

FY 2022/2023

BUDGET
DEVELOPMENT
MATERIAL



Rockwood Water

People's Utility District

19601 NE HALSEY STREET
PORTLAND, OREGON 97230-7430

503-665-4179

WWW.RWPUD.ORG



Rockwood Water
People's Utility District

19601 NE Halsey Street
Portland, OR 97230-7430
503-665-4179 - Phone
503-667-5108 - Fax
www.rwpud.org

**BUDGET COMMITTEE MEETING
ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT**

April 20, 2022

**Following Regular Board Meeting
District Boardroom**

Zoom Video Conference

**or remotely via Zoom video by copying the link below and pasting into your
web browser:**

<https://us02web.zoom.us/j/83660013915?pwd=R0c3S09oOXZVbURONTMwM1ZJR2lJUT09>

Passcode: 547730

Or Phone: +1-253-215-8782

Webinar ID: 847 6338 8781 - Passcode: 751277

PRELIMINARY AGENDA

1. Call to Order by President of the Board
2. Approval of Agenda - Action
3. Elect Budget Committee Officers - Action
4. President of the Board Defers to Budget Committee Chair
5. Budget Committee Chair Defers to Budget Officer, GM Duncan
6. Budget Officer Delivers Budget Message - GM Duncan
7. Public Comment
8. Overview of Budget Packet Contents - Budget Officer, GM Duncan
9. Discussion and Approval of Budget Items
10. Approve and Recommend to the Board of Directors the Proposed Budget - Action
11. Schedule Next Meeting (If Necessary) - Wednesday, May 11, 2022, 6:00 p.m.
12. Adjournment



Rockwood Water
People's Utility District

19601 NE Halsey Street
Portland, OR 97230-7430
503-665-4179 - Phone
503-667-5108 - Fax
www.rwpud.org

MEMORANDUM

To: Budget Committee
Rockwood Water People's Utility District

From: Kari J. Duncan
General Manager/Budget Officer

Date: April 6, 2022

Re: **Fiscal Year (FY) 2022/2023 Budget Message and Document Transmittal**

BUDGET MESSAGE

In FY 2022/2023, the District made significant progress in design and construction of the Cascade Groundwater Alliance water supply facilities, in partnership with the City of Gresham. This includes securing revenue bond and federal loan funding for the design and construction of project packages. The District has progressed on the construction of the Package 1 facilities, which includes the new 6-million-gallon Cascade Reservoir #2, rehabilitation of Cascade Reservoir #1 and a wellhead facility and transmission main for Cascade Well # 7 located near NE 202nd Avenue and NE Glisan Street. The District also plans to issue Request for Proposals for the Package 3 and 4 projects, which consist of treatment and pumping facilities for the Cascade site in partnership with the City of Gresham, and Well #8 at 185th Avenue, a District-only facility, before the end of this fiscal year 21/22. The District also completed the application process for the federal Water Infrastructure and Finance Innovation Act (WIFIA) loan and closed on the loan in March 2022, and the low cost financing and repayment schedule will save District ratepayers substantially over the course of the loan.

In FY 2022/2023, the District, in partnership with the City of Gresham, will complete the construction of the \$22 million Package 1 facilities which includes the Cascade Reservoir #2, rehabilitation of Cascade Reservoir #1, and the pumphouse and pipeline associated with Cascade Well #7. The District and Gresham are also in the design process for the Package 2a and 2b transmission mains, which total \$22.9 million. Package 3, the District-only 141st avenue improvements, includes a pump and treatment system for Well #8, for a total of \$9.4 million. Finally, package 4 of the project will consist of the pumping and treatment facility for the Cascade site. This \$32.1 million package will be split 50/50 between the District and the City of Gresham. The City of Gresham is managing the package 5 and 6 projects that include the development of Well #6 on NE 223rd Avenue and SE Stark Street, and the wellhouse for Cascade Well #9 at Kirk Park, both of which are currently in design and expected to start construction in FY 2022/2023.

The budget packet includes the 2022/2023 Financial Rate Model, which by following, allows the District to remain financially stable and provide the greatest value to the ratepayers. The development of groundwater resources has required strategic increases in revenue in the previous two years and in FY 2022/2023 this increase is much lower at around 4.1%, in comparison with the 10.5% adjustment from FY 2021/2022.

The COVID-19 pandemic has resulted in significant impacts to the health and welfare of the people around the globe and to the economy since early 2020. Due to careful financial oversight and planning, the District has been able to weather through the pandemic in a stable financial status. However, the pandemic will have long-lasting impacts that include supply chain disruptions, increasing materials costs, and increasing staffing costs. The District is currently in excellent financial health, however it is critical that we continue to plan and budget with sufficient contingency to weather through the economic impacts of the pandemic.

The District continues to update its aging fleet of heavy equipment and vehicles as well as planned technology replacements through the efforts outlined in the District's two comprehensive replacement plans for both vehicle/equipment and technology. The cost of vehicles and technology-related materials has increased, however, and these expenses are reflected in the budget.

In the previous two fiscal years, the District implemented rate adjustments of 10.5% in July 2021, and 11.5% in July 2020. These adjustments placed the District on a path that enables it to take less severe adjustments in this year and in future years. The proposed rate adjustment for the average customer in FY 2022/2023 is **4.1%**. The base meter charges and the variable water rate will be adjusted to move the District's fixed revenue closer to the 30% goal listed in the financial policy. The overall revenue adjustment by combining both the fixed and variable charges and projected water demand will be **5.2%**.

BUDGET INTRODUCTION

Included in this binder is information that will support the FY 2022/2023 Budget for the District. It includes the following documents:

- **FY 2022/2023 Budget Message**
- **Auditor's Communication to Governing Body on the FY 2020/2021 Audit**
- **Calendar Year 2021 Statistics and Highlights**
 - **Conservation**
 - **Customer Service Year to Year Comparison**
 - **Calendar Year 2021 Field Services**
- **2022 Financial Plan Update**
- **FY 2022/2023 Budget Detail and Narrative**
- **FY 2022/2023 Capital Improvement Plan**
- **FY 2022/23 Groundwater Development Capital Improvement Plan**
- **Projected FY 2022/2023 Fees and Charges**
- **2022 Strategic Plan**
- **Supplemental Information**
 - **2022 District Organization Chart**
 - **FY 2022/2023 Five Year Budget Line Code Comparisons**
 - **FY 2022/2023 10-Year Vehicle/Equipment Replacement Plan**

- **FY 2022/2023 10-Year Technology Replacement Plan**
- **Monthly Regional Bill Comparison**
- **Wage Scales for All District Employees for FY 2022/2023**

FUND STRUCTURE

101 General Fund	Most operations occur in the General Fund.
201 System Development Fund-Reimbursement	This consists of SDCs paid by new customers, which can be spent on ordinary water system capital projects.
202 System Development Fund-Improvement	This consists of SDCs paid by new customers, which can be spent only on projects that expand the capacity of the water system.
301 Debt Reserve Fund	Money accumulates in this fund to pay annual debt service and meet bond covenant reserve requirements.
401 Debt Service Fund	Debt service payments are made from this fund.
501 Groundwater Production Fund	This fund handles the Gresham-District groundwater partnership.
601 Groundwater Construction Fund	This fund handles the consulting, engineering, and construction of projects identified within the Cascade Groundwater Alliance Groundwater Development Master Plan.

A budget is developed for each fund depicting how resources will be collected and expended during the fiscal year. This budget is provided for the Budget Committee and public's review and comment.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2021



**12700 SW 72nd Ave.
Tigard, OR 97223**



PAULY, ROGERS AND Co., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcpcpas.com

November 16, 2021

To the Board of Directors
Rockwood Water People's Utility District
Multnomah County, Oregon

We have audited the basic financial statements of the governmental activities and major fund of Rockwood Water People's Utility District (PUD) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the internal control over financial reporting.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the PUD and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the PUD or to acts by management or employees acting on behalf of the PUD. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. Management letter – No separate management letter was issued.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 2 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year that ended June 30, 2021. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the basic financial statements were Management’s estimate of receivables, pension and OPEB assets, liabilities, and deferrals for PERS and RHIA, capital asset depreciation, and value of investments, which are based on estimated collectability of receivables, actuarial assumptions, useful lives of assets, and active market values or significant observable inputs, respectively. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the basic financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Pauly, Rogers and Co., P.C.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Supplementary Information

We were engaged to report on the supplementary information, as listed in the table of contents, which accompany the basic financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Information

We were not engaged to report on the listing of Board members, located before the Table of Contents, which accompanies the basic financial statements but is not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accounts and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 87 – LEASES

This Statement is effective for fiscal years beginning after June 15, 2021, as extended by GASB 95. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB 89 – ACCOUNTING FOR INTEREST COST INCURRED BEFORE THE END OF A CONSTRUCTION PERIOD

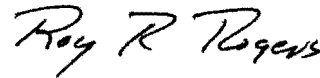
This Statement is effective for fiscal years beginning after December 15, 2020, as extended by GASB 95. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

Best Practices – Not Significant Deficiencies

1. Segregation of Duties

Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected. We noted that the Senior Accountant and Office Supervisor have the ability to input information into the accounting system and have access to the check stock, check printer, and signature stamp. This could allow for the issuance of an unauthorized check which may not be detected within a reasonable time period. We recommend that the Board continually monitor the financial activities to mitigate this risk and consider obtaining additional fidelity (employee honesty) insurance coverage to compensate for this risk.

This information is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.



Rockwood Water
People's Utility District

19601 NE Halsey Street
Portland, OR 97230-7430
503-665-4179 - Phone
503-667-5108 - Fax
www.rwpud.org

MEMORANDUM

To: Budget Committee
Rockwood Water People's Utility District

From: Kari J. Duncan, General Manager/Budget Officer

Date: April 11, 2022

Re: Calendar Year 2021 District Highlights

The following reports include year-to-year comparisons of the District activities in Customer Services, Field Operations and Water Conservation between January and December 2021. In 2021, some key activities show ongoing impacts due to the second year of the COVID-19 Pandemic, although some activities have recovered. The Water Conservation program experienced a gain in conservation device giveaways due to the reopening of the District office, however school programs and public events remained cancelled in 2021. Customer Service highlights returned to previous 'normal' with the opening of the District office, and customer service and turn-offs are at pre-pandemic levels.

Conservation

Data is from January 1 through December 31 for each year.					
	2018	2019	2020*	2021	Difference 2020/2021
Conservation Devices	351	217	16	131	718.8%
Water Bottles for Filling Station**	846	1,700	0	0	0.0%
Outdoor Conservation Kits	70	50	13	19	46.2%
Indoor Conservation Kits	33	24	5	15	200.0%
Toilet Rebates	54	47	36	32	-11.1%
School Assembly Programs	4	1	0	0	0.0%
Festivals and Events	5	4	0	0	0.0%
Emergency Water Storage Bags	-	325	0	0	0.0%
*Due to the COVID-19 pandemic, the District office was closed to the public from March 2020 to June 2021. All events were cancelled in 2020 and 2021.					
**Please note the water bottles passed out at the groundbreaking event were Cascade Groundwater Alliance merchandise and not counted in this report.					

Customer Service Year to Year Comparison

Data is from 1/1 to 12/31 of each year.

	2018	2019	2020	2021	Change
Meter Reads	82,089	82,739	79,666	81,013	1.66%
Estimates	80	56	3,466	2,444	-41.82%
Bills	83,477	83,883	77,532	84,281	8.01%
Late Notices	15,137	15,225	13,676	14,615	6.42%
Door Hangers	6,316	6,432	2,647	5,977	55.71%
Turn Offs	942	931	437	997	56.17%
Final Reads	1,331	1,157	1,042	1,100	5.27%
New Accts	1,630	1,424	1,208	1,318	8.35%
Bill Assistance	537	511	404	343	-17.78%
Collection Agency	182	176	200	148	-35.14%
Leak Adjustments	210	202	205	220	6.82%
Phone Calls	28,067	26,713	29,913	27,490	-8.81%
Walk Ins	6,246	6,119	1,266	2,951	57.10%
Work Orders	293	249	284	307	7.49%
Misreads	89	77	171	152	-12.50%
Found Ons	22	16	1	3	66.67%
Meters Pulled	2	2	0	1	100.00%

Due to the weather we had to estimate reads February 2021

Due to Covid, we estimated part of a zone in March 2020 and we halted door hangers and offs between March 2020 and October 2020 Our doors were closed to the public between March 2020 and June 2021.

	2018	2019	2020	2021	Change
E-bills	1,207	1,373	1,618	1,854	12.73%
On Line Payments	14,718	33,448	34,168	37,682	9.33%

[illegible]

Technical Memorandum

Date: 4/11/2022

Project: Rockwood Water People's Utility District - 2022 Financial Plan Update

To: Kari Duncan, *General Manager – RWPUD*

From: Josiah Close, *Senior Financial Analyst – HDR*
Shawn Koorn, *Associate Vice President – HDR*

Subject: 2022 Financial Plan Summary

Summary

HDR Engineering Inc. (HDR) has been providing technical and financial assistance to Rockwood Water People's Utility District (District) annually, for nearly ten years. Over the years, a variety of financial and planning services have been provided to the District. Most frequently, HDR has worked with the District in the development and update of the annual financial plan to assist the District in developing water rate projections. Additionally, the financial plan helps to inform the District's Board of Directors (Board) of anticipated future rate impacts, based on current projections and information.

For the District's 2022 financial plan update (2022 Update), the District retained HDR Engineering Inc. (HDR) to perform a review and update of the water financial rate model which is used to establish the District's revenue requirement. Once the revenue requirement has been established, a rate transition plan can be developed that adequately funds the District's operations and maintenance (O&M) expenses and capital improvement needs as well as achieving key financial metrics (e.g., target ending reserve balances). The rate transition plan details are then relayed to the District's Board which then provides feedback which is incorporated into the budget for the next fiscal year, in this case Fiscal Year (FY) 2023.

The 2022 Update, as summarized in this memo, includes FY 2022 through FY 2041, and projects the revenue requirement (operating and maintenance, capital, and financial policy related expenses) over this projected time period. As part of the revenue requirement analysis, a capital funding plan was developed to determine the funding sources for the planned capital improvements. The capital funding plan utilizes a mix of rate revenues, available reserves, long-term borrowing, and system development charges in order to fully fund capital projects. A significant component of the capital funding plan is use of Water Infrastructure Finance and Innovation Act (WIFIA) funding. The WIFIA program provides a low-interest funding source for up to 49% of applicable project costs. Additionally, the favorable terms for agencies include the ability to delay debt service payments up to 5 years after the project is substantially complete. Utilizing WIFIA as a funding source has a number of short and long-term benefits which will yield lower water rates over the review period.

Another critical component in the development of the District's 2022 Update is the departure of the District from purchasing water from the Portland Water Bureau (Bureau) after FY 2026. This will change the annual O&M expenses of the District as purchased water costs will be eliminated, however, the tradeoff is the increase in capital improvement projects needed to transition the District to groundwater as its sole water source. These may include additional staff with peripheral expenses to operate the water system as well as renewal and replacement of the infrastructure.

Assumptions

HDR worked with District staff to develop, review, and refine the assumptions used as inputs in the 2022 Update. These assumptions are identified in general terms in Table 1.

Table 1
Key Financial Plan Assumptions

- | | |
|------------------------------------|----------------------|
| • Operations and Maintenance (O&M) | • Taxes |
| • Capital Improvement Plan (CIP) | • SDC Revenues |
| • Rate and Non-Rate Revenues | • Reserve Funds |
| • Long-Term Debt | • Escalation Factors |

The assumptions identified above in Table 1 had been reviewed and updated with information from historical trends and knowledge of any future impacts. The District's financial model is designed to develop an optimal solution in meeting the District's revenue requirement needs over the review period by utilizing the specific inputs mentioned above. Consideration is also given to the health of critical financial parameters in the model, such as reserve fund balances, debt service coverage ratios, etc., while at the same time smoothing rate impacts over the review period.

The results presented in this memorandum are based on the latest assumptions which were reviewed and updated with District staff. This final result is projected to generate sufficient rate revenue to meet the District's revenue requirement, maintain prudent reserve fund balances, and achieve target debt service coverage (DSC) ratios over the projected time period. The model also aims to provide the overall funding level in the smoothest transition possible while still meeting the financial parameters. The model, as developed, is one of many tools available for the District to prudently and sufficiently fund the operating and capital needs of the District. The projections from the model will aid the District in making long-term decisions as impacts can be modeled and reviewed with the Board. It is important to note that - regardless of whether the District is able to control them or not - should the assumption inputs used change, the results provided in this Technical Memo would also change.

Revenue Requirement Analysis

The overall financial planning strategy for the District's water utility is based on a "cash-flow" approach, also known as the "cash basis" methodology. The cash basis methodology is a generally accepted methodology, as outlined in the American Water Works Association (AWWA) M1 Manual Principles of Water Rates, Fees, and Charges. This approach compares revenues to expenses on an annual basis so that, over the planning period, revenue will be equal to the utility's expenses over the long-term. Table 2, below, provides a summary of the cash basis methodology used to develop the water revenue requirement for the District's 2022 Update.

Table 2
Overview of the "Cash Basis" Methodology

+	Operations and Maintenance Expenses
+	Taxes / Transfer Payments
+	Rate Funded Capital Projects
+	Debt Service Payments (P + I)
=	Total Revenue Requirement
-	Miscellaneous Revenues
=	Net Total Revenue Requirement

The first component that was developed for the revenue requirement is the projection of O&M expenses. To develop the O&M projection, HDR utilized the District's projected year end budget for FY 2022 and proposed FY 2023 budget. The District's current capital improvement plan - including the projects related to the Groundwater Development Master Plan (GDMP) - were used to develop the analysis.

Provided below is a detailed discussion of the steps and key assumptions contained within the development of the District's water utility revenue requirement analysis.

Rate Revenue

The District receives revenue for the water utility from two primary sources: water (user) rates and miscellaneous or non-rate revenue. Water rate revenues are based on the current water rate structure and collected on a bi-monthly basis. Miscellaneous or other revenue includes items such as licenses, permits, late fees, and other miscellaneous revenues.

The first step in developing the revenue requirement was to develop a projection of water rate revenues. The FY 2022 budgeted rate revenue figure of \$10.8 million was used as the starting place for the projection of rate revenues. Over the financial planning period, customer growth is expected to be flat or 0.0%, annually. That is, it is assumed that the only increase in water rate revenues will be due to proposed water rate adjustments. Based on the assumed level of growth in conjunction with the proposed rate revenue adjustments, it is projected that the District will receive approximately \$23.3 million by FY 2041.

Miscellaneous Revenue

The District also collects a variety of other revenues that can offset the overall rate revenue needed. The other revenue sources include non-rate revenue, system development charges, and interest revenue.

Non-Rate Revenue

For planning purposes, non-rate revenue includes backflow charges, set-up fees, late fees, scrap metal income, service installations, other service income, rental income, miscellaneous income, other government income, general fund interest earnings, fixed asset disposition, and utility tax offsets. Total non-rate revenues are projected to be \$2.3 million in FY 2022. Incorporating the changes assumed in the 2022 Update as well as assumptions on the growth of non-rate revenues, non-rate revenue is projected to be \$2.1 million in FY 2041.

System Development Charges

In FY 2022, it is projected that the District will collect approximately \$330,000 from water SDCs for both the improvement and reimbursement components. The District has seen an increase recently in revenues due to the increase in the fee – having been updated with the GDMP project costs – as well an increase in customers connecting to the District’s water system. For the duration of the forecast, the District assumed that future SDC collections would decrease slightly and then remain consistent at that level over time. This conservative assumption is important as the overreliance on growth related fees for rate setting purposes may result in the need for additional rate adjustments, or deferral of growth related capital projects, in the future should growth not occur at the projected levels.

