>\$ 939,496</b>	<b>\$ 939,496</b>	<b>\$ 939,496</b>

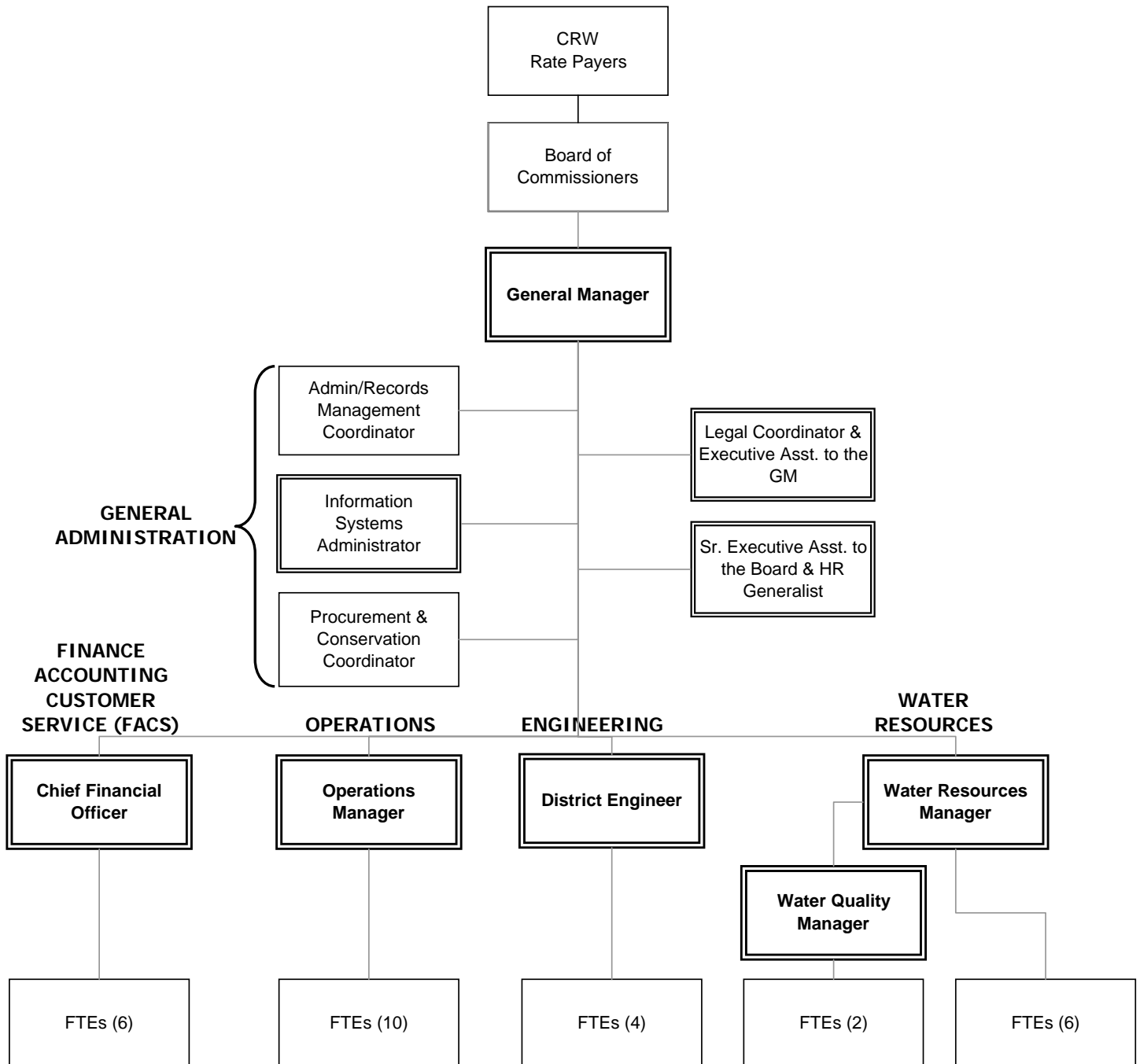
### Summary of Fund's Adopted Budget

The adopted budget for the Revenue Bond Fund totals \$939,496, a decrease of \$190,189 as compared to the FY 2012-13 adopted budget. Highlights of the adopted budget over the FY 2013-14 adopted budget include:

- Debt Service decreases \$208,125 due to a decrease in the amount of funds required to make principal and interest payments in FY 2013-14

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

# Organizational Structure



Double Lines = Non Represented Employees

Bold Lines = Managers

**Clackamas River Water  
5-YEAR CAPITAL OUTLAY PLAN**

ITEM	Department	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
<b>6300 IMPROVEMENTS</b>						
HVAC Replacement	Administration		\$ 50,000	\$ 50,000	\$ 50,000	
Park Restrooms Improvements	Administration	\$ 45,000				
Seal Coat Parking Lots	Operations		10,000	10,000	10,000	\$ 10,000
Chem. Feeder Replacements	Water Resources				30,000	
Chemical Mixer	Water Resources		30,000			
Filter Cell Coating & Paint Exterior Coating Touch up	Water Resources	9,000				
Filter Valve & Surface Wash Replacements	Water Resources			20,000		
First Floor Coating	Water Resources		42,000			
Heating, Vent. and Cooling (HVAC) - Replace	Water Resources	15,000			25,000	
Plant Roofing	Water Resources				30,000	
Programmable Logic Control (PLC) Upgrades	Water Resources		8,000	25,000		30,000
Pump Station Roofing	Water Resources		15,000			
Seal Coat Parking Lot	Water Resources				12,000	
Security Camera Upgrades	Water Resources	10,000			15,000	
Well Site meter Relocation	Water Resources	7,000				
Well Site Overflow Flapper Valve Installation	Water Resources	8,000				
<b>6410 VEHICLES</b>						
Service Truck with Utility Box	Operations		75,000			75,000
Service Truck - Chassis Only	Operations			44,000		
Service Pickups - 3/4 ton	Operations		35,000	35,000		
Heavy Duty Service Truck with Utility Box	Operations		140,000			
Dump Truck - 5 yard Dump Box	Operations			80,000		
<b>6420 GENERAL EQUIPMENT AND TOOLS:</b>						
Chlorine Analyzer Replacement	Water Resources					20,000
Filter Media Replacement	Water Resources			12,000		18,000
Leak Correlator	Operations		40,000			
Process Analyzer Replacements	Water Resources		5,000	20,000		30,000
Replacement Track for Yanmar Excavator	Operations		5,400			