Interest Revenue

Interest earnings on the District’s reserve funds were calculated based on interest rates of 0.75% in FY 2022 and FY 2023 and the current reserve levels. Interest rates are anticipated to increase slightly and for modeling purposes, it was increased to 1.0% in FY 2024. The model then forecasts that the assumed interest rate would remain at 1.0% annually, thereafter. Total interest earnings for all reserve accounts range from \$87,000 in FY 2022 to \$192,000 in FY 2041. It is important to note that the interest revenues from the general fund reserve is included in the non-rate revenue total.

Operations and Maintenance Expenses

The first expense component of the revenue requirement is the operations and maintenance (O&M) expense. O&M expenses are those related to running the day-to-day operations of the District’s water utility. O&M expenses include labor, benefits, insurance, purchased water, utilities, etc. The District’s projected year end FY 2022 budget and proposed FY 2023 budget were used as the starting point for the revenue requirement analysis. Starting with the FY 2023 budget, O&M costs were projected based on annual inflationary factors which are specific to each line item based on known changes or assumed general inflationary rates. Details of individual O&M cost escalation factors are shown in Table 3.

Table 3
O&M Cost Escalation Factors

Expense Category	Escalation Percentage	Notes
Personal Services	3.0%	
PERS-Related Costs	10.0%	<i>Bi-annually, starting in FY 2024</i>
Materials & Services	4.0%	
Purchased Water	Variable	Based on PWB projections
All others	4.0%	

Based on the District's budgets, known future changes, and the cost escalation assumptions described in Table 3, the total annual O&M is expected to increase from \$8.2 million in FY 2022 to approximately \$18.6 million by FY 2041. Two major components that impact the total O&M expenses during this period are the purchased water costs to the Portland Water Bureau (Bureau) and groundwater production O&M. Full purchased water costs end in FY 2026 and 50% is assumed in FY 2027 in case emergency or temporary water is required. Thereafter, it is not projected at this time that the District will require to purchase any water from the Bureau. The groundwater production O&M is anticipated to start in FY 2027 at just under \$3.0 million and increases annually at 4.0% per year reaching a projected \$5.1 million in FY 2041.

The annual O&M cost projection is included in Table 4.

Table 4
Projection of O&M Expenses (\$000s)

Year	O&M	Year	O&M
FY 2022	\$8,187	FY 2032	\$12,291
FY 2023	8,977	FY 2033	12,881
FY 2024	9,632	FY 2034	13,429
FY 2025	10,189	FY 2035	14,087
FY 2026	10,529	FY 2036	14,696
FY 2027	11,874	FY 2037	15,431
FY 2028	10,343	FY 2038	16,112
FY 2029	10,822	FY 2039	16,935
FY 2030	11,267	FY 2040	17,697
FY 2031	11,798	FY 2041	18,622

Capital Improvement Plan

The capital improvement plan (CIP) consists of the major additions to the District's water utility infrastructure that is oftentimes infrequent and can occur at irregular intervals. Capital improvement projects are designed to fulfill a number of different needs, but typically there are four main types:

1. Renewal and replacement of the existing system to maintain service levels
2. Compliance with new state and/or federal regulations
3. Enhancement of the level and reliability of the service provided
4. Meet ongoing demands of system growth and economic development

A major component of the District's capital improvement plan is the capital projects related to implementing the GDMP. The GDMP project is comprised of a number of smaller projects or packages which the District will complete over the next four years (FY 2022 – FY 2025). At the completion of the GDMP projects, the District will transition the drinking water source from the Portland Water Bureau to 100% groundwater by the end of FY 2026. It is assumed that the GDMP includes the capital improvements needed for this transition and outlines the scope, cost, and timing of the projects.

A summary of the District's current CIP over the 20-year review period is shown in Table 5, below. This long-term approach to capital planning will further help the District plan for future years and place the water utility in position to adequately fund renewal and replacements while minimizing rate impacts. All amounts shown in Table 5 include the effects of assumed cost escalation.¹ Over the next 20 years (FY 2022 – FY 2041), the District's CIP includes \$105.8 million in total capital improvement projects which includes those related to the GDMP as well as other small and major projects.

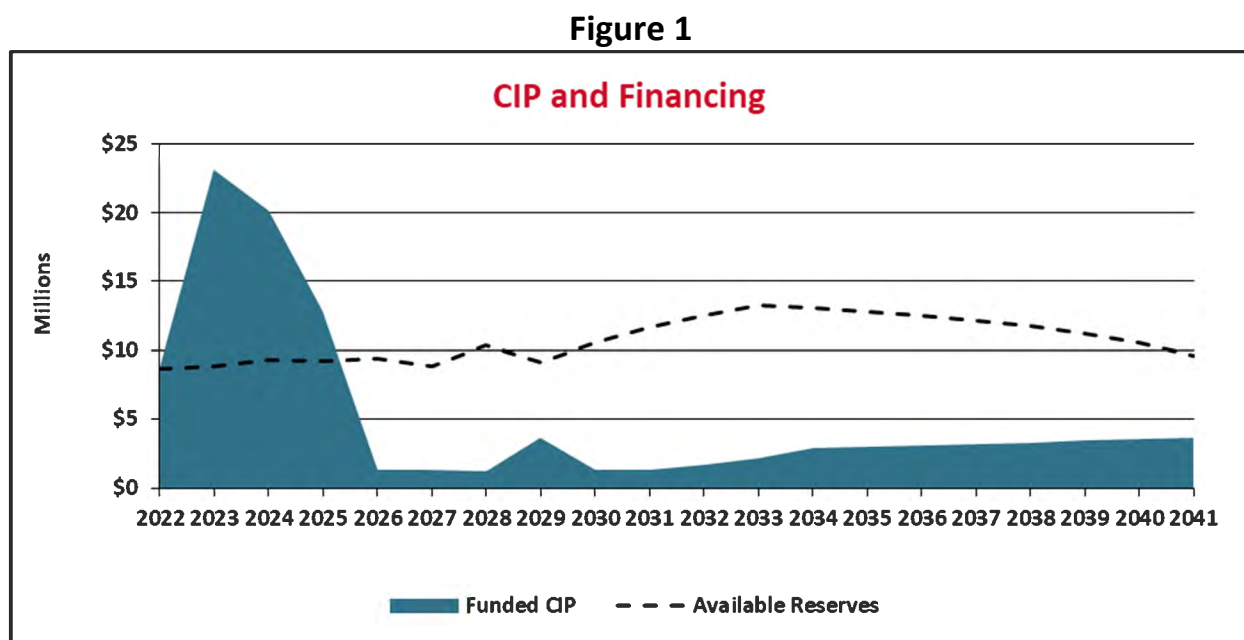
Table 5 Summary of the District's Capital Improvement Plan (\$000s)			
Year	Cost	Year	Cost
FY 2022	\$8,816	FY 2032	\$1,681
FY 2023	23,137	FY 2033	2,204
FY 2024	20,099	FY 2034	2,983
FY 2025	12,870	FY 2035	3,073
FY 2026	1,368	FY 2036	3,165
FY 2027	1,368	FY 2037	3,260
FY 2028	1,305	FY 2038	3,358
FY 2029	3,680	FY 2039	3,459
FY 2030	1,332	FY 2040	3,562
FY 2031	1,359	FY 2041	3,669

As can be seen in Table 5, the level of capital projects for the District may vary from year to year and the impact of the GDMP projects can be seen in FY 2022 through FY 2025 as the District moves to transition from Portland Water Bureau water purchases to groundwater by FY 2026. The model that is developed for the 2022 Update is designed to smooth the impacts from any one year as well as start planning to fund years with larger expenditures earlier thereby minimizing rate impacts to customers and maintaining a smooth rate transition. This creates a

¹ The District provided capital improvement plan costs using a FY 2022 cost-basis. The assumed escalation rate for future cost increase by an annual escalation rate of 3.0%.

more predictable bill for customers and aides District management in making informed decisions at the same time so as to continue to be good stewards of the District customers' funds and resources.

Shown below in Figure 1 is a graphic of the annual capital improvement projects and the available reserve fund balance.



Debt Service Costs

The next component of the District's water revenue requirement is long-term debt service. Debt service relates to the District's annual debt repayment obligations, both principal and interest, incurred when capital projects are financed with long-term borrowing. Utilities frequently finance major capital improvements – such as the GDMP program of capital projects – by issuing long-term debt for two primary reasons. First, the financial resources required for these types of projects typically exceed the utility's available resources from the normal operation of its system. Second, spreading the debt service costs for the project over the repayment period effectively spreads the financial burden of financing large improvements to both existing and future users of the system, which can enhance intergenerational equity. This burden sharing allows the utility to more closely align the cost of improvements with those customers benefiting from the improvements.

Existing Debt Service

Currently, the District has one outstanding long-term debt issue, the 2021 Revenue Bond. This issuance refunded the 2011 Revenue Bond as well as provided the initial funding source for the GDMP package of capital projects. The District's debt service payment is \$1.4 million in FY 2022 and remains at that level until decreasing slightly to \$1.1 million in FY 2033 with the final

repayment scheduled in FY 2041. Shown in Table 6 is a summary of the existing debt service payments for the water utility.

Table 6 Summary of the District's Existing Debt Service Payments (\$000s)			
Year	Payment	Year	Payment
FY 2022	\$1,415	FY 2032	\$1,432
FY 2023	1,436	FY 2033	1,077
FY 2024	1,440	FY 2034	1,075
FY 2025	1,437	FY 2035	1,076
FY 2026	1,433	FY 2036	1,075
FY 2027	1,437	FY 2037	1,078
FY 2028	1,435	FY 2038	1,075
FY 2029	1,437	FY 2039	1,076
FY 2030	1,437	FY 2040	1,077
FY 2031	1,435	FY 2041	1,076

Future Debt Service

With the District completing significant water system improvements in the coming years due to the GDMP, it is necessary for the District to issue long-term debt. With the advent of the GDMP and the accompanying list of capital projects, a capital funding strategy was developed. This strategy identified WIFIA funding for 49% of the total project costs related to the GDMP. The remainder of the funding for capital will be through rates, existing reserves, and revenue bonds. The District is under agreement with the EPA for WIFIA funding and will begin making debt service payment in FY 2023. Additionally, it is assumed that the District will need to issue long-term debt in FY 2025 to fund the remainder of capital projects not funded by the 2021 Revenue Bond or WIFIA proceeds.

The District Board and staff continue to prioritize maintaining a pay-as-you-go approach in order to minimize the need of long-term debt issuance. It is because of this long standing approach that the District now has the financial flexibility to incur long-term debt and still remain fiscally sound while also limiting rate impacts. Table 7 below shows the projected annual debt service projected for the issuances related to the GDMP capital projects.

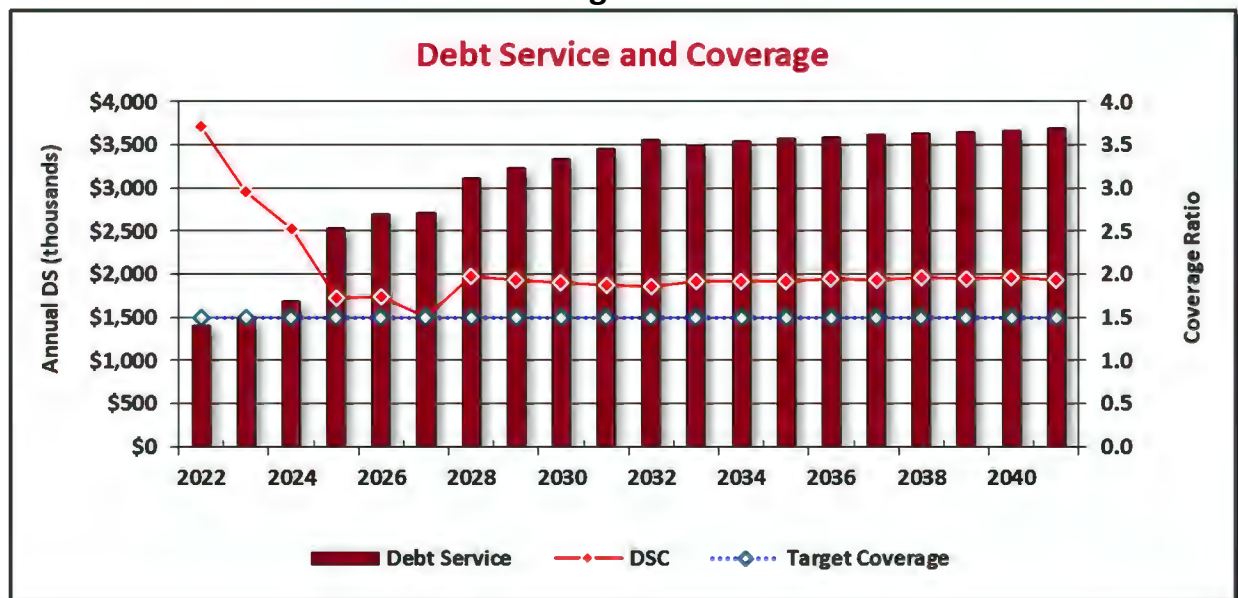
Table 7
Summary of the District's Future Debt Service Payments (\$000s)

Year	Payment	Year	Payment
FY 2022	\$0	FY 2032	\$2,124
FY 2023	43	FY 2033	2,404
FY 2024	257	FY 2034	2,479
FY 2025	1,094	FY 2035	2,501
FY 2026	1,274	FY 2036	2,522
FY 2027	1,274	FY 2037	2,542
FY 2028	1,674	FY 2038	2,561
FY 2029	1,790	FY 2039	2,579
FY 2030	1,904	FY 2040	2,596
FY 2031	2,015	FY 2041	2,611

It should be noted that as part of this planning process HDR is not acting as the District's municipal advisor related to debt financing terms. The WIFIA payments have been determined but the future debt service payments for the FY 2025 issuance were estimated based on assumed terms as provided by the District's financial advisor.

An important metric for the District to evaluate and maintain is the debt service coverage ratio (DSC). The DSC ratio shows the ability of a utility to pay back outstanding debt issuances after O&M expenses have been paid for. Typically, a utility will target at least 1.30 as a DSC ratio calculation which means that the agency is able to cover the debt and has 30% of the debt service remaining to go towards other needs of the utility such as capital investment or reserve fund enhancement. The graphic below in Figure 2 shows the District's water utility total debt service payments per year and the calculated DSC ratio.

Figure 2



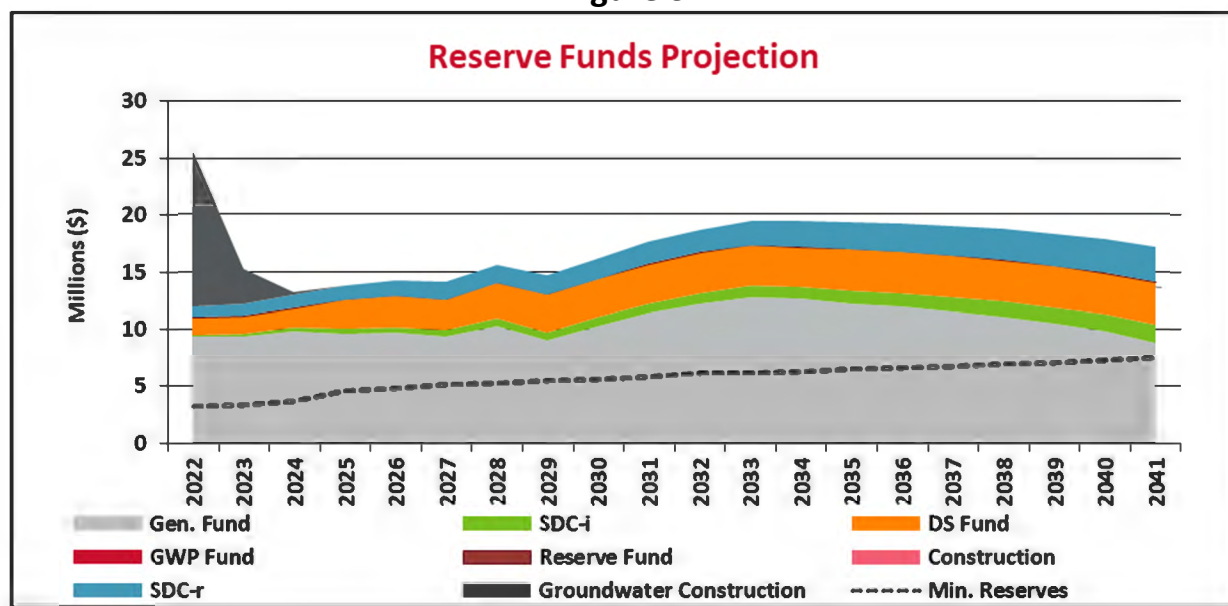
As can be seen in the Figure 2, the District is prudently funding the water utility. As the District's annual debt service increases substantially, the DSC ratio is maintained at a strong level of at least 1.50 and is closer to 1.80 over the review period.

Reserve Funds

Reserves funds play a critical role in the prudent financial management of the District's water utility and healthy reserve levels provide many benefits. These benefits may become much more apparent when embarking on a significant capital improvement program like the District has planned over the next few years. Having healthy reserve balances in this capital intensive environment will provide the District with an additional buffer should some capital costs come in higher than anticipated or some interruption of revenues occur. Another benefit is that adequate reserve levels can provide the District with necessary funding during an emergency capital need or in times of a natural disaster. These scenarios show how adequate reserve levels would help in minimizing the impacts to rates in the short-term. In the longer term, they can help provide a slow and steady approach to rate revenue adjustments which is beneficial to the District's customers.

Historically, the District has used 75 days of O&M expenses as the target minimum for the General Fund of the water utility. Based on the analysis and assumptions contained in this memo, the District will continue meet this minimum target reserve level for the duration of the projection period. Shown in Figure 3 below is a summary of the reserve levels over the review period.

Figure 3



Utilities may also establish additional reserve funds with target minimum policies. These can include – but are not limited to – a capital fund, a rate stabilization fund, and an emergency fund.

A capital fund is typically established to maintain funds for future capital improvement projects. These can be for a specific project, or general capital improvements that will need funding greater than what annual rates can provide. In this way, the capital reserve can “store funds” from one year to save for a large capital improvement project in future years. Next, a rate stabilization fund allows the utility to save surplus revenues in years where water sales are above projections in order to be used at a future time when, perhaps, rate revenues are less than anticipated. The rate stabilization funds can then be used to “fill the gap” and make the District whole, eliminating, or reducing, the need for current or possible future rate adjustments. Finally, an emergency fund, as the name suggests, is a fund that is set aside to aid in funding a major infrastructure emergency. This could be a major main break, pump failure, or storage failure. These funds can then be used in the short-term to meet financial obligations in an emergency situation. Although the District does not currently have a set minimum for these reserves, over the review period, a healthy level of reserves is maintained to serve in the capacity outlined above.

Summary of the Results of the Water Financial Plan Update

The revenue requirement analysis that was developed as part of the 2022 Financial Plan Update and detailed above has calculated the necessary rate revenue adjustments. These rate revenue adjustments have been developed to fund the District’s O&M and capital requirements – including the GDMP related projects – over the long-term review period (FY 2022 – FY 2041). As part of the analysis, careful attention was given to maintaining adequate funding of the water utility’s O&M expenses as well as sufficiently funding capital improvement projects. As was mentioned previously, the District aims to couple this prudent financial planning with minimizing long-term rate impacts to its customers while providing a high level of service. An example of this is the transition from Portland Water Bureau water to groundwater which - over the long-term – should provide financial savings and flexibility to the District’s customers. These goals were also targeted with the goal of maintaining key financial planning metrics such as adequate reserve levels and strong debt service coverage.