**Clackamas River Water  
5-YEAR CAPITAL OUTLAY PLAN**

ITEM	Department	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
6420 GENERAL EQUIPMENT AND TOOLS (Conintuned):						
Spectrophotometer Analyzer Replacement	Water Resources	8,000				
VAC Truck / Excavator	Operations					250,000
Valve Maintenance Equipment Trailer	Operations				40,000	
Valve Operating Equipment	Operations			8,000		
Water Treatment Polymer Mixer Replacement	Water Resources		30,000			
Zeta Metering - Optimized Water Treatment	Water Resources			14,000		
6430 LAB EQUIPMENT						
FlowCAM (refurbished or split between fiscal years)	Water Resources	\$ 50,000	\$ 50,000			
6460 COMPUTER EQUIPMENT:						
Hardware/Software	Water Resources		12,000		\$ 15,000	
Hardware/Software	Engineering			\$ 7,500		\$ 7,500
Network upgrade	Administration		50,000	50,000		50,000
SCADA Server Replacements & Programming	Water Resources	12,000		16,000		20,000
Scanner - Full Size	Engineering				10,000	
Update Financial System	FACS		50,000			
Update Utility Billing System	FACS		15,000			
6490 OTHER IMPROVEMENTS						
Meter Vault Rebuild & Meter Replacement	Operations	45,000	30,000	20,000	20,000	45,000
<b>TOTAL</b>		<b>\$ 209,000</b>	<b>\$ 692,400</b>	<b>\$ 411,500</b>	<b>\$ 257,000</b>	<b>\$ 555,500</b>

**CAPITAL OUTLAY DESCRIPTIONS  
FY 2013-2014**

**Riverside Park – Restroom**

**Purpose:** Improve the existing structure to meet current code requirements and reduce maintenance.

**Description:** Riverside Park restrooms are in extremely poor condition due to the age of the structure and vandalism.

This project would include interior & exterior painting, ADA structural changes, heating system, plumbing fixtures, and vandalism resistant upgrades.

The Oregon State Marine Board has identified the Riverside Park restrooms in their 6-year Statewide Boating Access Improvement Plan 2011-17. This plan includes boating facilities needing improvements as identifies by their staff with input from the boating community.

This capital outlay item was in the FY 2010-11 and FY 2011-12 Budgets. This item was not completed in prior fiscal years.

**Budget: \$45,000**

**Filter Cell Coating – Plant Exterior Coating Touch up**

**Purpose:** Improved appearance and life of plant filter cells, last painted 21 years ago. Four out of the six filters have significant paint peeling and chipping. Paint chips can end up lodged in filter media, which is a maintenance issue. Touch up for plant exterior paint is also included.

**Description:** Fill stress cracks as needed; prepare concrete and metal surfaces; prime and paint Water Treatment Plant filter cells and utility piping. Touch up plant exterior paint where coating is compromised. Labor is to be supplied by Water Resources employees. This capital outlay item was in the FY 2010-11 Budget as a contracted project.

**Budget: \$9,000**

## **CAPITAL OUTLAY DESCRIPTIONS FY 2013-2014**

### **Replace Water Treatment Plant HVAC Unit**

**Purpose:** Improve reliability and efficiency of Heating Ventilating and Cooling (HVAC) at the Water Treatment Plant.

**Description:** Replace the existing HVAC unit serving the common areas of the Water Treatment Plant (control room and general service areas) to provide more reliable and efficient HVAC operations and reduce gas and electric consumption. The existing unit is over 20 years old and has decreased in efficiency both due to age and because newer units are also more efficient than when the existing unit was new.

This capital outlay item was in the FY 2010-11 Budget.

**Budget: \$15,000**

### **Security Cameras Upgrades**

**Purpose:** Maintain a secure environment for both employees and the public.

**Description:** Our past security audits have advised that CRW needs to maintain active cameras in the public buildings and surrounding each property. CRW will replace a portion of the cameras each year in order to maintain the secure environment.

**Budget: \$10,000**

**CAPITAL OUTLAY DESCRIPTIONS  
FY 2013-2014**

**Well Site Meter Relocation**

**Purpose:** To more accurately measure the flow of well water at Well Site No. 1 in order to maintain the 30 percent well water to 70 percent SFWB surface water mixture that serves most of CRW's Southern distribution system. This 30/70 percent groundwater to surface water mixture is important in reducing the corrosivity of the drinking water as proven in both bench scale and full scale pilot test.

**Description:** The purchase and installation of a meter vault and electrical connections necessary to relocate the Well Site No. 1 effluent meter. This modification moves the meter to a location where the turbulence caused by pipe bends can be reduced, improving meter accuracy and providing more accurate mix ratios.

**Budget: \$7,000**

**Well Site Overflow Flapper Valve Installation**

**Purpose:** A check valve is required on the overflow line of the Well Site No. 1 Reservoir, along with a vault to protect the valve, insuring proper valve operation and facilitating valve maintenance.

**Description:** Purchase and installation of a utility vault and 6 inch flapper valve.

**Budget: \$8,000**

**Spectrophotometer Analyzer Replacement**

**Purpose:** Periodic replacement of aged equipment to improve accuracy.

**Description:** Replace Water Treatment Plant bench top multi-purpose spectrophotometer, used for basic testing of a variety of parameters including Chlorine residual, color, metals, etc.

**Budget: \$8,000**

## **CAPITAL OUTLAY DESCRIPTIONS FY 2013-2014**

### **FlowCAM**

**Purpose:** A FlowCAM will shorten the time waiting for sample testing results from one week to 20 minutes for seasonal algal blooms.

**Description:** The FlowCAM is analytical equipment that combines a flow cytometer (particle counter) with a camera. It can identify, sort, and count algal cells, particles, and zebra/guagga mussel larvae, reducing the sample processing time from one week to 20 minutes.