A summary of the annual water rate revenue adjustments and example customer bill impacts for this scenario are shown in Table 8. The table is presented in this way to show the long-term impacts of the District’s CIP and revenue requirements.

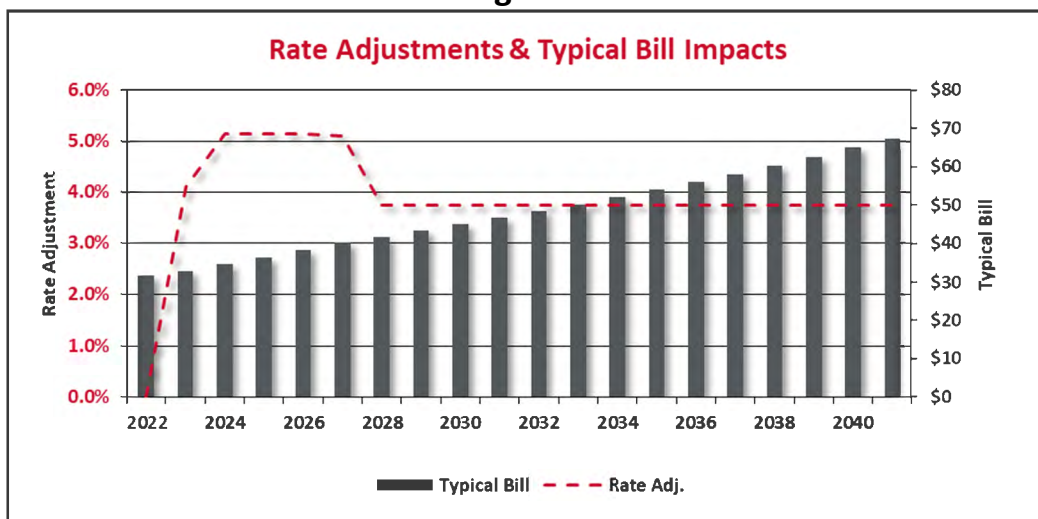
Table 8
Summary of the District's Revenue Requirement Analysis

Year	Rate Adjustment	Avg. Customer Monthly Bill *	Year	Rate Adjustment	Avg. Customer Monthly Bill *
FY 2022	0.0%	\$31.60	FY 2032	3.8%	\$48.31
FY 2023	4.1%	\$32.90	FY 2033	3.8%	\$50.13
FY 2024	5.1%	\$34.59	FY 2034	3.8%	\$52.01
FY 2025	5.1%	\$36.36	FY 2035	3.8%	\$53.96
FY 2026	5.1%	\$38.23	FY 2036	3.8%	\$55.98
FY 2027	5.1%	\$40.18	FY 2037	3.8%	\$58.09
FY 2028	3.8%	\$41.69	FY 2038	3.8%	\$60.27
FY 2029	3.8%	\$43.26	FY 2039	3.8%	\$62.53
FY 2030	3.8%	\$44.88	FY 2040	3.8%	\$64.88
FY 2031	3.8%	\$46.56	FY 2041	3.8%	\$67.31

* Average monthly bill assumes a 5/8" service meter and 6 CCF of consumption

The financial model developed as part of the 2022 Update for the District aims to produce level rate adjustments over the review period, as can be seen in Table 8, above. The average monthly bill for a residential customer with a 5/8" meter and consuming 6 hundred cubic feet (CCF) of water would be increased from \$31.60 per month, currently, to \$67.31 over the next 20 years, or averaging 4.1%, annually, based on the current analysis assumptions. Figure 4, below, shows the annual rate adjustments and the average bill impact to customers over the review period. The rate impacts from the projected rate adjustments are summarized below. The rate transition plan that was developed is then used to calculate the average customer bill impact (for a 5/8" meter with 6 CCF / month of water usage). It is important to note that the projection of bill impacts does not take into account any adjustments to the fixed / variable revenue generation of the rates and simply calculates the impact of an 'across the board' rate adjustment implementation.

Figure 4



Rate Design

Currently, the District has a single rate structure for all customers. The customers are charged a fixed meter charge on a bi-monthly basis that varies based on the size of the service meter. Customers are also charged a uniform volumetric rate for water consumption on a dollar per CCF basis. Recently, the District has placed a greater importance on the revenue stability of the District's revenue stream while maintaining cost-based and equitable rates through the fixed / variable components of the rate structure. This is due in part to recent trends in customer water consumption characteristics (i.e., the decline in per capita use over the last few decades). The other factor that can play into this thought process is the fact that, in short term, the fixed costs of a utility are generally 80% - 90% of the total costs. It is important to note that, when considering various rate designs, there are always tradeoffs, and no one rate design can meet all rate design goals and objectives. As a result, each rate structure will have advantages and disadvantages and it is a balancing of these which will help develop rates that best meet the District's goals and objectives. For example, a high level of revenues from the variable charge may incentivize additional conservation, the drawback is that the water utility is left vulnerable to swings in revenues due to how customers are using water.

Conclusion of the Financial Planning Analysis

This concludes the 2022 Update to the District's financial planning model. The model results shown have been predicated on numerous assumptions used in the analysis. The results of the model are dynamic in nature and can shift and move if one assumption is adjusted. For this reason, the financial model is best described as a long-range financial planning model for the District and the actual results for the end of the review period may vary from what the District realizes in the future. However, based on the assumptions and results of this analysis, HDR determined that the District could meet its near-term water utility financial targets with rate revenue adjustments averaging approximately 4.1% over the next 20 years. The results of the analysis enable the District to maintain prudent financial management of the utility by providing adequate funding of O&M. Additionally, the rate revenues generated should provide sufficient levels of rate funding for capital projects – especially the GDMP – as well as meeting debt service coverage ratios and target reserve levels that are in accordance with Board policy. When combined, these attributes give the District both a stable financial footing going forward as well as enough flexibility to overcome any obstacles that might arise and all while minimizing the rate impacts to its customers.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

ANNUAL BUDGET FISCAL YEAR 2022/2023

The Rockwood Water People's Utility District budget is divided into six funds:

FUND 101 - GENERAL FUND

FUND 201 - SYSTEM DEVELOPMENT FUND-REIMBURSEMENT

FUND 202 - SYSTEM DEVELOPMENT FUND-IMPROVEMENT

FUND 301 - DEBT RESERVE FUND

FUND 401 - DEBT SERVICE FUND

FUND 501 - GROUNDWATER PRODUCTION FUND

FUND 601 - GROUNDWATER CONSTRUCTION FUND

The day-to-day operations of the District are handled primarily through Fund 101, General Fund. The primary income for the District is through the sale of water. This income funds the purchase of water for resale, customer service, business functions and the maintenance, repair, and replacement of the water system. Expenditures in the General Fund are divided into three main categories: Personal Services, Materials and Services, and Capital Outlay.

Funds 201 and 202 are the District's System Development Charge (SDC) Funds. SDCs help pay for renewal, replacement, and expansion of the water system. SDCs are charged to developers for their new connections to the District's water system or for existing customers who want to increase their use by installing a larger service connection. The Reimbursement Fund 201 collects that portion of the SDC which reimburses the District for infrastructure already built and can be spent on regular system capital improvement projects. The Improvement Fund 202 collects that portion of the charge that contributes to future projects of the District and can only be spent on projects that increase the capacity of the water system.

Funds 301 and 401 are used to pay debt that has been taken on by the District. The Debt Reserve Fund 301 provides funding for the Debt Service Fund 401. Contributions to this restricted account are intended to accumulate enough cash to meet current debt service obligations and one year's reserve, as required by the District's financial policies, to cover debt which has been taken on for capital improvements by the District.

The Debt Service Fund 401 provides the mechanism for the repayment of financed debt. This includes the 2021 Bond which refinanced the remaining debt from construction of the 2011 Cleveland Reservoir and Pump Station and will fund construction of the Cascade Groundwater Development Projects. This will also provide debt service for the federal Water Infrastructure Finance and Innovation Act (WIFIA) loan. The bonded debt will be repaid in 2041 and the WIFIA loan will be repaid in 2047.

The Groundwater Production Fund 501 was established to manage operational costs in the production of groundwater for domestic drinking water purposes. The fund provides an accounting of costs associated with producing and pumping groundwater; costs are

split between the District and the City of Gresham. Because the groundwater system is a partnership with the City of Gresham, the fund allows for transparency in how revenue and costs of operation are managed for both partners.

The Groundwater Construction Fund 601 was created in 2020 to receive and track all revenue received by the District from the issuance of revenue bonds or other financial instruments, governmental transfers through partnership with the City of Gresham, and interest received from investments. The fund provides transparency in how such revenue is spent related to the development of groundwater. The District is in the middle of a significant groundwater development project in order to avoid or eliminate significant future wholesale water purchase costs from the City of Portland. With Portland's construction of the Bull Run Water Treatment Plant, costs will be shared by Portland and any wholesale customers continuing to purchase water from Portland. Wholesale water costs are expected to triple by 2030, if the District remains on the wholesale purchase contract. Through the development of an independent water supply system, the District is anticipating mitigating these increases and controlling costs directly to our customers into the future.

CHANGES TO THE FISCAL YEAR 2022/2023 BUDGET

The District and Gresham are well into the Design and Construction of the projects defined in the 2020 Groundwater Development Master Plan (GDMP). The total projected cost of the projects is \$119.8 million, and Rockwood's share of this program totals \$59.1 million. The partnership with the City of Gresham for water supply, outlined in the IGA 5794 and named the Cascade Groundwater Alliance (CGA), provide the District and the City of Gresham greater resiliency and a way to share costs for the groundwater supply system construction and operation. In FY 2021/2022, the District commenced with the construction of the 6 million gallon Cascade Reservoir No. 2, construction of the well pumping facility for Well 7, and the installation of 20" and 36" transmission mains between Well 7 and the Cascade facility titled the "Package 1 Improvements" project. The District will continue these improvements with expected completion of Package 1 in FY 2022/2023. The District is in the design phase of Package 2a, the Glendoveer transmission line. In FY 2022/2023 the District will begin the design of Package 3, the 141st Avenue Improvements including the Well 8 pump station and manganese treatment plant, and Package 4, the Cascade Site Improvements which consist of pumping and treatment for 25 million gallons per day of water from the existing wells and new wells 7 and 9. Rockwood is also contributing to Gresham-managed projects 5, Cascade Well 6 223rd Avenue, and Package 6, Cascade Well 9 at Kirk Park, which began design in FY 2021/2022 and will start construction in FY 2022/2023.

Design and Construction of the CGA projects will allow the District to supply treated groundwater to all customers prior to the end of the Portland Wholesale Water Purchase Contract in June 2026. A Memorandum of Understanding between Portland and its wholesale customers describes a plan to sunset the existing contract and develop a new contract. The District has notified Portland that it is developing groundwater as its primary source and will not continue to purchase wholesale water after June of 2026, with the exception of a potential emergency intertie.

The District provides updates to both the Technology and Vehicle/Equipment Replacement Plans for review and approval as part of the FY 2022/2023 budget process. The multi-year plans were approved by the Board in FY 2017/2018 to allow for better planning, fiscal control, and orderly replacements. Future budgets will continue to be guided by the replacement schedule and approaches outlined in these plans.

The District successfully completed implementation of a new billing software system “Tyler Incode” in FY 2021/2022. The new software allows the District to better manage customer accounts.

Balancing the conversion of the District Water Sales Revenue to a greater fixed revenue base, staff will be recommending a rate adjustment which will anticipate a 5.3% increase to base (Fixed) charges with a 3.3% increase to volume (Variable) charges. This represents an overall rate adjustment for average water users of ~4.1% for FY 2022/2023, and an overall rate revenue adjustment of 5.3%. The rate adjustment is in line with the recommendations of the 2022 District Finance Model (4.1%) and result conservatively to an overall Water Sales Revenue of \$11,410,250.00 based on a 3-year average of water demands.

The following is an explanation of the FY 2022/2023 budget line items and the proposed budget.

**GENERAL FUND
Fund 101**

INCOME ACCOUNTS

3-01-0101	Beginning Fund Balance	\$10,419,346
------------------	-------------------------------	---------------------

This estimate is based on actual figures year-to-date and anticipated income and expenses for the remainder of the current year. The balance between actual and projected revenues and projected expenses are shown here.

3-10-1100	Water Sales	\$11,410,250
	Base Meter Charge	\$3,248,556
	Commodity Charge	\$8,161,695

Estimated water sales revenue is based on projected sales of **2.55 million ccf** (ccf = hundred cubic feet). Water sales revenue has two components; the first is the base meter charge (a fixed charge based on meter size for ~**13,731 accounts**) and the second is the commodity charge (the cost per volume of water sold per hundred cubic feet or ccf). The water rate adjustment proposed is \$1.38 for the bimonthly base meter charge (increase of ~5.3%) and the commodity charge increased by \$0.10 per ccf (increase of ~3.3%). The change results in Fixed Revenue of **28%** and Variable Revenue of 72%. The overall water rate adjustment proposed for the average District customer (6 ccf per month) is **4.1%**, and the total water rate revenue adjustment is **5.32%**. The Projected Rate Revenue percent increase is higher than the rate adjustment due to an increase in overall water demand based on multi-year historical trends.

3-20-2100 Backflow Charges \$40,000

Oregon Administrative Rule 333-61-070 states, "Water suppliers shall undertake programs for controlling and eliminating cross-connections." Rockwood follows the Oregon State Public Health Division guidelines for monitoring this program. Water accounts with assemblies are charged a "per device" charge of approximately \$2 per billing cycle. The District monitors approximately 2,280 assemblies in the service area. This budget is the same as the previous year.

3-20-2200 Set-up Fees \$27,270

This one-time account set-up fee is charged to new customers in the District. This budget is the same as the past year.

3-20-2300 Late Fees \$290,000

Service charges include late charges, door hanger charges, service off charges, dishonored check charges, etc. This budget is increased reflecting activity of the past year.

3-40-4100 Service Installations \$250,000

Projected installations of new meters in the District. This includes all types and sizes of new service connections. This budget is the same as the past year.

3-40-4200 Sub-Division Project Income \$50,000

The revenue in this budget line is primarily from developers for main extensions and fire hydrants. It cannot be predicted with accuracy. This budget is the same as the past year.

3-40-4300 Other Service Income \$150,000

Most of this revenue is generated by selling meter reads to the cities of Gresham, Portland, and Fairview. Some income is generated from repairs performed by our crews for other entities (e.g., Interlachen), rental of equipment (such as hydrant meters), and other miscellaneous income not directly related to service installations. This budget is the same as the past year.

3-50-5100 Interest Income \$70,000

Annual anticipated earnings on our cash reserve account in the Oregon State Investment Pool and other small investments. The budget is the same as the past year.

3-50-5200 Rental Income \$16,000

This budget line is rental income received. Due to the groundwater construction activities, the previously rented cellular antenna site on the Cascade Reservoir 1, and

3-60-6100	Scrap Metal Income	\$7,500
------------------	---------------------------	----------------

3-60-6600	Other Miscellaneous Income	\$40,000
------------------	-----------------------------------	-----------------

3-60-6800	Gresham Utility Tax	\$432,015
------------------	----------------------------	------------------

3-60-6900	Portland Utility Tax	\$197,790
------------------	-----------------------------	------------------

3-60-7000	Fairview Utility Tax	\$14,158
------------------	-----------------------------	-----------------

3-90-9200	Interfund Transfers	\$505,000
------------------	----------------------------	------------------

3-90-9300	Fixed Asset Disposition	\$500,000
------------------	--------------------------------	------------------

Page 5 of 21

event of a sale. Funds from the sale of land or equipment will be earmarked for future land and equipment/vehicle purchases by the District.

3-90-9500 Other Government Agencies \$18,500

The budget reflects anticipated program participation and contributions for the Children's Clean Water Festival. Previously, the fund also included the City of Gresham contribution to well development. The City of Gresham contributions into the GDMP are now going directly into the 601 fund and are no longer reflected in this account.

EXPENSE ACCOUNTS

PERSONAL SERVICES

5-10-4450 Salaries & Wages \$2,302,200

This fund represents salaries and wages for 25 full time employees at the District and an expected addition of some temporary and part time employees to assist with the heavy staffing demands of the Groundwater Development Projects.

5-10-4500 to 5-10-4630 Other Personnel Expenses \$122,100

Anticipated costs for office and field overtime (\$17,000), on-call pay (\$76,600), certification pay (\$12,500), employee bonus (\$1,000), and market-based wage adjustments (\$15,000).

5-10-4800 to 5-10-4920 Payroll Taxes & Employee Benefits \$1,376,900

Social Security (\$141,700), Medicare (\$33,200), Unemployment Insurance (\$2,300), Tri-Met (\$16,600), and Workers Compensation (\$27,600) are covered in this line item. Employees' Retirement is through the Public Employee Retirement System (PERS). PERS premiums increased for FY 2022/2023 and PERS is budgeted this year at \$606,500. Health insurance renewal is budgeted at \$549,000, and the new Oregon Paid Leave Law is budgeted at \$4,400.

MATERIALS & SERVICES

5-20-5010 Water Purchased for Sale \$3,088,892

We will purchase 3.80 million ccf (2.85 billion gallons) from the City of Portland under the water sales agreement. Our wholesale rate for FY 2022/2023 is projected to be approximately \$0.810 per ccf. The budgeted value represents an increase of 6.2% from the FY 2021/2022 wholesale rate.

5-20-5110	Contract Services	\$125,430
------------------	--------------------------	------------------

This represents the annual contract for billing and support services. The District is transitioning its billing and support services from Chaves Consulting to the Tyler Technologies/Incode system, and the budget reflects this transition between systems. Pavelcomm is the District's service provider for computer system monitoring, updates, and security. Contract paving, miscellaneous consulting, daily off-site data storage (replication) and website maintenance is also included in this line code.

5-20-5120	Technical & Consulting	\$65,000
------------------	-----------------------------------	-----------------

This primarily funds the annual update of the Financial Plan which will include a more substantial update of the financial model this year, a 10-year update to the Districts Water Management and Conservation Plan (WMCP) and miscellaneous survey/consulting/technical assistance. This line item also funds specialty reviews regarding test well development and future land purchases. This reflects an increase due to the need for WMCP and financial model updates.

5-20-5130	Auditing	\$19,020
-----------	----------	----------

This line item represents an additional year for auditing service from the District's independent financial audit firm. This code also includes the annual fee to the State of Oregon for review of our financial reports (\$500).

5-20-5140	Legal Services	\$100,000
------------------	-----------------------	------------------

The proposed level is the same as the current fiscal year. The amount represents legal services for General Counsel and employment-related matters. Budget remains unchanged.

5-20-5210	Telephone/Cell Phone	\$42,140
-----------	----------------------	----------

This line code funds expenses related to office telephones, cellular service, data cards, tablet communication, etc. It is not related to telemetry and SCADA control. Budget reflects a small decrease based on prior year experience.

5-20-5220	Sewer/Storm Water	\$8,050
------------------	--------------------------	----------------

5-20-5230	Heating/Electricity	\$16,500
------------------	----------------------------	-----------------

5-20-5310	Engineering Supplies	\$1,000
-----------	----------------------	---------

Supplies specific to the engineering department are included here. Special paper, plotter pens, truck maps, large plots, etc.

5-20-5320	Office Supplies	\$24,000
-----------	-----------------	----------

All office supplies are included in this budget line. Examples are billing supplies, late notices, door hangers, envelopes, stationery, computer supplies, printer supplies, copier

5-20-5330	Postage	\$45,300
-----------	---------	----------

5-20-5410	Conservation	\$56,350
------------------	---------------------	-----------------

5-20-5420	Elections & Legal Advertising	\$3,000
------------------	--	----------------

5-20-5430	General Insurance	\$96,839
-----------	-------------------	----------

5-20-5440	Safety Gear & Equipment	\$23,000
------------------	------------------------------------	-----------------

5-20-5450	Training & Education	\$41,500
------------------	---------------------------------	-----------------

Page 8 of 21

5-20-5460 Dues, Licenses & Subscriptions \$93,766

Includes membership dues to Regional Water Providers Consortium, OHA, SDAO, Metro Data, OPUDA, OGFOA, LGPI, GA, Water ISAC, AWWA and PNWS subsection dues. In addition, subscriptions to the *Daily Journal of Commerce*, the *Gresham Outlook*, and the *Oregonian*. It also includes computer program licenses. Budget reflects a small increase.

5-20-5470 Office Equipment \$2,000

This line will pay for office equipment replacements costing less than \$5,000 each. Budget remains unchanged.

5-20-5510 Computer/Office Equipment Maintenance \$7,400

Maintenance of equipment including copier, postage meter and miscellaneous small office equipment. Budget was increased by \$3,000 due to a new server host warranty charge.

5-20-5520 Building & Grounds Maintenance \$74,460

Includes grounds maintenance, tree removal, building and window cleaning, area rugs, carpet and rug cleaning, cleaning supplies, paper products, and miscellaneous inspections and repairs. Budget reflects a decrease due to a new security system that is expected to have lower service costs.

5-20-5530 Shop Equipment Maintenance \$10,000

Includes repairs and maintenance of non-office shop and building equipment. Budget remains unchanged.

5-20-5540 Vehicle Maintenance \$35,000

General maintenance and repairs to our vehicles, including heavy equipment, such as backhoes and dump trucks. Expenditure pattern is sporadic, although preventive maintenance can be anticipated. Budget remains unchanged.

5-20-5550 Tires \$14,000

Anticipated cost of tires for all rolling stock. Budget has increased due to expected replacement of the mini-ex track tires.

5-20-5560 Gasoline & Lubricants \$30,000

Anticipated cost to fuel equipment and vehicles. Budget remains unchanged.

5-20-5570 Small Tools & Equipment \$10,000

This line will pay for equipment items costing less than \$5,000 each. Budget remains unchanged.

5-20-5610 Utility Operating Supplies \$300,000

Parts, pipe and materials for system repair and maintenance. Budget has increased by 15% due to higher materials costs.

5-20-5620 Water Sampling and Testing \$65,000

Expense of water testing and samples as mandated by State and Federal regulations. Budget increased for sample station replacement and extra lead and copper testing required due to Portland's change in corrosion control treatment.

5-20-5625 Water Quality and Notices \$8,000

This line item covers the Consumer Confidence Report and lead/copper brochure. We will do all work on these documents in-house. This includes CCR postcard mailing, which enables us to do an electronic CCR. Slight increase.

5-20-5630 Reservoir Maintenance \$15,000

This includes basic repairs of pumps and valves or any other unanticipated expense. Budget has increased by \$5,000 for a planned cleaning of the Bella Vista reservoir in FY 2022/2023.

5-20-5640 Meter Maintenance \$40,000

Replacement of existing meters and related equipment due to age, declining reliability, and breakage; large meter asset management. Budget remains unchanged.

5-20-5650 Fire Hydrant Maintenance \$3,000

Allowance for unexpected repairs. Slight increase

5-20-5660 Telemetry \$15,192

Telephone expense and other repairs throughout the telemetry system. Budget has decreased by approximately \$5,000 due to a change in communications provider.

5-20-5670 Pumping \$41,720

This is electrical expense for pumping at all sites except groundwater activity which is tracked separately. Budget remains unchanged.

5-20-5710 Board Meeting Fees \$5,800

Allows for regular Board meetings, consortium meetings, special meetings and MetroEast media expenses. Budget is remains unchanged.

5-20-5720 Directors' Expense \$24,000

Miscellaneous expenses directly related to the Board of Directors, including attendance at conferences such as AWWA and SDAO. Budget remains unchanged.

5-20-5730 Manager's Expense \$7,000

Allowance for General Manager's miscellaneous expenditures relating directly to conducting District business. Budget remains unchanged.

5-20-5740 General Office \$64,900

This line code funds annual bond administration costs, bank card and credit card fees, Veri-check, AMEX, and pool fees. Budget remains unchanged.

5-20-5760 Bad Debt Collection Expense \$25,000

This budgeted amount is adjusted at year-end based on current and historical financial information. Budget remains unchanged.

5-20-5770 Gresham Utility Tax \$432,015

This tax is charged by the City of Gresham.

5-20-5780 Portland Utility Tax \$197,790

This tax is charged by the City of Portland.

5-20-5790 Fairview Utility Tax \$14,158

This tax is charged by the City of Fairview.

5-20-5800 Customer Assistance \$60,000

The District pays approximately \$6.00 per contact to Human Solutions. Participation in the program had remained steady in 19/20 until the pandemic occurred. Budget was increased in FY 20/21 in anticipation of potential need within the community due to the COVID-19 pandemic and remains the same for FY 22/23.

5-20-5820 Taxes & Assessments \$3,100

This is for Multnomah County Drainage District #1 property taxes for District properties along Sandy Boulevard. Budget remains unchanged.

CAPITAL EXPENDITURES AND TRANSFERS

5-40-6010 Water System \$722,200

This line item covers the following capital improvement projects:

<u>Projects</u>	
Steel 7, 8: ductile iron pipe	\$226,000
Steel 20, 21: ductile iron pipe	\$224,040
Steel 11, 14: ductile iron pipe	\$247,160
Specialty surveys and engineering	\$25,000

5-40-6020 New Meters \$65,000

Meters for new service installations. Budget is unchanged.

5-40-6030 Meter Upgrades \$50,000

Upgrade all meters as schedule and time dictates. Budget is unchanged.

5-40-6110 Meter/Field Equipment \$25,000

This is for unanticipated replacement of equipment. Budget has decreased.

5-40-6120 Shop Equipment \$8,800

This will fund unidentified items of equipment. Budget has increased due to the planned purchase of a heavy-duty diagnostic scanner for fleet vehicles.

5-40-6130 Automotive/Equipment \$240,000

The FY 2022/2023 Vehicle and Equipment Replacement Plan has established a replacement schedule for new and aging vehicles and rolling stock in the District. The plan will anticipate the orderly and planned vehicle and equipment upgrades maximizing the longevity of use and trade-in value. Budget has increased due to increasing vehicle prices.

5-40-6140 Computer and Office Equipment \$33,500

Budget includes replacement of five computers and six monitors, firewall upgrade and six iPad replacements for the Board and Customer Service, as outlined in the FY 2022/2023 Technology Replacement Plan. Budget has decreased substantially because the Billing system replacement is now complete.

5-40-6210 Buildings \$39,000

This budget includes \$5,000 for routine building upgrades, \$22,000 for exterior lighting replacement, and \$12,000 for security upgrades. The Budget has decreased slightly.

5-40-6220	Land	\$500,000
-----------	------	-----------

Budget considers land purchase for production wells. Budget remains unchanged.

5-60-7110	Transfer to Other Funds	\$1,955,950
------------------	--------------------------------	--------------------

This is the amount necessary to transfer to the Debt Reserve Fund 301 (\$1,735,950) and the Groundwater Production Fund 501 (\$220,000). The Debt Reserve Fund has decreased now that the initial larger transfer for 2 years of debt service on the 2021 bond was made into the fund in FY 21/22.

5-70-7210	Contingency	\$1,500,000
------------------	--------------------	--------------------

This represents at least two months (60 days) of operating expenses (Personnel and Materials & Services) in keeping with policy established in the Financial Plan. Budget has increased.

5-90-8010	Ending Fund Balance	\$11,638,457
------------------	----------------------------	---------------------

The ending fund balance is projected by adding the beginning fund balance to anticipated revenues and subtracting anticipated expenditures for the upcoming fiscal year. The Ending Fund Balance plus Contingency provides approximately 464 days of operation (Personnel and Materials & Services).

**SYSTEM DEVELOPMENT FUND-REIMBURSEMENT
Fund 201**

INCOME ACCOUNTS

3-01-0101	Beginning Fund Balance	\$813,720
3-40-4500	System Development Fees	\$250,000

In FY 20/21 the District conducted an SDC analysis that resulted in an increase of the SDC rates. The District budgets and accounts for Reimbursement and Improvement SDCs separately. Reimbursement SDCs will be used for normal capital replacement.

3-50-5100	Interest Income	\$10,000
------------------	------------------------	-----------------

Anticipated earnings on investments.

EXPENSE ACCOUNTS

5-60-7110	Transfer to Other Fund	\$300,000
------------------	-------------------------------	------------------

Money transferred to the General Fund for reimbursement towards applicable capital replacement projects identified in Capital Line code 5-40-6010.

5-90-8010	Ending Fund Balance	\$773,720
------------------	----------------------------	------------------

**SYSTEM DEVELOPMENT FUND-IMPROVEMENT
Fund 202**

INCOME ACCOUNTS

3-01-0101	Beginning Fund Balance	\$312,475
3-40-4500	System Development Fees	\$80,000
3-50-5100	Interest Income	\$1,200

Anticipated earnings on investments.

EXPENSE ACCOUNTS

5-60-7110	Transfer to Other Fund	\$0
------------------	-------------------------------	------------

Improvement SDCs will be transferred when the identified projects are scheduled to be built.

5-90-8010	Ending Fund Balance	\$393,675
------------------	----------------------------	------------------

**DEBT RESERVE FUND
Fund 301**

INCOME ACCOUNTS

3-01-0101	Beginning Fund Balance	\$1,688,373
------------------	-------------------------------	--------------------

This is the estimated beginning fund balance.

3-50-5100	Interest Income	\$6,000
------------------	------------------------	----------------

3-90-9200	Transfer from Other Funds	\$1,735,950
------------------	----------------------------------	--------------------

This figure represents an amount necessary to provide for an adequate reserve balance. At least one year's payment on bonded debt must be held here.

EXPENSE ACCOUNTS

5-60-7110	Transfer to Debt Service Fund	\$1,479,150
------------------	--------------------------------------	--------------------

5-90-8010	Ending Fund Balance	\$1,951,173
------------------	----------------------------	--------------------

The Ending Fund Balance will serve as our Bond Reserve to ensure adequate funds for payment of the principal and interest portion of long-term debt due in the fiscal year. It provides a balance adequate to cover current obligations and provide a one-year cushion of funds available for future payments. The District issued a new bond at the end of FY 20/21, and was awarded a WIFIA loan in FY 21/22 to fund the Cascade Groundwater Development Projects, so the debt reserve and debt service funds have increased.

DEBT SERVICE FUND
Fund 401

INCOME ACCOUNTS

3-90-9200	Transfer from Other Fund	\$1,479,150
------------------	---------------------------------	--------------------

This is a transfer from the Debt Reserve Fund to make principal and interest payments.

EXPENSE ACCOUNTS

5-50-7050	Payments on Financing	\$790,000
------------------	------------------------------	------------------

5-50-7070	Interest on Financing	\$681,150
------------------	------------------------------	------------------

Payments will be made according to the Bond Amortization Schedule.

**GROUNDWATER PRODUCTION FUND
Fund 501**

INCOME ACCOUNTS

3-01-0101	Beginning Fund Balance	\$43,796
------------------	-------------------------------	-----------------

Beginning and ending fund balance for this fund has decreased from FY 21/22 because the fund was rebalanced in the previous year to account for a historical overpayment by the District into the fund.

3-50-5100	Interest Income	\$3,000
------------------	------------------------	----------------

3-90-9200	Inter-fund Transfer	\$220,000
------------------	----------------------------	------------------

The District's contribution for the cost of operation of the groundwater treatment facility from General Fund 101 Line code 5-60-7110.

3-90-9400	City of Gresham	\$200,000
------------------	------------------------	------------------

The City of Gresham will pay for half the cost of operation of the groundwater treatment facility.

EXPENSE ACCOUNTS

5-20-5530	Equipment Maintenance	\$10,000
------------------	------------------------------	-----------------

This line will cover the cost to maintain the treatment and booster pump facility. Increased to begin improvements identified in the Groundwater Development Master Plan.

5-20-5610	Operating Supplies	\$30,000
------------------	---------------------------	-----------------

This line will cover the cost of all supplies, including chlorine and ammonia, for the treatment facility. No change.

5-20-5615	Wellhead Protection	\$70,000
------------------	----------------------------	-----------------

This line will pay for a portion of the Wellhead Protection Program administered by the City of Gresham. The Well Field Protection Area was expanded with the delineation of the future Cascade 7, 8, and 9 wells, which will increase business surveillance activities.

5-20-5620	Testing	\$5,000
------------------	----------------	----------------

Pays for all testing of the treated water leaving the facility. No change.

5-20-5630	Reservoir Maintenance	\$5,000
------------------	------------------------------	----------------

This will fund routine annual maintenance of the Cascade No. 1 Reservoir.

5-20-5670	Pumping	\$235,000
------------------	----------------	------------------

This pays for all groundwater pumping costs. Budget has increased by \$35,000 due to increasing water pumping to meet higher customer water demands.

5-60-7110	Transfer to General Fund	\$65,000
------------------	---------------------------------	-----------------

This line offsets personnel operating costs and a true-up of contributions to the fund for groundwater operation and use. Budget unchanged.

5-90-8010	Ending Fund Balance	\$46,796
------------------	----------------------------	-----------------

**GROUNDWATER CONSTRUCTION FUND
Fund 601**

INCOME ACCOUNTS

3-01-0101	Beginning Fund Balance	\$12,664,357
------------------	-------------------------------	---------------------

3-90-9600	Bond Proceeds	\$0
------------------	----------------------	------------

A revenue Bond in the amount of \$22,036,894 was taken out in FY 20/21 to fund the GDMP in FY 21/22 and to refinance the existing Bond.

3-90-9650	WIFIA Loan Proceeds	\$15,000,000
------------------	----------------------------	---------------------

WIFIA (Water Infrastructure Finance and Innovation Act) Loan disbursements will begin towards the end of FY 21 and will continue through FY 22/23. The total WIFIA Loan for the Cascade Groundwater Development Project is approved for up to \$30,419,935 and the District will apply for loan disbursements as project costs are expended.

3-50-5100	Interest Income	\$0
------------------	------------------------	------------

3-90-9200	Inter-fund Transfer	\$0
------------------	----------------------------	------------

The District's contribution for the construction of the joint and independent groundwater supply system from General Fund 101 Line code 5-60-7110.

3-90-9400	City of Gresham	\$6,826,000
------------------	------------------------	--------------------

The City of Gresham will fund part of the design and construction of the joint groundwater supply system.

EXPENSE ACCOUNTS

5-20-5110	Contracting Services	\$150,000
------------------	-----------------------------	------------------

This line will cover the cost for Bond Counsel and SDAO Advisor (\$80,000) services and reporting requirements related to the revenue bonds, WIFIA loan, fees associated with the WIFIA loan (\$30,000), and additional contracting services to support the management of the Cascade Groundwater Alliance Projects.

5-20-5120	Engineering Services	\$5,780,000
------------------	-----------------------------	--------------------

This line will cover the cost of engineering, administration, and permitting services for Package 1, 2A, 3 and 4 of the CGA Projects and will cover the costs of Gresham-managed projects for the CGA.

5-40-6035	Groundwater Construction	\$21,711,794
------------------	---------------------------------	---------------------

This line will pay for the construction contracts associated with the CGA Projects, which will include the completion of Package 1 and start of construction for Packages 3 and 4.

5-40-6220	Land	\$0
------------------	-------------	------------

Pays for the purchase of property(s) related to the GDMP.

5-60-7110	Transfer to Other Funds	\$140,000
------------------	--------------------------------	------------------

This line offsets personnel operating costs in the management and supervision of the Cascade Groundwater Projects. Funding is planned for two temporary staff that will assist Engineering and Operations with the project.

5-90-8010	Ending Fund Balance	\$6,708,563
------------------	----------------------------	--------------------

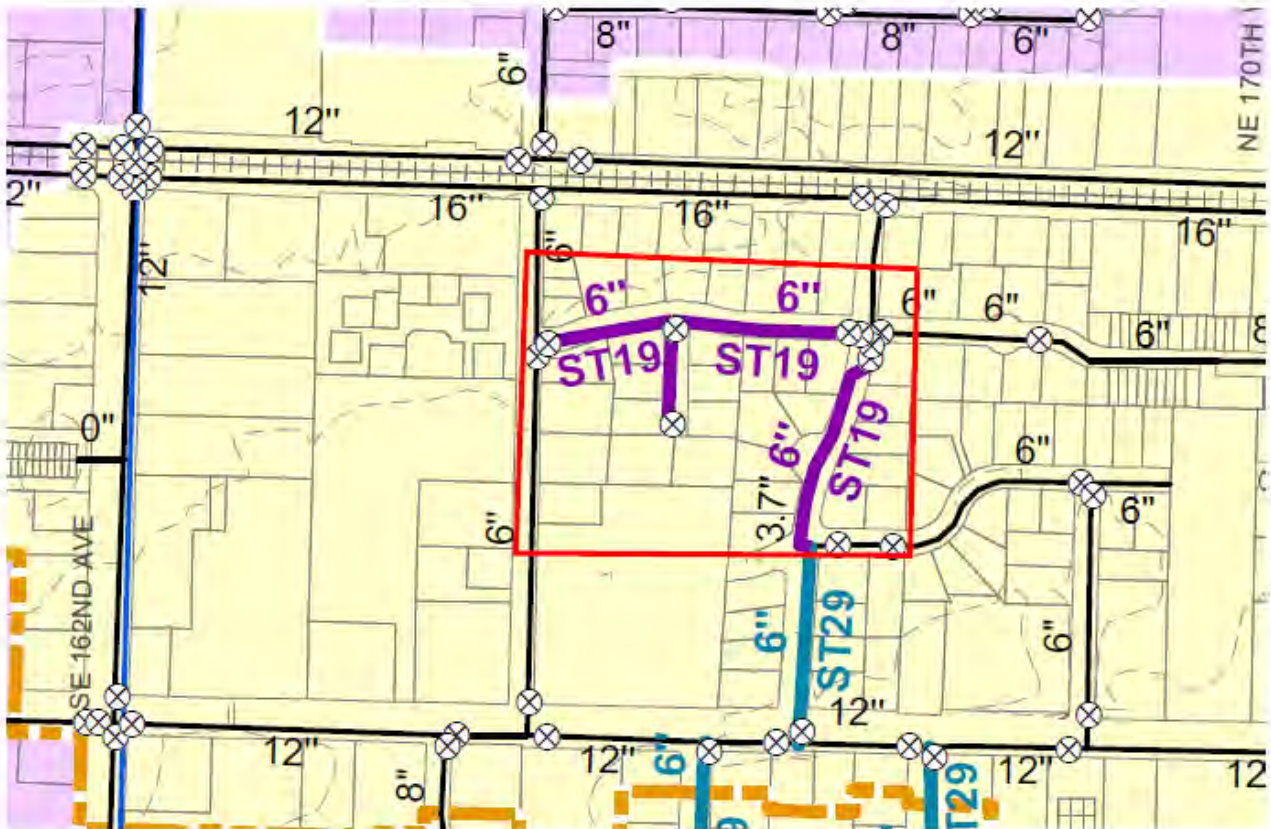
The Current FY (2021/2022) Capital Improvement Projects



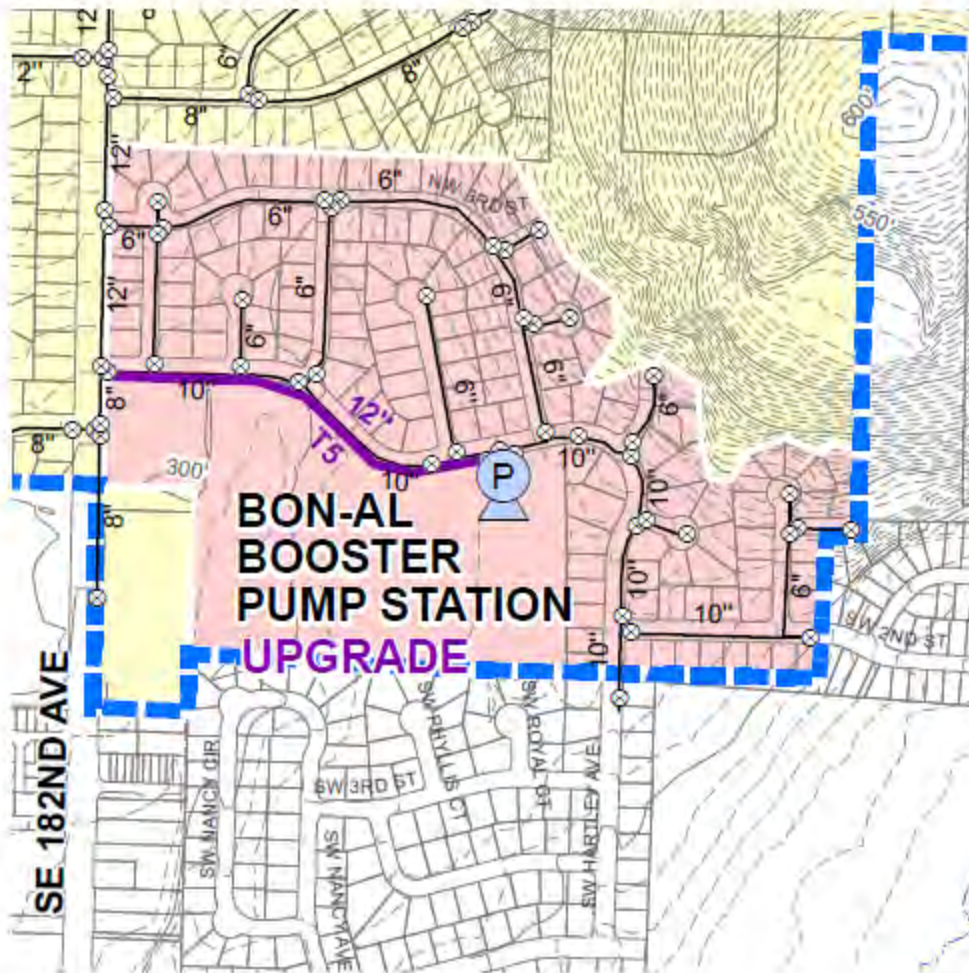
ST4 – This project replaced 6" and 14" outside diameter (OD) steel with 2,582 linear feet (lf) of 12" ductile iron (DI) main. The project is located on NE 201st/202nd Avenue from NE Halsey Street to NE Glisan Street. This project was combined with the GDMP Package 1, to minimize construction impacts.