It would move the sample testing using an outside laboratory to using our laboratory. Once a taste and odor event is identified, changes in processing the water can begin which will reduce or eliminate the taste and odor event.

If possible, a refurbished FlowCAM unit will be purchased or the purchase will be split over two fiscal years. A new unit costs \$96,800. It is anticipated to require \$1,000 annually for maintenance.

**Budget: \$50,000**

### **SCADA Server**

**Purpose:** Improve reliability of the existing Supervisory Control and Data Acquisition (SCADA) system.

**Description:** Replace the main SCADA server to insure more reliable water system monitoring and control. To ensure reliable backup of the SCADA system the District replaces the main SCADA server every two years. The old server is retained for backup of the system. Hardware and programming is included in the replacement cost.

**Budget: \$12,000**



**CAPITAL OUTLAY DESCRIPTIONS  
FY 2013-2014**

**Vault Rebuild and Meter Replacements**

**Purpose:** Replace vault and upgrade industrial and commercial meters 3 inch and larger which fail testing standards.

**Description:** Several vaults and 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 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 takes effect in January of 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.

The primary use of Capital Outlay funding will be for replacement of meters 3-inch and larger. The balance of unused funding will be used for meters smaller than 3-inches.

Capital Outlay expenditure request is for materials only. Other project costs such as labor and equipment will be capitalized as projects are completed.

**Budget: \$45,000**

**GENERAL FUND RESOURCES**  
**LB 20**

<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>		<b>FY 13-14</b>	<b>FY 13-14</b>	<b>FY 13-14</b>
<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ADOPTED</b>	<b>RESOURCE DESCRIPTION</b>	<b>PROPOSED</b>	<b>APPROVED</b>	<b>ADOPTED</b>
		<b>BUDGET</b>		<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
<b>BEGINNING FUND BALANCE:</b>						
\$ 2,724,898	\$ 1,713,429	\$ 2,000,000	Net Working Capital (Budget)	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000
<b>OTHER RESOURCES:</b>						
6,522,923	6,760,994	7,300,000	Water Sales	8,100,000	8,100,000	8,100,000
70,251	41,896	29,500	Service Connection Fees	32,400	32,400	32,400
160,525	62,100	60,000	Service Charges	60,000	60,000	60,000
41,763	57,273	50,000	Miscellaneous - Operating	40,000	40,000	40,000
6,795,462	6,922,263	7,439,500	Subtotal - Operating resources	8,232,400	8,232,400	8,232,400
113,445	116,079	125,700	Rental Income	102,900	102,900	102,900
5,861	4,431	5,000	Earnings from Investments	7,300	7,300	7,300
164,348	94,517	40,000	Miscellaneous - Non-Operating	15,000	15,000	15,000
		75,000	Grant Funds	-	-	-
215	-	5,000	Surplus Property Sale	5,000	5,000	5,000
283,869	215,027	250,700	Subtotal - Non operating resources	130,200	130,200	130,200
-	644,000	1,000,000	Transfer From Rate Stabilization Reserves	-	-	-
<b>\$ 9,804,229</b>	<b>\$ 9,494,719</b>	<b>\$ 10,690,200</b>	<b>TOTAL RESOURCES</b>	<b>\$ 10,462,600</b>	<b>\$ 10,462,600</b>	<b>\$ 10,462,600</b>

**GENERAL FUND REQUIREMENTS  
SUMMARY BY DEPARTMENT  
LB-30**

<b>FY 10-11 ACTUAL</b>	<b>FY 11-12 ACTUAL</b>	<b>FY 12-13 ADOPTED BUDGET</b>	<b>EXPENDITURE DESCRIPTION</b>	<b>FY 13-14 PROPOSED BUDGET</b>	<b>FY 13-14 APPROVED BUDGET</b>	<b>FY 13-14 ADOPTED BUDGET</b>
<b>PERSONNEL SERVICES</b>						
\$ 908,505	\$ 980,284	\$ 983,120	Water Resources	\$ 1,013,896	\$ 1,013,896	\$ 1,013,896
938,379	1,002,320	1,066,390	Operations	1,104,812	1,104,812	1,104,812
662,122	649,875	673,680	FACS	729,771	729,771	729,771
96,188	99,423	127,560	Board	125,069	125,069	125,069
500,460	617,636	613,307	Administration	646,216	646,216	646,216
479,203	382,387	434,645	Engineering	405,161	405,161	405,161
<b>3,584,857</b>	<b>3,731,925</b>	<b>3,898,703</b>	<b>TOTAL PERSONNEL SERVICES</b>	<b>4,024,926</b>	<b>4,024,926</b>	<b>4,024,926</b>
<b>MATERIALS &amp; SERVICES</b>						
1,578,376	1,477,054	1,648,200	Water Resources	1,744,800	1,744,800	1,744,800
246,304	396,349	328,600	Operations	429,300	429,300	429,300
277,806	295,673	276,700	FACS	279,400	279,400	279,400
217,060	82,375	47,100	Board	19,100	19,100	19,100
907,446	832,764	919,200	Administration	975,100	975,100	975,100
314,094	43,470	17,000	Engineering	25,200	25,200	25,200
<b>3,541,086</b>	<b>3,127,685</b>	<b>3,236,800</b>	<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>3,472,900</b>	<b>3,472,900</b>	<b>3,472,900</b>
<b>CAPITAL OUTLAY</b>						
100,657	260,377	50,000	Water Resources	119,000	119,000	119,000
27,357	22,002	83,000	Operations	45,000	45,000	45,000
1,350	-	-	FACS	-	-	-
55,601	52,400	20,000	Administration	45,000	45,000	45,000
<b>184,965</b>	<b>334,779</b>	<b>153,000</b>	<b>TOTAL CAPITAL OUTLAY</b>	<b>209,000</b>	<b>209,000</b>	<b>209,000</b>
<b>7,310,908</b>	<b>7,194,389</b>	<b>7,288,503</b>	<b>TOTAL DEPARTMENT EXPENDITURES</b>	<b>7,706,826</b>	<b>7,706,826</b>	<b>7,706,826</b>
<b>TRANSFERS</b>						
279,892	275,526	204,508	To Revenue Bond Fund	213,674	213,674	213,674
			To Capital Reserve Fund			
500,000	500,000	500,000	Future Reserves	750,000	750,000	750,000
<b>779,892</b>	<b>775,526</b>	<b>704,508</b>	<b>TOTAL TRANSFERS TO OTHER FUNDS</b>	<b>963,674</b>	<b>963,674</b>	<b>963,674</b>
-	-	350,000	General Operating Contingency	500,000	500,000	500,000
<b>779,892</b>	<b>775,526</b>	<b>1,204,508</b>	<b>TOTAL TRANSFERS &amp; CONTINGENCY</b>	<b>1,463,674</b>	<b>1,463,674</b>	<b>1,463,674</b>
<b>8,090,799</b>	<b>7,969,915</b>	<b>8,343,011</b>	<b>TOTAL EXPENDITURES</b>	<b>9,170,500</b>	<b>9,170,500</b>	<b>9,170,500</b>
1,713,429	1,524,804	2,347,189	UNAPPROPRIATED FUND BALANCE	1,292,100	1,292,100	1,292,100
<b>\$ 9,804,228</b>	<b>\$ 9,494,719</b>	<b>\$ 10,690,200</b>	<b>TOTAL</b>	<b>\$ 10,462,600</b>	<b>\$ 10,462,600</b>	<b>\$ 10,462,600</b>