ST19 – This project replaced 1,355 lf of 4" OD lines with 6" DI, on SE Ankeny Street from SE 165th Avenue to SE 167th Avenue, and SE 167th Avenue from SE Ankeny Street to SE Oak Street.



T5 – This project is located on NW 1st Street, from SE 182nd Avenue to the Bon-Al Pump Station at NW Royal Court. This will be 1.300 lfof new 12” transmission main to supply the future Bon-Al Pump Station improvements, scheduled for FY 2027/2028. The City of Gresham is replacing the pavement in this area soon (summer 2022) and we elected to install the transmission main just prior to their work.



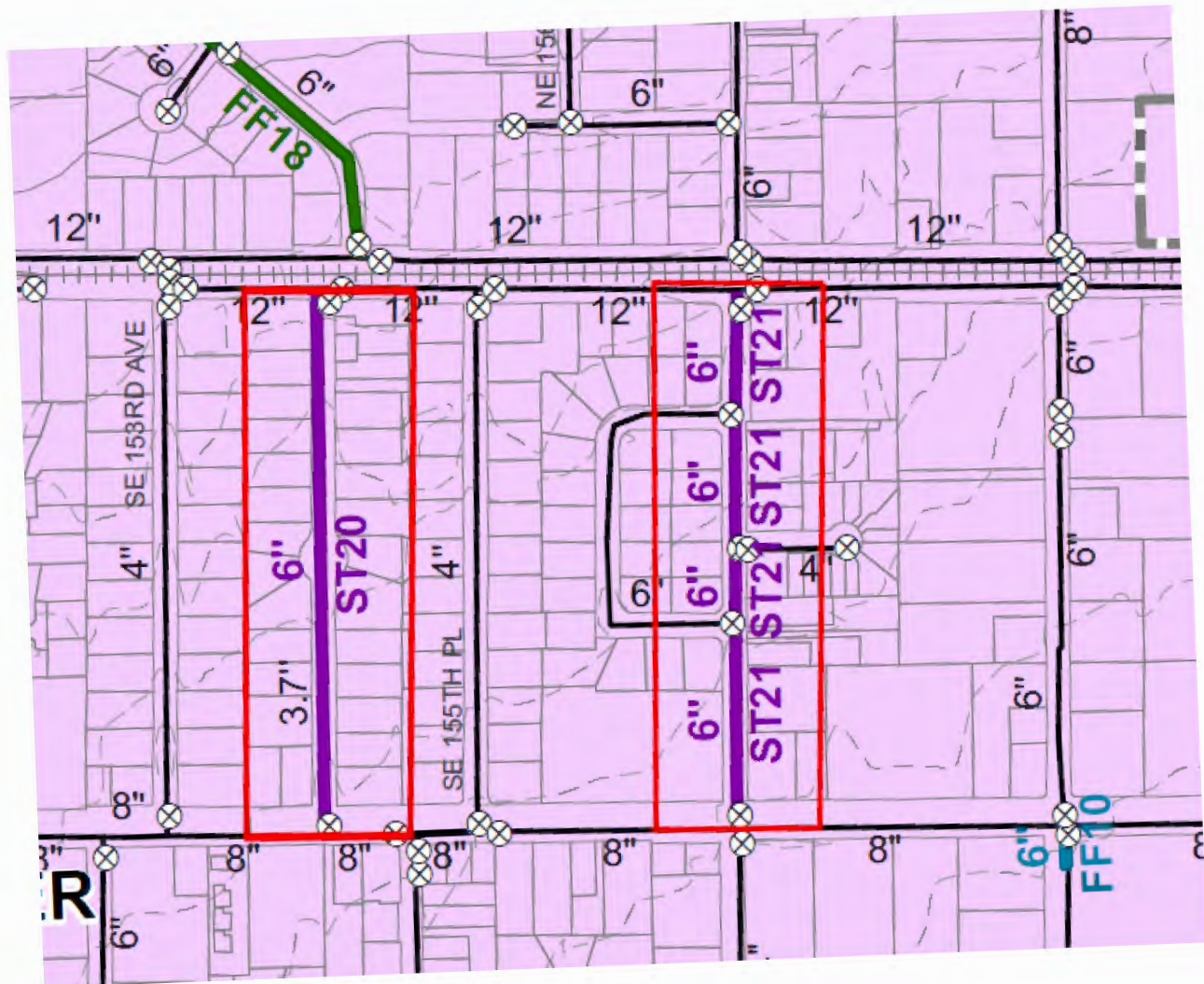
An updated 20 year Water Master Plan is underway. The last Master Plan was completed in 2013. Significant changes have occurred since then for water demands, source water and estimated project costs. This update will accompany the 2020 Groundwater Development Master Plan (GDMP) in planning upcoming projects for the next 20 years, but should be updated every 7-10 years.

The Upcoming FY (2022/2023) Capital Improvement Projects

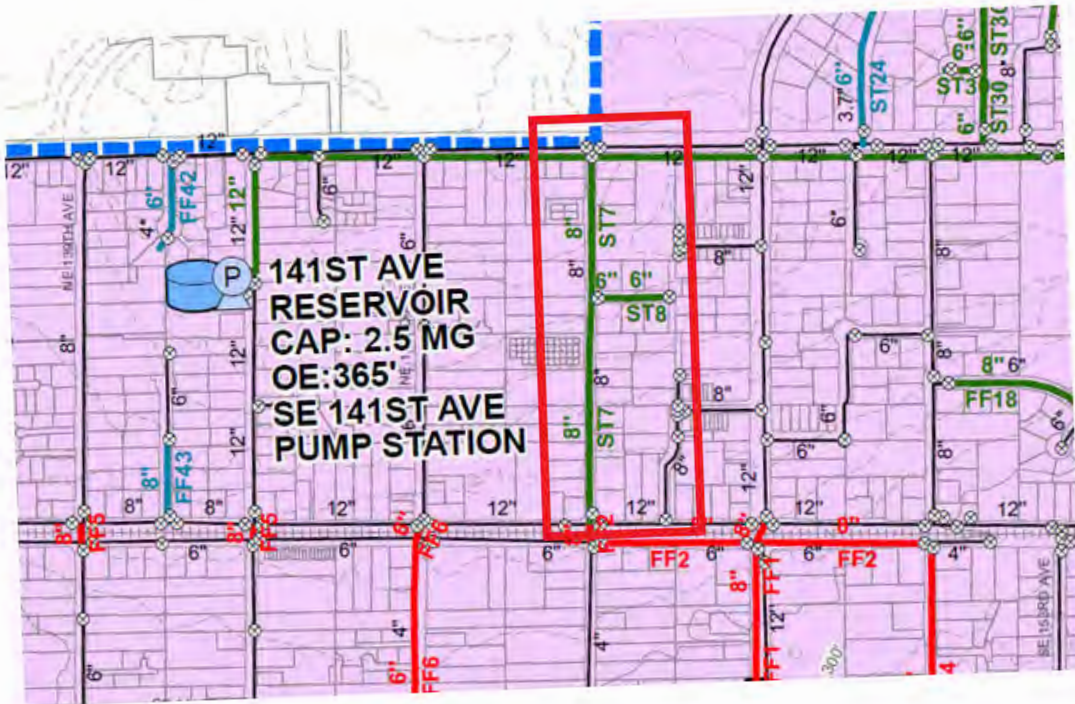


ST20 – Located on SE 154th Avenue between SE Stark Street and E Burnside Street, this project replaces 1,120 lf of 4" OD with 6" DI lines.

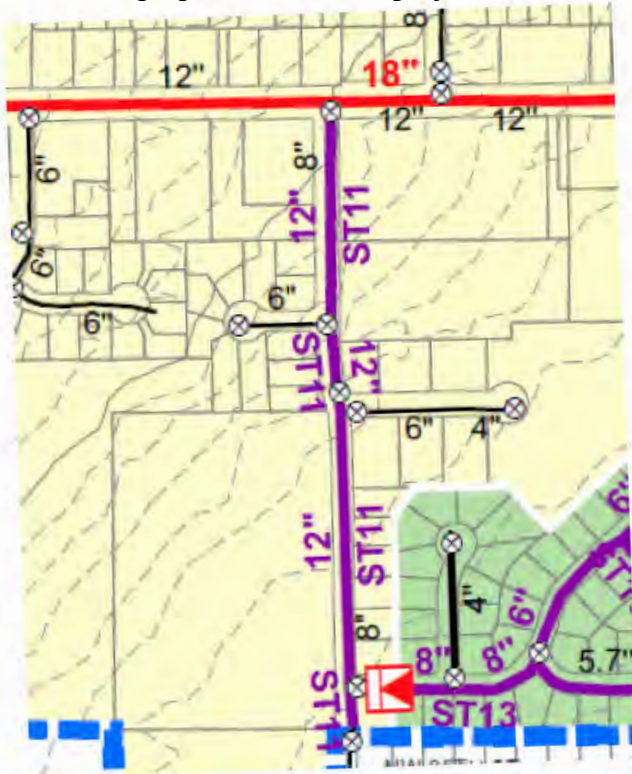
ST21 - Located on SE 157th Avenue between SE Stark Street and E Burnside Street, this project replaces 1,102 lf of 4" OD with 6" DI lines.



ST7 & ST8 – These projects are located on NE 146th Avenue from NE Glisan Street to E Burnside Street, and NE Everett Street from NE 146th Avenue to the dead-end to the east. These replace 1,460 lf of 8" OD with 8" DI and 312 lf of 4" OD with 6" DI.



ST11 – This project is located on NE 217th Avenue from 340 feet south of NE Stark Street to NW 25th Street. ST11 replaces 1,172 lf of 8" OD with 12" DI. 340 lf of 12" DI was installed this last FY in preparation for two projects within this area.



Specialty Surveys and Engineering Consulting – This item covers any unknown survey and engineering related consulting work needed throughout the year.

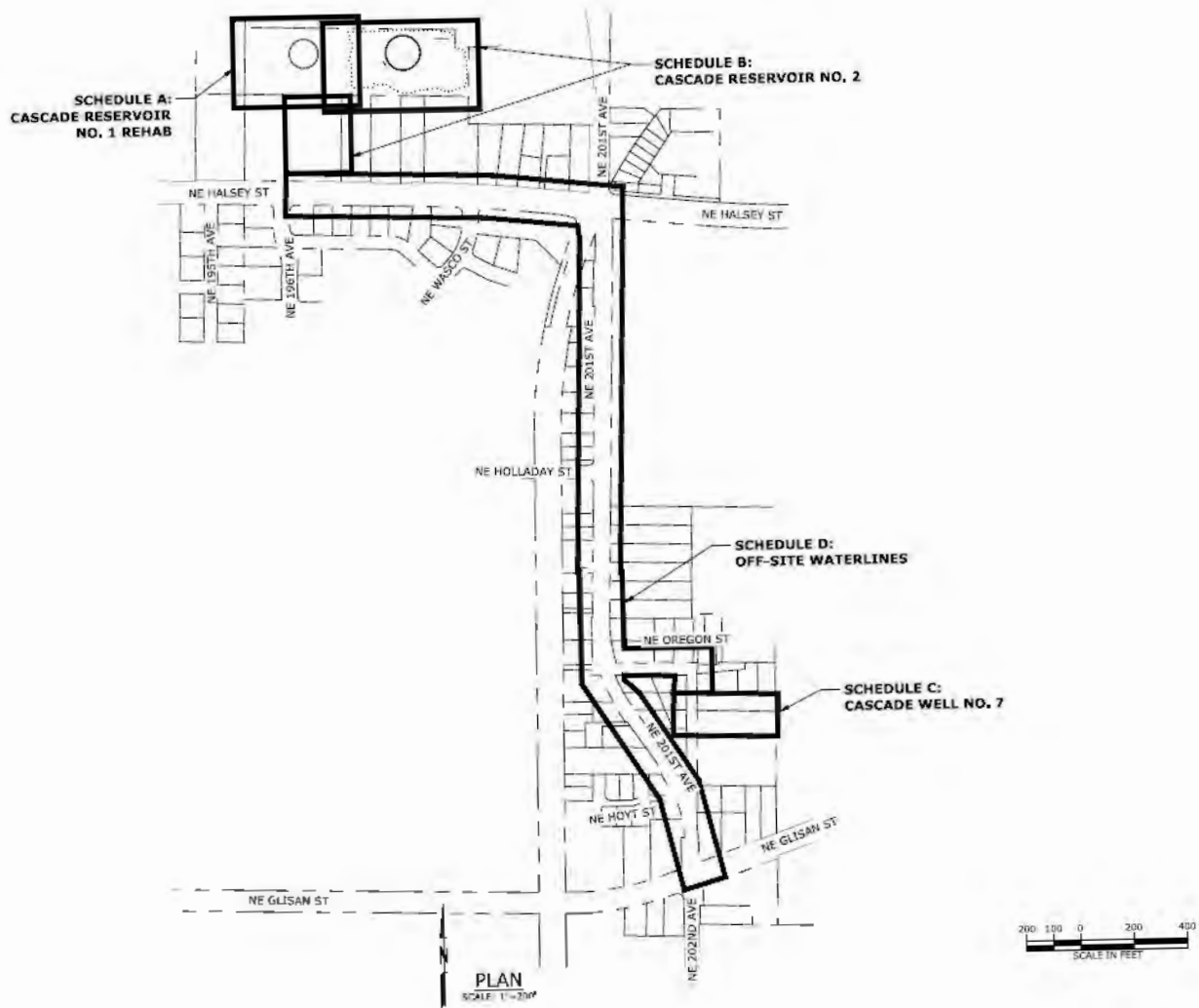
The Upcoming FY (2021/2022) Groundwater Development Improvement Projects



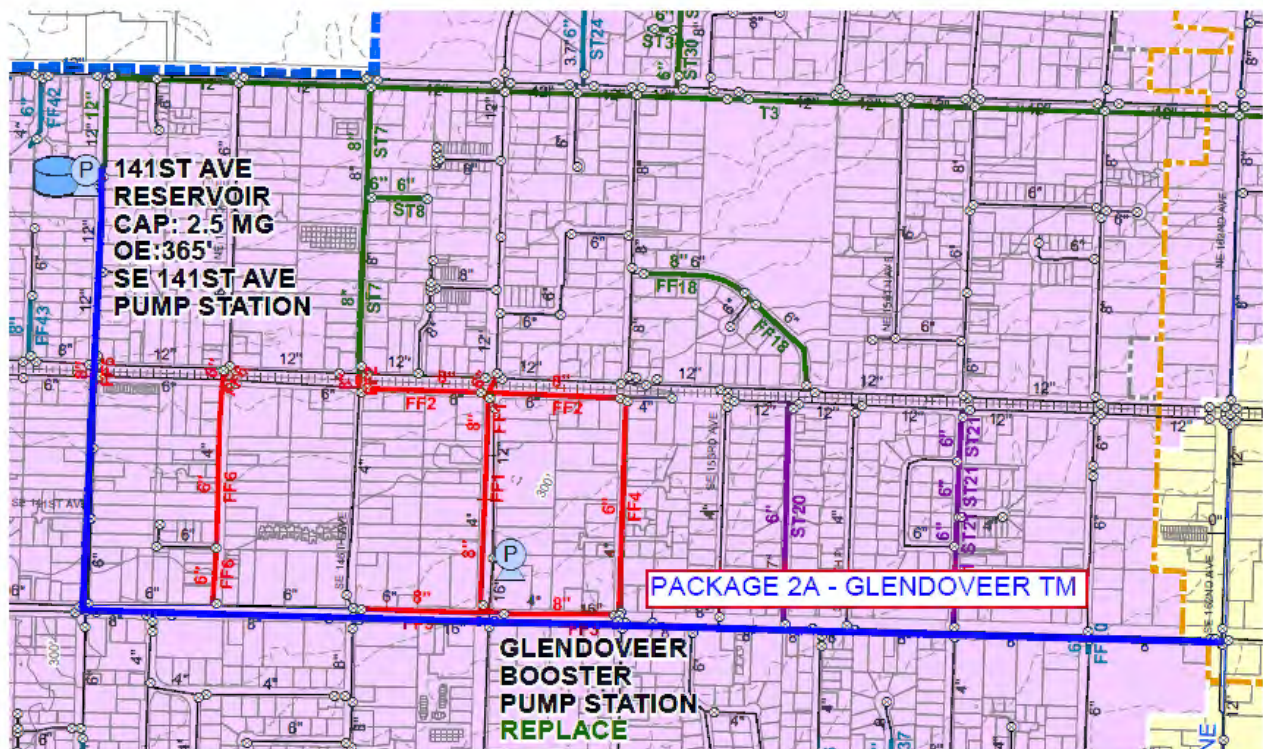
The Groundwater Development Master Plan (GDMP) for the District and City of Gresham identified 9 packages to be completed by 2026 to make the transition to an independent water system. Some of these packages benefit the District and City, and some benefit only the District or City. The packages that only benefit one partner will be managed by that entity. Project Management for the packages that are shared will be managed by one entity or the other. The description of packages that will be active this coming fiscal year (FY) are below.

Package No. 1, Cascade Reservoir Improvements – Construction began in June of 2021 and will continue for the next 18 months. This package includes the rehabilitation of the existing 4 million gallon (MG) Cascade Reservoir 1, a new 6 MG Cascade Reservoir 2, a Cascade 7 wellhouse and transmission main, construction of approximately 3,600 lf of 36” Cascade to Bella Vista/Grant Butte transmission main (Package 2B) and CIP ST4. Construction for Cascade Reservoir 2 is scheduled to be completed in the third quarter of 2022 and the piping completed in the third quarter of 2022. This is a shared project the District is managing. The total estimated project cost for Package 1 is \$22,630,000 and the planned expenditure on this project in FY 2022/2023 is \$10,980,000 split 55:45 between the District and the City of Gresham.





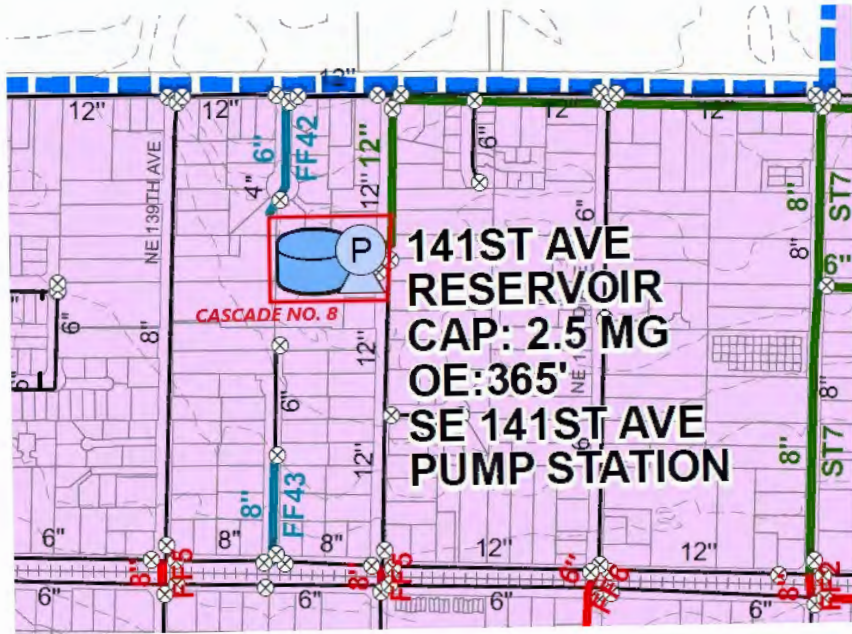
Package No. 2A, Glendoveer Pressure Zone Transmission Main – This project provides a transmission main to move water between an expanded Glendoveer PZ and Main Zone. Analysis and staff input determined the transmission main could be installed on SE Stark Street and utilize an existing light rail crossing. Design will begin in FY 2022/2023 and construction completed during the FY 2023/2024. This is a District-only project. The total projected cost for this project is \$6,750,000 and the planned expenditure in FY 2022/2023 is \$4,129,405.



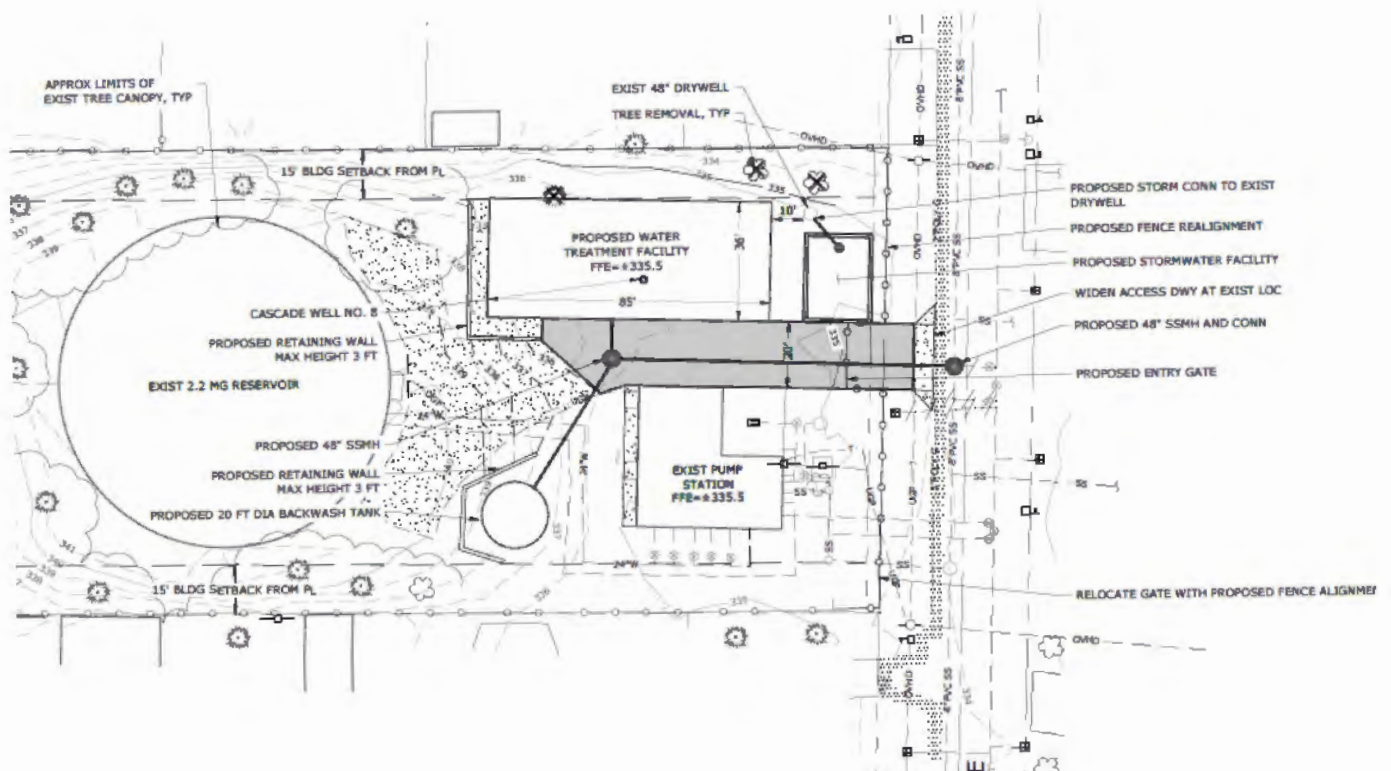
Package No. 2B, Cascade to Bella Vista/Grant Butte Transmission Main – A second transmission main is needed to move the expanded groundwater capacity from the Cascade site to the District’s Bella Vista and Gresham’s Grant Butte reservoirs. A portion (3,600 lf) of this transmission main was constructed in Package 1. The remainder will be approximately 15,400 linear feet of fully restrained 24” and 36” diameter DI lines. The engineering design of the package was started in FY 2021/2022 and construction to begin in FY 2022/2023. This is a shared project the City of Gresham is managing. The total cost for Package 2B is \$14,278,800, split approximately 50:50 and the planned expenditure for the District in FY 2022/2023 is \$3,000,000.



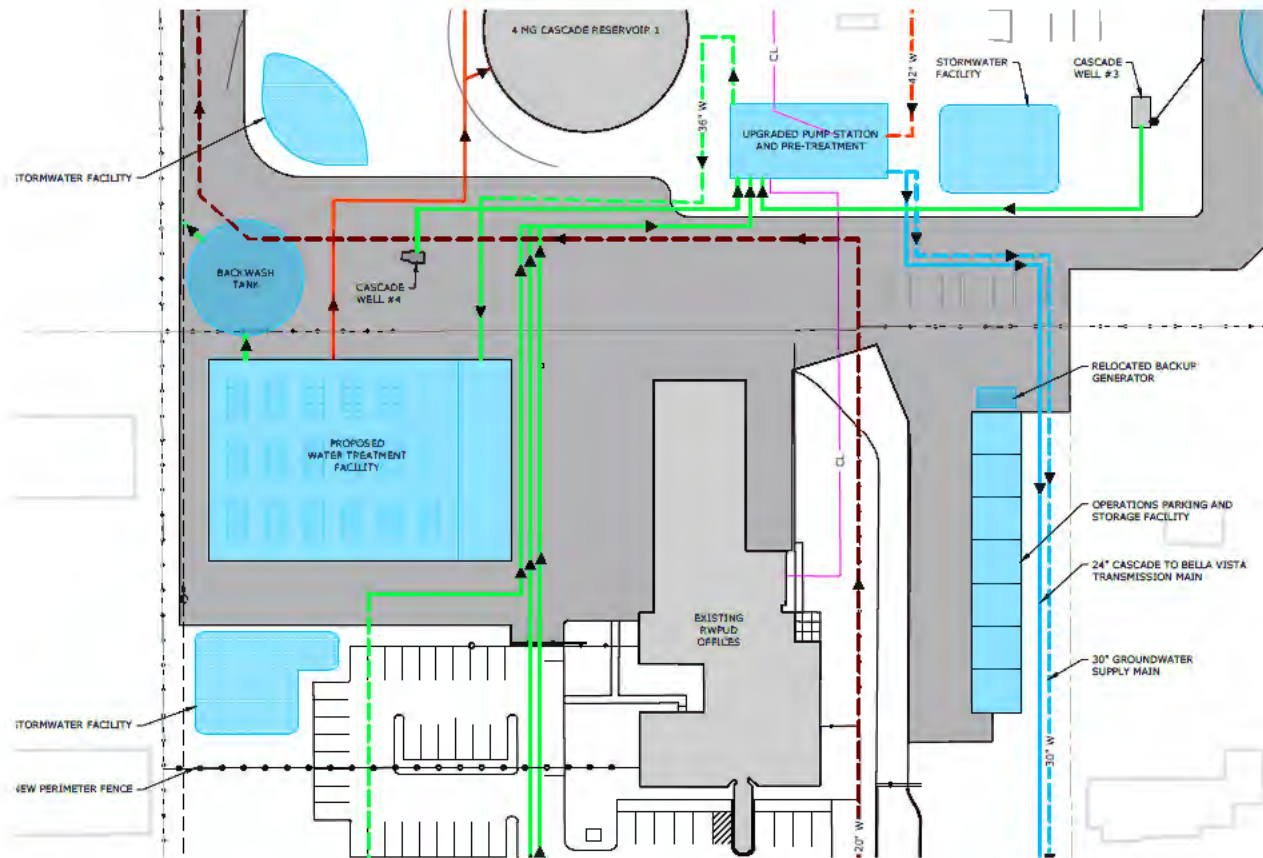
Cascade Well 8, 141st Avenue Site – This well is nearly complete. The well is drilled to a depth of 1,200' BGS. During the step testing, the hydrogeologists determined the well will need additional development to achieve the maximum yield. Because the pump station (PS) is offline during this testing, the District had elected get through the summer months and complete the aquifer testing during a time of low demand. A driller is currently onsite preparing to redevelop the well. This will be completed by the end of this FY 2021/2022. The initial estimates are showing we will get no less than 2 million gallons per day (MGD) from this well. This is a District-only project. The total cost to complete this project is approximately \$300,000.



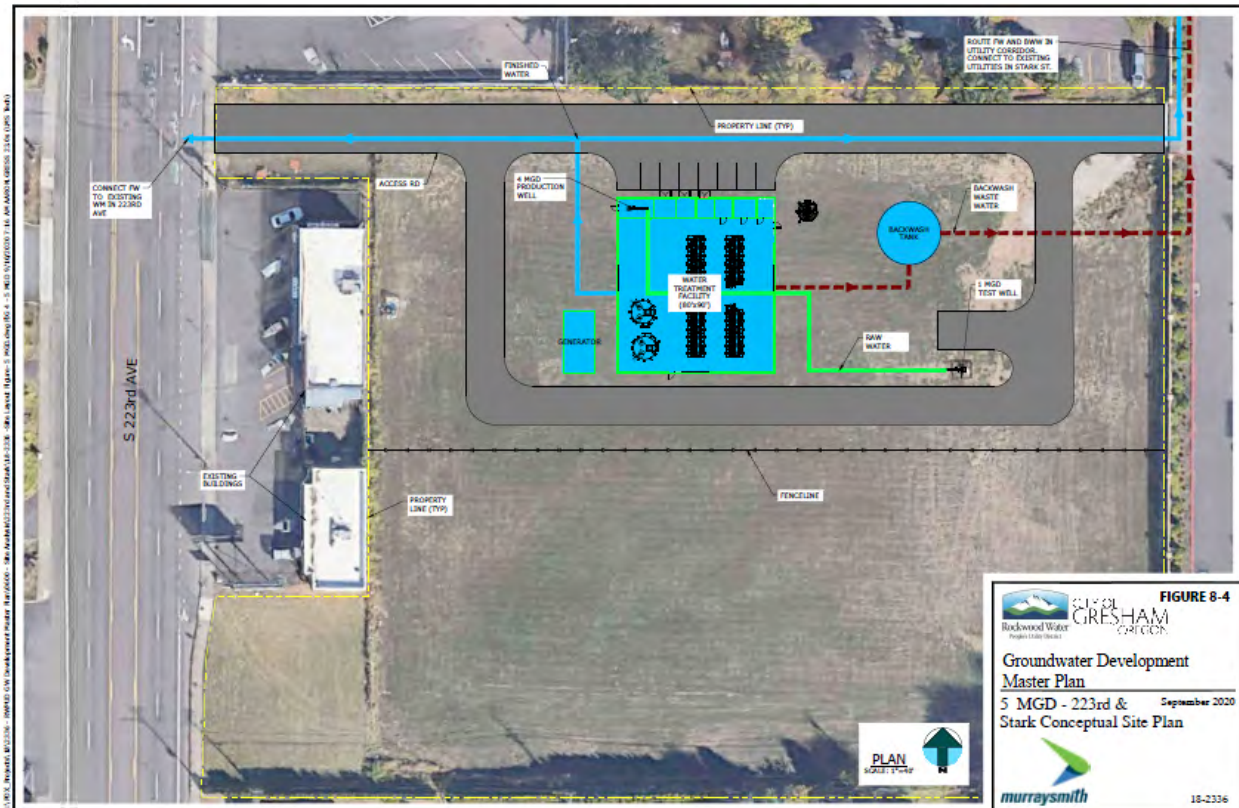
Package No. 3, 141st Avenue Site Improvements – Designs will begin in FY 2022/2023 for improvements of the existing 141st PS and Reservoir site, which includes a groundwater wellhouse for Cascade Well 8, seismic retrofitting the existing reservoir and a 2 MGD water treatment facility, with completion planned for FY 2023/2024. This is a District-only project. The total estimated cost for Package 3 is \$9,410,000 and the planned expenditure in FY 2022/2023 is \$3,750,000.



Package No. 4 – Designs will begin in FY 2022/2023 for a 20-30 MGD water treatment facility, and pump station upgrades, located at the District office location. Construction to take place in FY 2023/2024 and FY 2024/2025. This is a shared project the District will manage. The total estimated cost for Package 4 is \$32,140,000 and the expenditure planned for the District in FY 2022/2023 is \$958,346.



Package No. 5, Cascade Well No. 6 – Currently a test well is located at SE 223rd Avenue and SE Stark Street. Beginning in FY 2021/2022 a production well will be drilled for a future wellhouse, a water treatment facility, onsite piping and a transmission main. Designs for the site improvements and water mains will begin in FY 2022/2023 and construction is to begin in FY 2023/2024. The production well is estimated to produce 4 MGD. This is a shared project the City of Gresham will manage. Total estimated cost for this project is \$14,170,000 split approximately 50:50 and the planned cost for the District in FY 2022/2023 is \$556,534.



Package No. 6, Cascade Well No. 9 – Located at the City of Gresham’s Kirk Park, on NE 188th Avenue, South of Halsey Street. The well has been drilled and the yield is 4 MGD. The site improvements and transmission main will be designed in FY 2021/2022 and FY 2022/2023, which consist of a wellhouse, onsite piping and transmission piping to bring the water back to the Cascade water treatment facility. Construction will begin in FY 2022/2023 and completed in FY 2023/2024. This is a shared project the City of Gresham will manage. The total cost estimate for this project is \$5,460,000 split 50:50 and the planned cost for the District in FY 2022/2023 is \$2,223,077.



A pilot test was completed for groundwater treatment. This identified what treatment is needed for the manganese removal facility for each of the new and existing Cascade Wells. Additional pipe loop testing is underway to determine if water quality changes will be needed to address any reactions to our piping system after switching to a single water source.

CURRENT WATER RATES

Effective July 1, 2021~~21~~²²

METER CHARGE (bi-monthly by meter size):	
Size in Inches	Charge
5/8	\$ 26.00 27.38
3/4	39.02 41.09
1	65.02 68.47
1 1/2	129.97 136.86
2	207.96 218.98
3	454.93 479.04
4	779.85 821.18
6	1624.64 1,710.75
8	2339.47 2,463.46
10	3,769.12 3,968.88
Fire meters charged 5/8 inch meter size rate.	
Partial billing periods are prorated.	
Two (or three) separate buildings on the same meter (2-user or 3-user) shall be charged twice (or three times) the meter charge.	

WATER CHARGE:	
Rate per 100 cf (one hundred cubic feet):	\$3.10 \$3.20
Users outside the District pay a fifty percent (50%) surcharge for water.	

CHARGES AND FEES
EFFECTIVE JULY 1, 2021

Late Notice	\$10.00
48-Hour Door Hanger	20.00
Turn Meter Off for Nonpayment	30.40
Turn Meter on weekdays (4:30 p.m. - 5:00 p.m.)	15.00
Pull Meter/Reinstall	62.14
Move in/Found on Meter	31.07
Broken Curb Stop	124.22
Dishonored Payment	31.07
Cut off at Main	Time and Materials
Broken Lock	28.67
Inspection (turn off/on)	31.07
Repeat Service Calls	31.07
Nonemergency turn on outside of normal working hours	111.81
Backflow Fee	1.33/month
Meter Testing Fee* (at customer site)	
5/8" - 1"	63.36
1.5" and Over	126.73
Meter Testing Fee* (at Meter Shop)	
5/8"	127.85
3/4"	154.07
1"	202.46
1.5"	528.27
2"	717.90
	*If meter is not reading accurately per AWWA standards, no fee is charged.
Set-up Fee - New Account	30.40
Late Payment Charge	Bills issued to vendors by District which remain unpaid for over 30 days may be subject to a Late Payment Charge of 1.5% and compounded monthly on the unpaid balance.
Contract Backflow Test	At Cost
Hydrant Use Permit	1 month - 29.79 2 - 6 months - 59.58 7 - 12 months - 119.17
Credit Card Use	Credit cards may be used by District customers to pay for routine monthly or bi-monthly water charges at no additional charge. Credit card use will not be permitted to pay for services involved with development services, construction activities or other District operations and maintenance items.

Fines for Unpermitted Hydrant Use	First Offense - 175.00* Second Offense - 350.00 Third Offense - 600.00 *This may be waived if arrangements are made with the District within 24 hours of notice of violation.
Additional labor, material and equipment charges may be assessed for special circumstances (i.e., meters in vault, safety and security issues, counting coins, etc.)	

DEPOSITS

The minimum amount of deposit is fifty dollars (\$50). A greater deposit is required on accounts where the usage is known to be higher than a single family dwelling, such as an apartment complex or industrial user. A greater deposit may also be required if there is a high usage history of six months or longer.

The deposit shall be calculated as follows: Three to six (3 - 6) bimonthly bills are averaged, and that amount is multiplied by 1.75. The amount is rounded to the nearest five dollars (\$5). The basis for this calculation is that by the time an account has been terminated for non-payment, one (1) entire billing period and three-quarters (3/4) of the next billing period have passed without payment.