## GENERAL FUND DETAILED REQUIREMENTS

## LB-31

FY 10-11 ACTUAL	FY 11-12 ACTUAL	FY 12-13 ADOPTED BUDGET	Expenditure Description	FY 13-14 PROPOSED BUDGET	FY 13-14 APPROVED BUDGET	FY 13-14 ADOPTED BUDGET
<b>Personnel Services:</b>						
2,453,214	2,429,651	2,523,097	Salaries	2,485,403	2,485,403	2,485,403
1,131,643	1,302,274	1,375,606	Benefits and taxes	1,539,523	1,539,523	1,539,523
<b>\$ 3,584,856</b>	<b>\$ 3,731,925</b>	<b>3,898,703</b>	<b>PERSONNEL SERVICES TOTAL</b>	<b>\$ 4,024,926</b>	<b>\$ 4,024,926</b>	<b>4,024,926</b>
<b>Materials &amp; Services:</b>						
10,766		-	Commissioner	-	-	-
112,286	107,398	77,900	Customer Services	84,500	84,500	84,500
246,833	239,662	261,900	Equipment	309,400	309,400	309,400
327,819	301,564	281,400	Facilities & Security	277,200	277,200	277,200
198,142	245,225	333,000	General Administration	401,100	401,100	401,100
77,470	136,665	108,500	Materials	124,300	124,300	124,300
59,959	64,346	98,900	Office	78,300	78,300	78,300
100,210	64,199	86,100	Other Support Costs	104,600	104,600	104,600
(200,598)	(182,837)	(180,600)	Overhead Reimbursement (CIP Fund)	(201,400)	(201,400)	(201,400)
1,055,597	681,816	611,500	Professional & Contracted Services	632,300	632,300	632,300
612,578	619,969	659,500	Utilities	660,100	660,100	660,100
940,026	849,677	898,700	Water Purchases & Treatment	1,002,500	1,002,500	1,002,500
<b>3,541,086</b>	<b>3,127,685</b>	<b>3,236,800</b>	<b>MATERIALS &amp; SERVICES TOTAL</b>	<b>3,472,900</b>	<b>3,472,900</b>	<b>3,472,900</b>
<b>Capital Outlay:</b>						
119,621	326,943	53,000	Improvements	94,000	94,000	94,000
4,224	-	13,000	General Equipment & Tools	8,000	8,000	8,000
20,251	-	-	Laboratory Equipment	50,000	50,000	50,000
13,512	-	12,000	Computer Equipment	12,000	12,000	12,000
27,357	7,836	75,000	Other	45,000	45,000	45,000
<b>184,965</b>	<b>334,779</b>	<b>153,000</b>	<b>CAPITAL OUTLAY TOTAL</b>	<b>209,000</b>	<b>209,000</b>	<b>209,000</b>
<b>7,310,907</b>	<b>7,194,389</b>	<b>7,288,503</b>	<b>DEPARTMENT TOTALS</b>	<b>7,706,826</b>	<b>7,706,826</b>	<b>7,706,826</b>
<b>Transfers &amp; Contingency:</b>						
279,892	275,526	204,508	To Revenue Bond Fund	213,674	213,674	213,674
			To Capital Reserve Fund			
500,000	500,000	500,000	Future Reserves	750,000	750,000	750,000
-	-	350,000	General Operating Contingency	500,000	500,000	500,000
<b>779,892</b>	<b>775,526</b>	<b>1,054,508</b>	<b>TRANSFERS &amp; CONTINGENCY TOTAL</b>	<b>1,463,674</b>	<b>1,463,674</b>	<b>1,463,674</b>
1,713,429	1,524,804	2,347,189	UNAPPROPRIATED FUND BALANCE	1,292,100	1,292,100	1,292,100
<b>\$ 9,804,229</b>	<b>\$ 9,494,719</b>	<b>\$ 10,690,200</b>	<b>TOTAL GENERAL FUND BUDGET</b>	<b>\$ 10,462,600</b>	<b>\$ 10,462,600</b>	<b>\$ 10,462,600</b>

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

FY 10-11 ACTUAL	FY 11-12 ACTUAL	FY 12-13 ADOPTED BUDGET	Description of Resources and Requirements	FY 13-14 PROPOSED BUDGET	FY 13-14 APPROVED BUDGET	FY 13-14 ADOPTED BUDGET
<b>RESOURCES</b>						
BEGINNING FUND BALANCE:						
\$ 82,417	\$ 47,034	\$ 1,000	Cash on hand (cash basis):	\$ 1,000	\$ 1,000	\$ 1,000
1,429	1,096	-	Earnings from investments	-	-	-
Transferred In:						
1,080,000	1,006,025	2,500,000	SDC Reserve Fund	1,764,800	1,764,800	1,764,800
-	274,175	752,700	Capital Reserve Fund	1,371,200	1,371,200	1,371,200
<u>1,163,846</u>	<u>1,328,330</u>	<u>3,253,700</u>	Resources Without Taxes	<u>3,137,000</u>	<u>3,137,000</u>	<u>3,137,000</u>
<b>\$ 1,163,846</b>	<b>\$ 1,328,330</b>	<b>\$ 3,253,700</b>	<b>TOTAL RESOURCES</b>	<b>\$ 3,137,000</b>	<b>\$ 3,137,000</b>	<b>\$ 3,137,000</b>
<b>REQUIREMENTS</b>						
Personnel Services:						
\$ 251,212		\$ -	- Project Expenses	\$ -	\$ -	\$ -
<u>251,212</u>	-	-	- Personnel Services Total	<u>-</u>	<u>-</u>	<u>-</u>
Material & Services:						
865,600			- Project Expenses	-	-	-
<u>865,600</u>	-	-	- Material & Services Total	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay:						
-	1,279,760	3,253,700	Project Expenses	3,137,000	3,137,000	3,137,000
<u>-</u>	<u>1,279,760</u>	<u>3,253,700</u>	Capital Outlay Total	<u>3,137,000</u>	<u>3,137,000</u>	<u>3,137,000</u>
Reserved Future Expenditures:						
47,034	48,570		- Reserved Future Expenditures	-	-	-
<u>47,034</u>	<u>48,570</u>	0	Reserved Future Expenditures Total	<u>-</u>	<u>-</u>	<u>-</u>
<b>\$ 1,163,846</b>	<b>\$ 1,328,330</b>	<b>\$ 3,253,700</b>	<b>TOTAL REQUIREMENTS</b>	<b>\$ 3,137,000</b>	<b>\$ 3,137,000</b>	<b>\$ 3,137,000</b>

**CAPITAL RESERVE FUND  
RESERVE FUND - LB 11  
RESOURCES AND REQUIREMENTS**

FY 10-11 ACTUAL	FY 11-12 ACTUAL	FY 12-13 ADOPTED BUDGET	Description of Resources and Requirements	FY 13-14 PROPOSED BUDGET	FY 13-14 APPROVED BUDGET	FY 13-14 ADOPTED BUDGET
<b>RESOURCES</b>						
BEGINNING FUND BALANCE:						
\$ 1,998,549	\$ 2,510,241	\$ 2,560,000	Cash on hand (cash basis):	\$ 3,258,000	\$ 3,258,000	\$ 3,258,000
Transferred From General Fund						
500,000	500,000	500,000	Future Reserves	750,000	750,000	750,000
11,692	12,557	11,500	Earnings from investments	13,200	13,200	13,200
2,510,241	3,022,798	3,071,500	Resources Without Taxes	4,021,200	4,021,200	4,021,200
<b>\$ 2,510,241</b>	<b>\$ 3,022,798</b>	<b>\$ 3,071,500</b>	<b>TOTAL RESOURCES</b>	<b>\$ 4,021,200</b>	<b>\$ 4,021,200</b>	<b>\$ 4,021,200</b>
<b>REQUIREMENTS</b>						
\$ -	\$ 274,175	\$ 752,700	Transfer to CIP Fund	\$ 1,371,200	\$ 1,371,200	\$ 1,371,200
2,510,241	2,748,623	2,318,800	Reserved for Future Expenditures	2,650,000	2,650,000	2,650,000
<b>\$ 2,510,241</b>	<b>\$ 3,022,798</b>	<b>\$ 3,071,500</b>	<b>TOTAL REQUIREMENTS</b>	<b>\$ 4,021,200</b>	<b>\$ 4,021,200</b>	<b>\$ 4,021,200</b>

New fund established on Res. No. 34-2009

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

FY 10-11 ACTUAL	FY 11-12 ACTUAL	FY 11-12 ADOPTED BUDGET	Description of Resources and Requirements	FY 13-14 PROPOSED BUDGET	FY 13-14 APPROVED BUDGET	FY 13-14 ADOPTED BUDGET
<b>RESOURCES</b>						
BEGINNING FUND BALANCE:						
\$ 2,244,926	\$ 2,256,651	\$ 1,610,000	Cash on hand (cash basis):	\$ 890,800	\$ 890,800	\$ 890,800
11,725	8,474	3,000	Earnings from investments	5,400	5,400	5,400
2,256,651	2,265,125	1,613,000	Resources Without Taxes	896,200	896,200	896,200
<b>\$ 2,256,651</b>	<b>\$ 2,265,125</b>	<b>\$ 1,613,000</b>	<b>TOTAL RESOURCES</b>	<b>\$ 896,200</b>	<b>\$ 896,200</b>	<b>\$ 896,200</b>
<b>REQUIREMENTS</b>						
\$ -	\$ 644,000	\$ 1,000,000	Transfer to General Fund	\$ -	\$ -	\$ -
2,256,651	1,621,125	613,000	Reserved for Rate Stabilization	896,200	896,200	896,200
<b>\$ 2,256,651</b>	<b>\$ 2,265,125</b>	<b>\$ 1,613,000</b>	<b>TOTAL REQUIREMENTS</b>	<b>\$ 896,200</b>	<b>\$ 896,200</b>	<b>\$ 896,200</b>