PRIVILEGE TAX

City of Portland	Effective 8/15/94	5.2635%
City of Fairview	Effective 7/1/00	5%
City of Gresham	Effective 7/1/03	5%

HYDRANT METER RENTAL CHARGES

\$13.30 for the first day.

\$6.65 per day thereafter - up to two (2) weeks.

\$3.30 per day thereafter - up to one (1) month.

(Seven [7]-day week computation),

plus current volumetric charge as adjusted by the Board.

For Contractors' uses in excess of thirty (30) days: \$13.30 for the first day, \$6.65 per day for the next fourteen (14) days, weekends excluded, \$3.30 for the balance of the month, weekends excluded, thence \$3.30 per day for as many months as they retain it, weekends excluded; plus current volumetric charge as adjusted by the Board.

For religious, fraternal and charitable organizations using a meter for a legitimate fund-raising activity, the applicable fee shall be exactly one half (1/2) of the fee for the usual, customary residential use.

APPROVED BACKFLOW PREVENTION DEVICE

Rental rate:

Two-inch (2") double check valve:

First three (3) days or part thereof	\$29.80
--------------------------------------	---------

Each additional day or part thereof	9.95
-------------------------------------	------

Two-inch (2") combination meter and backflow device:

First three (3) days or part thereof	\$44.70
--------------------------------------	---------

Each additional day or part thereof	\$14.90
-------------------------------------	---------

Deposit (refundable):

Meter	\$311.70
-------	----------

Backflow	\$155.90
----------	----------

Combination Device	\$435.00
--------------------	----------

(ENR CCI adjustment from January 1, 2020 to December 31, 2021 representing 20 City ENR CCI is 2.2%)

SYSTEM DEVELOPMENT CHARGES			
Meter Size	Maximum Gallons Per Minute	ERU Equivalent	Total SDC Charge
5/8 inch	20	1	\$ 3,741
3/4 inch	30	1.5	5,611
1.0 inch	50	2.5	9,352
1.5 inch	100	5	18,704
2.0 inch	160	8	29,926
3.0 inch	350	17.5	65,464
4.0 inch	600	30	112,224
6.0 inch	1,250	62.5	233,800
8.0 inch	1,800	90	336,672
10.0 inch	3,900	145	542,416

(ENR CCI adjustment from January 1, 2020 to December 31, 2021 representing 20 City ENR CCI is 2.2%)

DISCLOSURE OF RECORDS

General. All requests for disclosure of public records shall be handled in accordance with ORS 192.410-192-505. These statutes require disclosure of public records upon request and at a reasonable time and place.

Definition. "Public Records" are defined as "a document, book, paper, photograph, file, sound recording, machine readable electronic record or other material, such as court files, mortgage and deed records, regardless of physical form or characteristics, made, received, filed or recorded in pursuance of law or in connection with the transaction of public business, whether or not confidential or restricted in use. 'Public Records' include correspondence, public records made by photocopying and public writings." (ORS 192.005[5].)

Procedure.

1. Requests for disclosure of public records must be made by filling out a Request for Disclosure of Public Records Form and submit to the District's Custodian of Records (General Manager) or designee.
2. The request must specify the records and time period sought.
3. Upon receipt of the request, the Custodian will review it to determine whether the requested records are statutorily exempt from disclosure. The Custodian may need to inquire as to the propriety of the request with legal counsel.
4. If the records are to be disclosed, the Custodian will contact the requester to arrange a mutually convenient time for examination of the records. The examination will take place at the District's offices and will be made only in the presence of a representative of the District.
5. Copies of the records will be made available for a fee as set forth on the attached schedule.
6. Electronically stored data may be printed and will be charged per page according to the attached schedule.

Interpretation. Questions about the intent or interpretation of this policy shall be referred to the Custodian of Records or District Counsel.

RECORDS FEE SCHEDULE

Photocopies.

Up to and including 11" x 17" per page or double-sided

(First five pages free)

Black and White

\$0.30

Color

\$1.10

Oversize

Black and White

\$0.30 per square foot

Color

\$1.25 per square foot

Electronic Data.

Cost of storage device and/or reproduction cost

Copies Requiring Scanning

\$0.25 per page

Delivery Method.

Shipping

Actual cost

Fax

\$1.25 per page

Email

No charge

Search Time.

Any request for records requiring more than one half (1/2) hour of staff time to search for and assemble shall be charged at the District's standard hourly rate for the employee(s) involved.



Rockwood Water
People's Utility District

19601 NE Halsey Street
Portland, OR 97230-7430
503-665-4179 - Phone
503-667-5108 - Fax
www.rwpud.org

MEMORANDUM

To: Budget Committee
Rockwood Water People's Utility District

From: Kari J. Duncan
General Manager/Budget Officer

Date: April 11, 2022

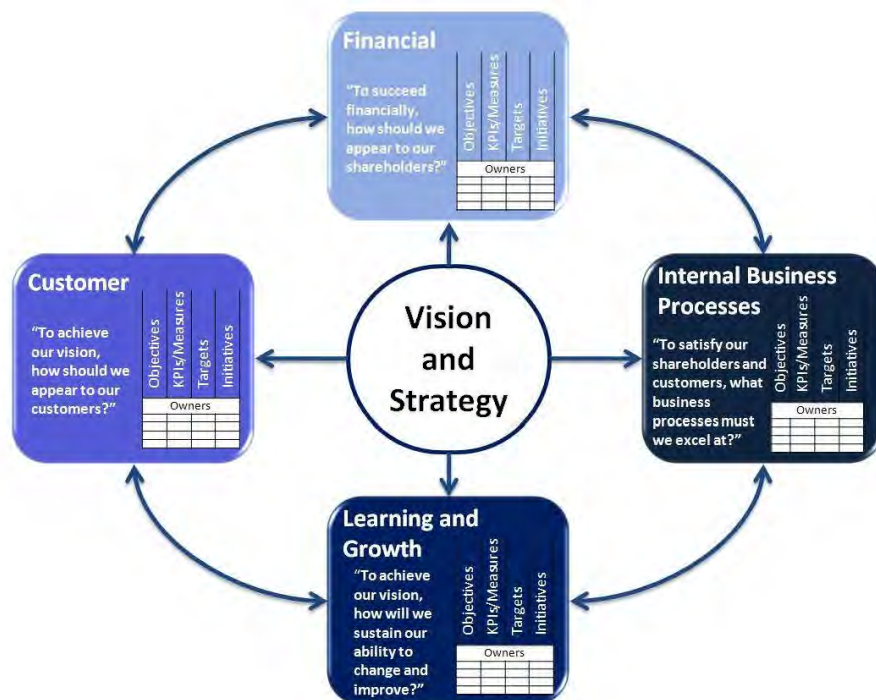
Re: **Fiscal Year (FY) 2022/2023 Strategic Plan Review**

The Board discussed a more substantial review and revision of the District Strategic Plan during annual goal setting in September of 2021 and again at the March 2022 Board meeting. It was determined that staff would perform a review and revision of the Plan for review and comment by the Board at the May Board meeting. The plan enclosed in this document includes minor changes from the 2021/2022 plan and is pending further changes to be reviewed at the May Board meeting. The Board may approve the revised Strategic Plan at the May Board meeting.

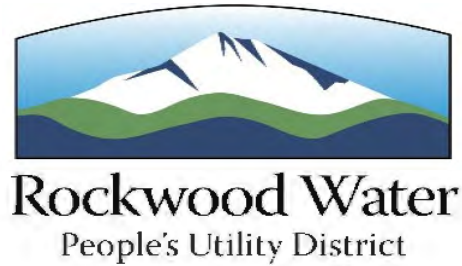


Rockwood Water
People's Utility District

2022 **DRAFT** STRATEGIC PLAN



Rockwood Water People's Utility District
19601 NE Halsey Street
Portland, OR 97230-7430
rwpud.org



STRATEGIC PLAN 2022

To: Interested Parties

From: Rockwood Water People's Utility District Board of Directors

The purpose of this Plan is communicating to our customers and all stakeholders the following:

Our Mission: What we exist to do.

Our Values: How our actions are guided.

Our Strengths, Weaknesses, Opportunities and Threats: The environment in which we operate.

Our Objectives: What we strive to achieve for our customers and all stakeholders.

Our Activities: What we do in order to meet our objectives.

Our Key Performance Indicators: What we monitor, track and evaluate to determine how well we are meeting our objectives.

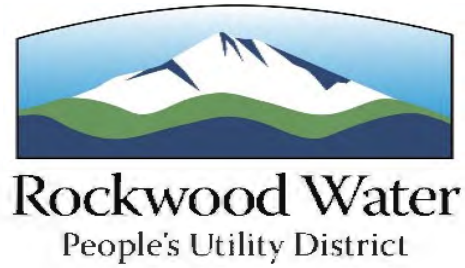
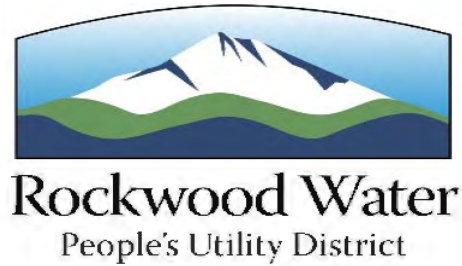


Table of Contents

1. Our Mission Statement
2. Our Values
3. Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis
4. Objectives, Activities, Key Performance Indicators



OUR MISSION STATEMENT

To strive for total customer satisfaction by providing the safest and highest quality water at the most responsible price.

To professionally manage Rockwood Water to assure its financial health for the ongoing protection of our customers.



OUR VALUES

These are the values of the Rockwood Water People's Utility District. They guide us on a daily basis.

Quality	We are committed to providing the highest quality product and service to our customers.
Stewardship	We are exceptional stewards of all District resources (water, money, water system) and the natural environment, and will ensure the District's ability to provide service into the future.
Resilience	We expect to respond quickly and effectively to any unforeseen or unpredictable event or upset (e.g., natural disaster).
Community	We are an integral part of the community we serve and are dedicated to serving it and our customers.
Integrity	We are honest and have strong moral principles.
Professionalism	We have the skills and competence to provide excellent service to our customers in a way that is reliable and accountable.
Innovation	We continuously strive to implement new processes in order to improve productivity and performance.
Creativity	We encourage creative thinking in order to improve service.
Efficiency	We competently perform all District functions and business in a cost-efficient manner.
Effectiveness	We solve problems and accomplish desired results.



STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS ANALYSIS

STRENGTHS

- Strong brand name; good reputation; respected service provider (Very favorable responses by customers to late 2013 survey)
- Natural monopoly; no competition for customers
- Competent, able staff; efficient and effective service provision
- Healthy work culture and environment
- Informed and engaged Board; members represent multi-year continuity and fresh perspectives
- Informed and engaged Budget Committee members
- Adopted staffing plan that allows upward mobility for staff
- Water supply redundancy (Portland and District sources)
- Water rights (additional withdrawal authorization in August 2013; permit G-16917)
- Strong partnership with Gresham (joint well development, Groundwater Protection Program, operational problem solving, system interconnections)
- 97 years of experience as a water utility; **32 years as a People's Utility District**
- Affordable water rates; virtually one of the lowest in the region
- Regionally active with partners (e.g., Regional Water Providers Consortium, conservation, emergency preparedness and response, communicators network)
- Solid conservation and environmental stewardship ethic and program

- Good management systems in place (e.g., production reporting, productivity analysis, business process re-engineering, asset management, staff development, financial planning and management)
- Solid multi-year Financial Plan, Capital Improvement Plan, Master Plan, and Water Management and Conservation Plan
- Strong communications protocols internally and with customers (including customer outreach, informative website, newsletters, bill stuffers, history project, social media, involvement with neighborhood associations)
- Effective Groundwater Protection Program administered by Gresham (funded equally by the District)
- Engaged with the community

WEAKNESSES

- Aging infrastructure
- High, but declining level of non-revenue water (i.e., water loss)
- Dependent on Portland for supply and water quality
- Little control over cost of purchased water (contract driven)
- Rate increases required to prepare the District for Debt Service related to construction of the Cascade Groundwater Development Project.

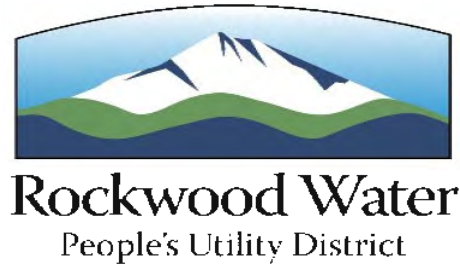
OPPORTUNITIES

- Partnership with Gresham through the Cascade Groundwater Alliance to develop an independent groundwater supply.
- Service opportunities with smaller neighboring water utilities: Fairview, Wood Village, Interlachen
- Economic development with improving economy
- Substantial capacity for growth to saturation
- Sustain improved organization health and culture
- Enhanced focus on safety and security

- Expand public involvement and presence in the community; build on recent successes
- Potential surplus property sales
- 100% Groundwater supply by 2026, no dependence on wholesale water

THREATS

- Pandemic impacts including personnel, customer impacts and economic impacts
- New regulations requiring expensive infrastructure: Manganese, Portland treatment decisions
- Revenue collection issues
- Security breaches/terrorism
- Loss of a water source (Bull Run forest fire, groundwater contamination)
- Loss of a large customer (Note: Microchip represents 11%-12% of water sales)
- Natural disaster (e.g., forest fire, earthquake, flood)
- Potential cost increases (e.g., purchased water, health insurance, PERS)
- New federal or state fees on water providers (e.g., taxes/fees on water rights; per capita or per meter fees to fund state agencies)



OBJECTIVES, ACTIVITIES AND KEY PERFORMANCE INDICATORS

FINANCE

Objectives:

- Improve and sustain the financial operating performance and health of the District
- Operate a safe and high performance water utility for the lowest possible cost
- Ensure long-term rate stability and revenue adequacy

Activities:

- Annually update the 20-year Financial and Capital Improvement Plans
- Raise rates and manage finances in accordance with the Financial Plan
- Develop and report against an adopted annual Financial Plan

Key Performance Indicators:

- Actual vs. planned budget performance
- Debt service coverage, operating ratio, other Moody's medians for comparison
- Review and adjust rates and charges annually
- Actual rate increases compared to the Financial Plan
- Percent of bills written off
- Average monthly water bill compared to utilities in metro area

CUSTOMER

Objectives:

- Provide outstanding customer service and promote engagement with the community
- Improve customer satisfaction and constituents' perceptions of the District by providing effective and responsive customer care

Activities:

- Employ best customer service management practices and procedures
- Promote a customer service ethic on an ongoing basis
- Participate in neighborhood associations and other community events
- Communicate with customers continually via website, printed material and other media
- Offer multiple bill pay options
- Keep website current and accessible
- Explore additional social media (i.e., Twitter, Instagram)

Key Performance Indicators:

- Percent of bills mailed per schedule
- Percent of bills based on actual meter read
- Percent of billing done by email
- Percent of bills paid through home banking accounts and financial institutions
- Number of neighborhood and community events participated in
- Number of newsletters, CCRs and other informational documents published and distributed
- Customer feedback (by phone, in writing, survey)
- Website hits
- Number of engagements and followers on Facebook
- Google Reviews ratings

BUSINESS OPERATIONS

Objectives:

- Produce and deliver high quality water to customers
- Improve maintenance of aging water system infrastructure by making effective and efficient capital investments in an Asset Management Program context
- Meet or exceed all federal and state water quality and other regulations
- Ensure reliability into the future
- Continuously undertake multi-year planning
- Ensure continuity of service in the event of an emergency
- Be a good steward of the environment
- Ensure the adequacy of water supply and pressure for fire-fighting
- Support economic development by ensuring the availability of required water supply
- Operate and maintain the water system to ensure uninterrupted service

Activities and Key Performance Indicators:

a) Water Quality and Regulatory Compliance Activities:

- Operate a robust sampling and testing regimen
- Continue financial support of Gresham's Cascade Groundwater Protection Program
- Uni-directionally flush one half of the District each year
- Continuously monitor water quality parameters
- Publish required reports on time

Key Performance Indicators:

- Percent of planned samples done
- Annual payment to Gresham for Groundwater Protection Program
- 1/2 of District flushed per year

- 100% of water quality regulations met 100% of the time
- Water quality report published annually per EPA regulations

b) System O&M and Construction Activities:

- Continue to implement Asset Management Program and Capital Improvement Program
- Plan, schedule, monitor and report work
- Upgrade SCADA and other critical functionality per asset management and other schedules and analysis
- Ensure employees are appropriately trained, resourced and certified
- Continue ongoing O&M and initiatives (e.g., Valve and Hydrant Programs, leak detection, meter repair and replacement)

Key Performance Indicators:

- Status of implementation of the Asset Management Program
- Construction of planned Capital Improvement Projects (CIPs)
- Status of planning and scheduling work
- Status of planned SCADA upgrades
- Status of employee training and certifications
- Status of initiatives (e.g., valves and hydrants, leak detection)

c) Water Supply Reliability Activities:

- Provide multiple sources of supply
- Maintain a long-term contract for water purchases from Portland
- Expand District groundwater supplies (add 10 mgd by 2026)
- Continue partnership with Gresham for groundwater development and O&M
- Appropriate needed resources annually
- Protect and preserve the District's water rights
- Actively locate and repair leaks via O&M and capital projects

Key Performance Indicators:

- Status of contract with Portland for wholesale water purchase
- Status of District groundwater development
- Status of District water rights
- Status of leak detection O&M program and capital project implementation (leak detection and repairs are tracked and reported monthly)

d) Planning Activities:

- Update Master Plan and Water Management and Conservation Plan every five years or as otherwise mandated
- Complete Groundwater Development Master Plan
- Update SWOT analysis annually during the budget process
- Update the Financial Plan annually
- Review operational plans (e.g., Safety Plan, Asset Management Plan) annually
- Actively participate at policy and technical levels of the Regional Water Providers Consortium

Key Performance Indicators:

- Implementation of recommendations derived from the Groundwater Development Master Plan, updating Finance Model to include capital investments, and adjust rates to assure adequate financial resources
- Status of Master Plan and Water Management and Conservation Plan updates
- SWOT updated as part of the budget development process
- Financial Plan updated annually
- Status of review of operational plans
- Status of involvement with the Regional Water Providers Consortium

e) Emergency Preparedness Activities:

- Keep the Emergency Response Plan (ERP) current
- Ensure availability of resources

- Educate and train staff on responsibilities and SOPs
- Enter mutual aid agreements with responsible parties

Key Performance Indicators:

- ERP is current and updated annually
- Appropriation of funds for emergency preparedness and response
- Familiarization of staff with ERP responsibilities and SOPs
- Status of mutual aid agreements with others

f) Environmental Stewardship Activities:

- Continue to offer a robust conservation program as a District and as a member of the Regional Water Providers Consortium
- Analyze the feasibility of implementing an alternative energy project
- Comply with all Groundwater Protection Zone requirements and regulations

Key Performance Indicators:

- Status of conservation programs (funding and other resources)
- Status of assessing RECs
- Status of an alternative energy project
- Status of compliance with the Groundwater Protection Zone regulations

g) Public Safety Activities:

- Build all Fire Flow projects identified in the CIP (see System O&M)

Key Performance Indicators:

- Status of implementation of planned Fire Flow CIPS

h) Economic Development Activities:

- Respond to all requests for new service in a timely and responsive manner
- Institute compliant and equitable System Development Charges (SDCs)
- Implement actions itemized elsewhere to ensure water supply availability

- Keep Developer Handbook up to date and accessible on the website

Key Performance Indicators:

- Status of response to requests for new services
- Equitability of SDCs and compliance with Oregon State Law
- Developer Manual up to date and available on the website and in the office