New fund established on Res. No. 35-2009

**SDC RESERVE FUND  
RESERVE FUND - LB 11  
RESOURCES AND REQUIREMENTS**

FY 10-11 ACTUAL	FY 11-12 ACTUAL	FY 12-13 ADOPTED BUDGET	Description of Resources and Requirements	FY 13-14 PROPOSED BUDGET	FY 13-14 APPROVED BUDGET	FY 13-14 ADOPTED BUDGET
<b>RESOURCES</b>						
BEGINNING FUND BALANCE:						
\$ 5,411,340	\$ 4,166,576	\$ 3,000,000	Cash on hand (cash basis):	\$ 2,234,000	\$ 2,234,000	\$ 2,234,000
80,896	38,346	68,400	SDC Reimbursement	32,000	32,000	32,000
106,605	47,565	84,900	SDC Improvement	39,000	39,000	39,000
23,328	17,278	600	Earnings from investments	1,100	1,100	1,100
5,622,169	4,269,765	3,153,900	Resources Without Taxes	2,306,100	2,306,100	2,306,100
<b>\$ 5,622,169</b>	<b>\$ 4,269,765</b>	<b>\$ 5,276,607</b>	<b>TOTAL RESOURCES</b>	<b>\$ 2,306,100</b>	<b>\$ 2,306,100</b>	<b>\$ 2,306,100</b>
<b>REQUIREMENTS</b>						
\$ 1,080,000	\$ 1,006,025	\$ 2,500,000	Transfer to CIP Fund	\$ 1,764,800	\$ 1,764,800	\$ 1,764,800
375,593	369,734	375,077	Transfer to Revenue Bond Fund	255,822	255,822	255,822
4,166,576	2,894,006	278,823	Reserved Future Expenditures	285,478	285,478	285,478
<b>\$ 5,622,169</b>	<b>\$ 4,269,765</b>	<b>\$ 3,153,900</b>	<b>TOTAL REQUIREMENTS</b>	<b>\$ 2,306,100</b>	<b>\$ 2,306,100</b>	<b>\$ 2,306,100</b>

New fund established Res. No. 36-2009



**REVENUE BOND FUND  
BONDED DEBT - LB 35  
RESOURCES AND REQUIREMENTS**

<b>FY 10-11 ACTUAL</b>	<b>FY 11-12 ACTUAL</b>	<b>FY 12-13 ADOPTED BUDGET</b>	<b>Description of Resources and Requirements</b>	<b>FY 13-14 PROPOSED BUDGET</b>	<b>FY 13-14 APPROVED BUDGET</b>	<b>FY 13-14 ADOPTED BUDGET</b>
<b>RESOURCES:</b>						
BEGINNING FUND BALANCE:						
\$ 516,583	\$ 545,380	\$ 547,800	Cash on hand (cash basis)	\$ 468,000	\$ 468,000	\$ 468,000
2,454	2,569	2,300	Earning From Investments	2,000	2,000	2,000
279,892	275,526	204,508	Transfer From General Fund	213,674	213,674	213,674
375,593	369,734	375,077	Transfer From SDC Fund	255,822	255,822	255,822
<b>1,174,522</b>	<b>1,193,209</b>	<b>1,129,685</b>	<b>Resources Without Taxes</b>	<b>939,496</b>	<b>939,496</b>	<b>939,496</b>
<b>\$ 1,174,522</b>	<b>\$ 1,193,209</b>	<b>\$ 1,129,685</b>	<b>TOTAL RESOURCES</b>	<b>\$ 939,496</b>	<b>\$ 939,496</b>	<b>\$ 939,496</b>
<b>REQUIREMENTS:</b>						
\$ 505,000	\$ 510,000	\$ 535,000	Principal	\$ 340,000	\$ 340,000	\$ 340,000
124,142	135,260	119,585	Interest	106,460	106,460	106,460
545,380	547,949	475,100	Unappropriated and Reserved	493,036	493,036	493,036
<b>\$ 1,174,522</b>	<b>\$ 1,193,209</b>	<b>\$ 1,129,685</b>	<b>TOTAL REQUIREMENTS</b>	<b>\$ 939,496</b>	<b>\$ 939,496</b>	<b>\$ 939,496</b>

**SUPPLEMENT LB-36**

<b>FY 10-11 ACTUAL BUDGET</b>	<b>FY 11-12 ACTUAL BUDGET</b>	<b>FY 12-13 ADOPTED BUDGET</b>	<b>Schedule of Payments</b>	<b>FY 13-14 PROPOSED BUDGET</b>	<b>FY 13-14 APPROVED BUDGET</b>	<b>FY 13-14 ADOPTED BUDGET</b>
<b>BOND PRINCIPAL PAYMENTS</b>						
Issue Date - Payment Date						
\$ 505,000	\$ 510,000	\$ 535,000	2009 11/1/13	\$ 340,000	\$ 340,000	\$ 340,000
<b>505,000</b>	<b>510,000</b>	<b>535,000</b>	<b>Total Principal Payments</b>	<b>340,000</b>	<b>340,000</b>	<b>340,000</b>
<b>BOND INTEREST PAYMENTS</b>						
Issue Date - Payment Date						
124,142	135,260	119,585	2009 11/1/13 & 5/1/14	106,460	106,460	106,460
<b>124,142</b>	<b>135,260</b>	<b>119,585</b>	<b>Total Interest Payments</b>	<b>106,460</b>	<b>106,460</b>	<b>106,460</b>
<b>UNAPPROPRIATED ENDING FUND</b>						
545,380	547,949	475,100	Unappropriated Fund Balance	493,036	493,036	493,036
<b>\$ 1,174,522</b>	<b>\$ 1,193,209</b>	<b>\$ 1,129,685</b>	<b>TOTAL REQUIREMENTS</b>	<b>\$ 939,496</b>	<b>\$ 939,496</b>	<b>\$ 939,496</b>

**CLACKAMAS RIVER WATER  
FY 2013-2014**

**CHANGES FROM PROPOSED to APPROVED BUDGET**

**There Were No Changes To The Proposed Budget.**

**CHANGES FROM APPROVED to ADOPTED BUDGET**

**There Were No Changes To The Approved Budget.**

**CLACKAMAS RIVER WATER  
BUDGET COMMITTEE MEMBERS  
FY 2013-2014**

**District Citizens**

Gary Kerr

Pat Russell

Cyndi Lewis-Wolfram

Barbara L. Kemper

David McNeel

**Board of Commissioners**

Kami Kehoe, President

Ken Humberston, Secretary

Hugh Kalani, Treasurer

Grafton L. Sterling

**NOTICE OF BUDGET COMMITTEE MEETING**

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, 2013, to June 30, 2014 will be held at 16770 SE 82nd Drive, Clackamas, Oregon, 97015. The first meeting will take place on the **Thursday April 25, 2013, at 6:00 p.m.** Additionally, the second and third meetings are scheduled for Thursday May 2, 2012 and Thursday May 16, 2013, 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 18, 2013, 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](http://www.crwater.com), budget activities page.

The Oregonian

04/19/2012

# The Oregonian

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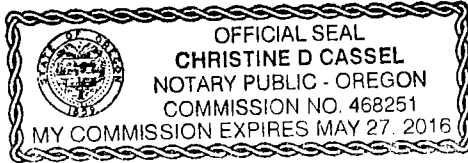
1320 S.W. Broadway, Portland, OR 97201-3499

## Affidavit of Publication

**G. Hatter**

I, \_\_\_\_\_, duly sworn depose and say that I am the Principal Clerk Of The Publisher of The Oregonian, a newspaper of general circulation, as defined by ORS 193.010 and 193.020, published in the city of Portland, in Multnomah County, Oregon; that the advertisement was published without interruption in the entire and regular issue of The Oregonian or the issue on the following date(s):

4/29/2013



G. Hatter

Principal Clerk of the Publisher:

5-7-13

Subscribed and sworn to before me this date:

Christine D. Casse

Notary:

Ad Order Number: 0003468772

### 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, 2013, to June 30, 2014 will be held at 16770 SE 82nd Drive, Clackamas, Oregon, 97015. The first meeting will take place on the Thursday April 25, 2013, at 6:00 p.m. Additionally, the second and third meetings are scheduled for Thursday May 2, 2013 (CANCELED) and Thursday May 16, 2013. 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 19, 2013, 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](http://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.

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**FORM LB-1**

**NOTICE OF BUDGET HEARING**

A public meeting of the Clackamas River Water Board of Commissioners will be held on June 12, 2013 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, 2013 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 4:00 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 that used the preceding year.

Contact: Larry Sowa Telephone: 503-722-0226 Email: lsowa@crwater.com

<b>FINANCIAL SUMMARY - RESOURCES</b>			
<b>TOTAL OF ALL FUNDS</b>	Actual Amount 2011-12	Adopted Budget This Year 2012-13	Approved Budget Next Year 2013 -14
Beginning Fund Balance/Net Working Capital	11,239,311	9,718,800	8,951,800
Interfund Transfers / Internal Service Reimbursements	3,069,460	5,332,285	4,355,496
All Other Resources Except Current Year Property Taxes	7,265,175	7,860,900	8,455,300
<b>Total Resources</b>	<b>21,573,946</b>	<b>22,911,985</b>	<b>21,762,596</b>

<b>FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION</b>			
Personnel Services	3,731,925	3,898,703	4,024,926
Materials and Services	3,127,685	3,236,800	3,472,900
Capital Outlay	1,614,539	3,406,700	3,346,000
Debt Service	645,260	654,585	446,460
Interfund Transfers	3,069,460	5,332,285	4,355,496
Contingencies	0	350,000	500,000
Unappropriated Ending Balance and Reserved for Future Expenditure	9,385,077	6,032,912	5,616,814
<b>Total Requirements</b>	<b>21,573,946</b>	<b>22,911,985</b>	<b>21,762,596</b>

<b>FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *</b>			
Name of Organizational Unit or Program FTE for that unit or program			
Water Resources Department	2,717,715	2,681,320	2,877,696
FTE	10	10	10
Operations Department	1,420,671	1,477,990	1,579,112
FTE	12	11	11
Finance, Accounting and Customer Service Department	945,548	950,380	1,009,171
FTE	7	7	7
Engineering Department	425,857	451,646	430,361
FTE	6	5	5
Administration Department	1,502,800	1,552,507	1,666,316
FTE	5.3	5.4	5.4
Board of Commissioners Department	181,798	174,660	144,169
FTE	0.7	0.8	0.8
Non-Departmental / Non-Program	14,379,557	15,623,482	14,055,771
FTE			
<b>Total Requirements</b>	<b>21,573,946</b>	<b>22,911,985</b>	<b>21,762,596</b>
<b>Total FTE</b>	<b>41.0</b>	<b>39.2</b>	<b>39.2</b>

**STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING \***

Total budget resources for FY 2013-14 are 5 percent or \$1,149,389 less than FY 2012-13 budget, primarily due to Interfund Transfers decreasing \$976,789 or 18.3 percent. Water Sales are projected to increase by \$800,000 or 11.0 percent, reflecting the effect of a rate change for retail customers that was approved by the Board of Commissioners March 29, 2012. Beginning Fund Reserves declined by \$767,000 or 7.9 percent as reserves are used for capital improvement of the infrastructure.

FY 2013-14 total requirements are expected to decrease 5 percent or \$1,149,389 from the FY 2012-13 Adopted Budget, primarily due to reduction in Interfund Transfers of \$976,789 or 18.3 percent and Unappropriated Fund Balance and Reserved for Future Expenditure by \$416,098 or 6.9 percent. Total FTE remains unchanged from Fiscal Year 2012-13 to Fiscal Year 2013-14.

<b>STATEMENT OF INDEBTEDNESS</b>		
LONG TERM DEBT	Estimated Debt Outstanding on July 1.	Estimated Debt Authorized, But Not Incurred on July 1
Other Bonds	\$3,130,000	\$36,870,000
<b>Total</b>	<b>\$3,130,000</b>	<b>\$36,870,000</b>

**CLACKAMAS RIVER WATER**

RESOLUTION No. 14-2013

A RESOLUTION FOR ADOPTING THE BUDGET AND MAKING APPROPRIATIONS FOR CLACKAMAS RIVER WATER FOR FISCAL YEAR 2013-2014

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 2013-14 annual period; and,

WHEREAS, on May 16, 2013, following public notice and meetings thereon, the duly appointed and authorized Budget Committee approved the annual budget proposed for the 2013-14 period, on file at the District office, and recommended adoption by the Board of Commissioners; and,

WHEREAS on May 16, 2013, 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 2013-14 period; and,

WHEREAS, on June 12, 2013, 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 2013-2014 in the total sum of \$21,762,596, 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, 2013 and for the purposes shown below are hereby appropriated as follows:

GENERAL FUND	
Appropriations:	
Personnel Services	\$ 4,024,926
Materials & Services	3,472,900
Capital Outlay	209,000
Interfund Transfers	963,674
Operating Contingency	<u>500,000</u>
Appropriation Total (General Fund)	\$ 9,170,500

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CAPITAL RESERVE FUND  
Interfund Transfers Appropriation \$1,371,200

SDC RESERVE FUND  
Interfund Transfers Appropriation \$1,764,800

CAPITAL IMPROVEMENT PROJECTS FUND  
Capital Outlay Appropriation \$3,137,000

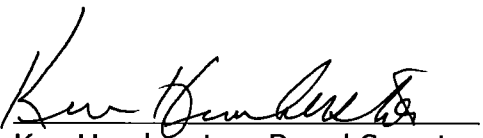
REVENUE BOND FUND  
Debt Service Appropriation \$446,460

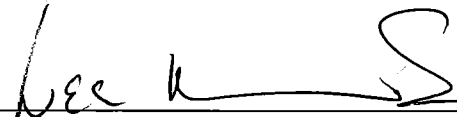
**TOTAL APPROPRIATIONS: \$15,889,960**

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 12th day of June, 2013.

  
Larry Sowa, Board President

  
Ken Humberston, Board Secretary

ATTESTED:   
Lee Moore, Sr., General Manager



**BUDGET CALENDAR**  
FY 2013-2014

1. **Appoint** budget officer January 10, 2013
2. **Publish** first notice of budget committee meeting  
in *The Oregonian* and post on District web site April 11, 2013
3. **Hold** budget committee meeting April 25, 2013
4. **Hold** budget committee meeting May 16, 2013
5. **Approve** budget May 16, 2013
6. **Publish** hearing notice in *The Oregonian* June 5, 2013
7. **Hold** budget hearing June 12, 2013
8. **Adopt** the budget and make appropriations by  
Resolution #14-2013 with no taxes to levy June 12, 2013
9. **Submit** budget to State, County Assessor,  
Treasurer and Clerk July 15, 2013

### Summary of All Funds FY 2013-14 Adopted Budget

	General Fund	CIP Fund	Revenue Bond Fund	Capital Reserve Fund	Rate Stabilization Reserve Fund	SDC Reserve Fund	TOTAL
Revenues and other sources:							
Water Sales	\$ 8,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,100
Other Operating	132	-	-	-	-	71	203
Non-Operating	130	-	2	13	5	1	152
Transfers in	-	3,136	469	750	-	-	4,355
Total Revenues	8,363	3,136	472	763	5	72	12,811
Expenditures and other uses:							
Personnel Services	4,025	-	-	-	-	-	4,025
Materials & Services	3,473	-	-	-	-	-	3,473
Capital Outlay	209	3,137	-	-	-	-	3,346
Debt Service	-	-	446	-	-	-	446
Transfers to other funds	964	-	-	1,371	-	2,021	4,355
Contingency	500	-	-	-	-	-	500
Total Expenditures	9,171	3,137	446	1,371	-	2,021	16,146
Excess (Deficiency) of Revenues over Expenditures	(808)	(1)	25	(608)	5	(1,949)	(3,335)
Beginning Working Capital	\$ 2,100	\$ 1	\$ 548	\$ 3,258	\$ 891	\$ 2,234	\$ 9,032
Ending Working Capital	\$ 1,292	\$ -	\$ 573	\$ 2,650	\$ 896	\$ 285	\$ 5,697

Total adopted budget in thousands

Transfers in and Transfers to other fund should equal.

Transfers to General Fund from Rate Stabilization Reserve Fund is for Debt Covenant coverage.

Transfers to CIP Fund is from SDC Reserve and Capital Reserve funds.

Transfer to Revenue Bond Fund from General Fund and SDC Reserve Fund for debt payment.

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

**FY 2013-14 Changes in Fund Balance**  
(In Thousands)

<b>Fund</b>	<b>Beginning Balance</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Ending Balance</b>	<b>Percent Change in Fund Balance</b>	<b>Dollar Change in Fund Balance</b>
General	\$ 2,100	\$ 8,363	\$ 9,171	\$ 1,292	-38.5%	\$ (808)
CIP	1	3,136	3,137	-	-100.0%	(1)
Revenue Bond	468	471	446	493	5.3%	25
Rate Stabilization Reserve	891	5	-	896	0.6%	5
Capital Reserve	3,258	763	1,371	2,650	-18.7%	(608)
SDC Reserve	2,234	72	2,021	285	-87.2%	(1,949)
	<u>\$ 8,952</u>	<u>\$ 12,811</u>	<u>\$ 16,146</u>	<u>\$ 5,617</u>	<u>-37.3%</u>	<u>\$ (3,335)</u>

This table depicts the estimated budgeted fund balance at July 1, 2013, the budgeted revenues and expenditures for FY 2013-14 and the projected ending fund balance at June 30, 2014.

General Fund increase in fund balance from water sales due to a water rate increase approved April 12, 2012 at the Board of Commissioners meeting.

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.

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

## **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, maintaining, 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***

1. The 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.
2. The 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.

## **Financial Policies (continued)**

### ***Investments***

1. 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 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 ensure safeguard of 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 in a timely and effective manner all revenue.
2. In order to prevent or detect error, fraud or omission, receipts of money are accurately and completely accounted for and adequately controlled.

## **Financial Policies (continued)**

### ***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 (noting existence, initial cost, depreciation and obsolescence) to ensure adequate valuation is available for management planning, reporting, budgeting and asset insuring purposes.
3. The District promotes the best use of all capital assets, avoiding waste, duplication and inefficiency.

### ***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 or manage the risks without unduly curtailing or modifying necessary District activities, and
  - Monitor and evaluate the results.

### ***Leak Adjustment***

1. The District strives to provide quality service to all District customers, promote the efficient use of water, and encourage the proper maintenance of customer waterlines.
2. Leakage is generally non-disputable and at the customer's expense. The District provides partial monetary relief from extraordinarily high water bills resulting from a sudden and accidental leak in a customer's line.  
(This policy has been suspended for the FY 2013-14.)

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