LEARNING AND GROWTH

Objectives:

- Invest in recruiting, retraining and developing a knowledgeable, multi-skilled and culturally competent workforce by improving knowledge, skills and abilities
- Enhance work force safety and satisfaction of employees

Activities:

- Develop and continuously update individual training plans
- Develop a succession plan
- Formalize safety program and monitor and report implementation
- Monitor and report safety incidents (target is zero tolerance)
- Cultural survey annually to determine employee satisfaction

Key Performance Indicators:

- Status of employee training plan updates; are they up to date
- Status of succession plan
- Status of safety plan implementation
- Status of daily monitoring and reporting accidents
- Results of annual culture survey

**Rockwood Water PUD
2022 Organization Chart**

CUSTOMERS

**BOARD OF
DIRECTORS**

**General Manager
Kari Duncan**

25 FTE

Financial

**Senior Accountant
Daniel Zimmerman**

Business Operations

**Office Supervisor
Cathy Middleton**

**Lead Person-Customer Service
Kristina McNeil**

**Customer Acct Specialist II
Cindy Schmunck**

**Customer Acct Specialist I
Heather Conner**

**Receptionist
Rita Tompkins**

**Meter Technician
Jeff Allen**

Government Affairs

**Coordinator
Kerry Aden/ Nyla Clark**

**Assistant Superintendent
Future**

**Water Ops Specialist
Jay Breen**

**Water Ops Support Spec.
Chris Kipp**

**Water Ops Support Spec.
Jed Pacheco**

**Meter Reader
Victor Pelayo**

**Meter Reader
Hudson Hoffman**

Operations

**District Superintendent
Andy Crocker**

**Asst. Superintendent
Joey Schlosser**

**Maint. Mechanic
Ben Jacobson**

**Lead Person - Field
Lanny Jones**

**Lead Person - Field
Doug Bray**

**Utility Worker I
Jesse Stroh**

**Utility Worker I
Brian Hunt**

**Utility Worker I
Kris Stanley**

**Utility Worker I
Nick Henry**

Engineering

**District Engineer
Jeremy Hudson**

**Associate Engineer
Jeremy Hanson**

			Rockwood Water PUD										
			Fiscal Year 2022/23 Five Year Line Code Comparisons										
			Budget Adoption - June 2022										
			FY16/17	FY17/18	FY18/19	FY19/20	FY 20/21	FY21/22	FY21/22	FY21/22	FY22/23	% Change	
			Actual	Actual	Actual	Actual	Actual	Budget	YTD	End of Year	Proposed	FY21/22 vs	
			ACCOUNT DESCRIPTION						6 mo.w/Ench		Projections	FY22/23	
			FUND 101 - GENERAL FUND									FY21/22 vs	
			INCOME ACCOUNTS						Audited			FY22/23	
3	1	101	Beginning Fund Balance	\$6,503,637	\$7,617,479	\$10,153,577	\$10,112,444	\$8,800,467	\$9,130,922	\$8,801,057	\$8,801,057	\$10,419,346	14.1%
3	10	1100	Water Sales	7,750,088	8,272,343	8,628,331	8,865,870	10,422,569	10,834,000	6,360,683	11,958,084	11,410,250	5.3%
3	20	2100	Backflow Charges	27,433	29,267	31,269	33,939	36,985	40,000	19,392	38,000	40,000	0.0%
		2200	Set-up Fees	26,000	23,805	25,094	23,378	25,870	27,270	15,382	24,140	27,270	0.0%
		2300	Late Fees	183,050	192,067	208,337	257,897	240,458	252,000	145,051	290,000	290,000	15.1%
3	40	4100	Service Installations	101,312	112,763	141,820	343,614	283,038	250,000	125,471	250,000	250,000	0.0%
		4200	Sub-Divison Projects	11,817	26,030	44,776	61,394	10,927	50,000	4,381	10,000	50,000	0.0%
		4300	Other Service income	101,687	151,203	137,388	133,948	144,755	150,000	76,128	150,000	150,000	0.0%
3	50	5100	Interest Income	50,835	119,570	217,527	173,818	54,242	70,000	53,505	70,000	70,000	0.0%
		5200	Rental Income	42,664	49,680	52,195	80,725	74,921	65,920	48,895	57,000	16,000	-75.7%
3	60	6100	Scrap Metal Sales	5,762	11,776	10,133	7,048	11,968	7,500	25,973	26,000	7,500	0.0%
		6200	Construction Plan Sales	0	50	-	-	-	-	0	0	-	-
		6600	Other Misc. Income	39,885	25,718	36,768	45,135	46,134	40,000	33,667	40,000	40,000	0.0%
		6800	Gresham Utility Tax	283,406	295,954	314,754	302,289	362,127	415,000	226,526	415,000	432,015	4.1%
		6900	Portland Utility Tax	112,157	123,537	126,107	157,893	161,451	190,000	101,828	190,000	197,790	4.1%
		7000	Fairview Utility Tax	5,482	10,180	9,428	10,330	11,191	13,600	7,377	13,600	14,158	4.1%
3	90	9200	Interfund Transfers	47,920	145,000	145,000	165,000	498,328	365,000	0	365,000	505,000	38.4%
		9300	Fixed Asset Disposition		590,878	-	23,312	31,150	500,000	125	20,000	500,000	0.0%
		9500	Other Government Agencies	17,500	18,500	27,160	353,302	906,544	18,500	252,301	318,500	18,500	0.0%
			Revenue	15,310,635	17,815,800	20,309,664	21,151,336	22,123,125	20,935,600	16,297,742	23,036,381	24,437,829	16.7%
			EXPENSE ACCOUNTS										
5	10	4450	Salaries/Wages	1,498,425	1,607,835	1,717,686	1,870,049	1,956,608	2,018,961	975,832	2,000,000	2,302,200	14.0%
		4500	Office Overtime	573	907	1,319	804		1,500	0	200	1,000	-33.3%
		4550	Field Overtime	17,605	11,927	16,755	13,654	15,857	16,000	5,989	16,000	16,000	0.0%
		4600	On Call Pay	52,767	51,065	54,285	54,315	55,793	69,233	30,505	59,700	76,600	10.6%
		4610	Water Certifications	13,584	12,704	12,472	14,152	15,018	14,040	6,745	14,000	12,500	-11.0%
		4620	Employee Bonus	-	-	0	0	0	1,000	0	0	1,000	0.0%
		4630	Market Based Wage Adjustment	-	-	0	0	0	15,000	0	0	15,000	0.0%
		4800	Social Security	97,426	103,500	108,882	117,577	120,193	132,415	61,474	126,280	141,700	7.0%
		4810	Medicare	23,082	24,547	25,992	28,159	28,845	30,968	14,396	31,100	33,200	7.2%
		4820	Unemployment Insurance	3,091	1,262	1,821	1,984	2,183	6,407	468	2,000	2,300	-64.1%
		4830	Tri-Met Payroll Tax	8,698	9,269	13,654	14,926	15,498	15,456	3,561	15,330	16,600	7.4%
		4840	Workers Compensation	16,746	6,188	11,637	16,292	15,539	25,742	9,188	25,500	27,600	7.2%
		4900	P.E.R.S	274,593	331,530	378,853	501,050	484,867	591,512	278,783	528,390	606,500	2.5%
		4920	Employee Insurance Expense	335,130	355,748	387,098	441,426	491,772	557,189	255,449	513,776	549,000	-1.5%
		4930	Oregon Paid Leave Law									4,400	
*			Personnel Services	2,341,720	2,516,482	2,730,454	3,074,388	3,202,172	3,495,423	1,642,390	3,332,276	3,805,600	8.9%
5	20	5010	Water Purchase from Portland	2,697,837	2,713,064	2,785,902	3,167,838	3,113,709	3,004,860	1,385,116	3,114,305	3,088,892	2.8%
		5110	Contract Services	59,826	65,458	75,492	81,227	71,612	110,156	41,781	78,395	125,430	13.9%

		FY16/17	FY17/18	FY18/19	FY19/20	FY 20/21	FY21/22	FY21/22	FY21/22	FY22/23	% Change
		Actual	Actual	Actual	Actual	Actual	Budget	YTD	End of Year	Proposed	FY21/22 vs
	ACCOUNT DESCRIPTION							6 mo.w/Ench	Projections		FY22/23
	5120 Technical & Consulting	19,716	25,851	7,768	4,937	21,884	38,000	2,485	27,606	65,000	71.1%
	5130 Auditing	14,646	15,990	16,940	10,300	17,820	19,020	12,350	17,450	19,020	0.0%
	5140 Legal Services	22,861	22,448	13,406	43,097	78,152	100,000	5,753	20,000	100,000	0.0%
	5210 Telephone/Cell Phone	41,863	44,197	28,303	35,880	35,595	36,140	19,294	45,844	42,140	16.6%
	5220 Sewer/Storm	5,410	3,474	5,821	6,382	9,384	8,050	2,730	7,637	8,050	0.0%
	5230 Heating/Electricity	21,079	17,891	20,238	22,345	21,895	23,575	7,444	14,888	16,500	-30.0%
	5310 Engineering Supplies	550	368	97	-	600	1,000	-	700	1,000	0.0%
	5320 Office Supplies	26,423	29,010	30,595	32,463	26,403	32,000	21,969	30,000	24,000	-25.0%
	5330 Postage	40,279	40,399	40,300	41,152	40,005	45,300	17,842	39,271	45,300	0.0%
	5410 Conservation	61,885	39,882	33,747	21,846	26,941	56,350	1,200	24,700	56,350	0.0%
	5420 Elections/Legal Advertising	2,551	3,111	2,895	2,631	3,087	3,000	228	2,770	3,000	0.0%
	5430 Insurance General	60,268	74,328	69,577	74,039	80,287	92,005	47,831	83,700	96,839	5.3%
	5440 Safety Gear and Equipment	13,435	19,249	13,591	25,052	22,920	23,000	9,311	22,000	23,000	0.0%
	5450 Training and Education	27,090	30,511	33,787	19,365	6,745	31,500	2,848	24,000	41,500	31.7%
	5460 Dues, License and Subscriptions	19,367	55,895	84,075	87,040	111,634	93,450	62,853	96,946	93,766	0.3%
	5470 Office Equipment	6,668	1,876	733	324	1,047	2,000	877	1,547	2,000	0.0%
	5510 Computer/Office Equipment Maint.	3,719	6,076	1,540	119	980	4,400	1,320	1,200	7,400	68.2%
	5520 Building & Grounds Maintenance	58,197	57,564	59,470	65,111	96,140	80,960	25,606	55,742	74,460	-8.0%
	5530 Shop Equipment Maint.	6,983	8,731	8,536	6,412	9,054	10,000	1,448	2,000	10,000	0.0%
	5540 Vehicle Maintenance	29,050	47,475	30,020	33,199	30,229	35,000	12,601	32,000	35,000	0.0%
	5550 Tires	5,307	7,854	6,716	7,423	6,554	8,000	2,895	8,000	14,000	75.0%
	5560 Gas, Lubricants, Disposal	23,028	28,741	27,878	28,180	24,997	30,000	13,437	27,000	30,000	0.0%
	5570 Small Tools and Equipment	3,711	13,738	7,925	10,544	8,956	10,000	9,721	15,000	10,000	0.0%
	5610 Utility Operating Supply	234,651	214,630	263,087	229,442	252,090	275,000	178,902	250,000	300,000	9.1%
	5620 Water Sampling and Testing	22,803	29,952	25,509	36,239	26,956	40,000	12,659	30,000	65,000	62.5%
	5625 Water Quality and Notices	6,950	5,565	5,766	7,023	6,393	8,000	-	7,000	8,000	0.0%
	5630 Reservoir Maintenance	11,658	6,526	3,925	8,688	4,710	10,000	5,909	8,000	15,000	50.0%
	5640 Meter Maintenance	16,368	14,695	21,024	30,892	10,020	40,000	9,014	17,345	40,000	0.0%
	5650 Hydrant Maintenance	1,880	0	2,461	2,695	3,883	3,000	1,662	2,500	3,000	0.0%
	5660 Telemetry	11,658	1,748	19,585	13,890	21,921	20,112	11,470	13,076	15,192	-24.5%
	5670 Pumping	35,222	43,935	40,395	35,961	44,003	41,720	19,181	34,867	41,720	0.0%
	5710 Board Meeting Fees	3,800	3,979	5,350	3,475	3,750	5,800	1,500	3,450	5,800	0.0%
	5720 Director's Expense	12,536	23,956	20,596	9,043	3,130	24,000	952	10,000	24,000	0.0%
	5730 Manager's Expense	1,203	2,877	2,753	7,404	761	7,000	875	2,563	7,000	0.0%
	5740 General Office	52,046	51,368	57,025	46,724	63,211	64,900	30,646	59,213	64,900	0.0%
	5750 Cash Over/Short	43	34	2	-	-	-	20	20	-	
	5760 Bad Debt Expense	21,471	10,729	24,476	18,856	25,232	25,000	-	25,000	25,000	0.0%
	5770 Gresham Utility Tax	282,824	294,745	310,485	316,603	382,342	415,000	97,161	377,570	432,015	4.1%
	5780 Portland Utility Tax	111,624	121,393	139,354	143,245	160,961	190,000	68,509	172,500	197,790	4.1%
	5790 Fairview Utility Tax	5,481	10,198	10,369	10,023	11,162	13,600	2,944	12,330	14,158	4.1%
	5800 Customer Assistance	25,956	20,128	22,922	22,115	23,199	60,000	12,333	30,000	60,000	0.0%
	5820 Taxes and Assessments	2,943	2,725	0	10,256	6,045	3,100	6,933	6,933	3,100	0.0%
	Material and Services	4,132,866	4,232,364	4,380,436	4,779,480	4,916,400	5,143,998	2,169,610	4,855,068	5,354,322	4.1%
5 40	6010 Water System	439,476	175,171	1,058,049	3,456,947	2,530,254	1,153,920	231,847	948,400	722,200	-37.4%
	6020 Meters	20,000	15,364	35,829	90,984	115,968	65,000	28,047	65,000	65,000	0.0%
	6030 Meter Upgrades	7,676	7,769	10,318	48,830	44,805	50,000	6,980	50,000	50,000	0.0%
	6110 Meter/Field Equipment	-	0	15,769	835	16,681	27,000	3,399	20,000	25,000	-7.4%
	6120 Shop Equipment	-	4,395	0	5,414	2,499	5,000	-	5,000	8,800	76.0%

			FY16/17	FY17/18	FY18/19	FY19/20	FY 20/21	FY21/22	FY21/22	FY21/22	FY22/23	% Change
		ACCOUNT DESCRIPTION	Actual	Actual	Actual	Actual	Actual	Budget	YTD	End of Year	Proposed	FY21/22 vs
									6 mo.w/Encb	Projections		FY22/23
	6130	Automotive/Equipment	-	0	119,372	224,108	237,177	201,277	156,908	198,500	240,000	19.2%
	6140	Computer/Office Equipment	80,662	55,985	24,155	20,960	73,729	94,850	40,272	100,500	33,500	-64.7%
	6210	Buildings	11,739	19,244	9,275	-	-	39,662	20,000	25,000	39,000	-1.7%
	6220	Land		-	1,169,048	-	21,243	500,000	-	-	500,000	0.0%
	*	Capital Outlay	559,553	277,928	2,441,815	3,848,078	3,042,354	2,136,709	487,453	1,412,400	1,683,500	-21.2%
5	60	7110 Transfers to Other Funds - *Debt	463,925	461,450	463,125	468,925	2,403,000	2,817,291		2,817,291	1,735,950	-38.4%
		*Groundwater Operations	160,000	170,000	181,388	180,000	180,000	200,000		200,000	220,000	10.0%
		Fund 601 Groundwater Construction						-			0	
		*Rate Stabilization			0	0	0	0		-	0	
	*	Transfers	623,925	631,450	644,513	648,925	2,583,000	3,017,291	-	3,017,291	1,955,950	-35.2%

			FY16/17	FY17/18	FY18/19	FY19/20	FY 20/21	FY21/22	FY21/22	FY21/22	FY22/23	% Change
		ACCOUNT DESCRIPTION	Actual	Actual	Actual	Actual	Actual	Budget	YTD 6 mo.w/Ench	End of Year Projections	Proposed	FY21/22 vs FY22/23
5	70	7210 Contingency	-	-		-	-	1,400,000	-	-	1,500,000	7.1%
	*	Contingency	-	-	-	-		1,400,000	-	-	1,500,000	7.1%
5	90	8010 Unapprop. Ending Fund Balance	-	10,157,576	10,112,446	8,800,465	8,379,198	5,742,179	11,998,289	10,419,346	10,138,457	76.6%
	*	Ending Fund Balance	-	10,157,576	10,112,446	8,800,465	8,379,198	7,142,179	11,998,289	10,419,346	11,638,457	63.0%
			=====	=====	=====	=====		=====	=====	=====	=====	=====
		Total Personnel Service	2,341,720	2,516,482	2,730,454	3,074,388	3,202,172	3,495,423	1,642,390	3,332,276	3,805,600	8.9%
		Total Material and Services		4,232,364	4,380,436	4,779,480	4,916,400	5,143,998	2,169,610	4,855,068	5,354,322	4.1%
		Total Capital Outlay	559,553	277,928	2,441,815	3,848,078	3,042,354	2,136,709	487,453	1,412,400	1,683,500	-21.2%
		Total All other Uses	623,925	631,450	644,513	648,925	2,583,000	3,017,291	-	3,017,291	1,955,950	-35.2%
		Contingency	-	0	0	0	0	1,400,000	-	-	1,500,000	7.1%
		Unapp. Ending Fund Balance	-	10,157,576	10,112,446	8,800,465	8,379,198	5,742,179	11,998,289	10,419,346	10,138,457	76.6%
			3,525,198	7,658,224	20,309,664	21,151,336	22,123,125	20,935,600	16,297,742	23,036,381	24,437,829	16.7%
		Ending Balance w/Contingency For FY 2020/21	11,785,437	10,157,576	10,112,446	8,800,465	8,379,198	7,142,179		10,419,346	11,638,457	63.0%

				FY16/17	FY17/18	FY18/19	FY19/20	FY 20/21	FY21/22	FY21/22	FY21/22	FY22/23	% Change
				Actual	Actual	Actual	Actual	Actual	Budget	YTD	End of Year	Proposed	FY21/22 vs
			ACCOUNT DESCRIPTION							6 mo.w/Ench	Projections		FY22/23
			FUND 201 - SYSTEM DEVELOPMENT FUND - REIMBURSEMENT										
			INCOME ACCOUNTS								Audited		
3	1	101	Beginning Fund Balance	\$340,696	\$442,729	\$488,792	\$512,492	\$735,763	\$696,263	\$853,220	\$853,220	\$813,720	16.9%
3	40	4500	System Development Fees	97,600	137,042	107,432	305,019	407,672	200,000	141,138	250,000	250,000	25.0%
3	50	5100	Interest Income	4,433	9,021	16,268	18,252	9,785	10,000	3,928	10,500	10,000	0.0%
			Revenue	442,729	588,792	612,492	835,763	1,153,220	906,263	998,287	1,113,720	1,073,720	18.5%
			EXPENSE ACCOUNTS										
5	60	7110	Transfers to Other Funds	0	100,000	100,000	100,000	300,000	300,000	-	300,000	300,000	0.0%
5	90	8010	Ending Fund Balance	442,729	488,792	512,492	735,763	853,220	606,263	-	813,720	773,720	27.6%
			FUND 202 - SYSTEM DEVELOPMENT FUND - IMPROVEMENT										
			INCOME ACCOUNTS								Audited		
3	1	101	Beginning Fund Balance	\$9,210	\$24,928	\$48,097	\$66,052	\$118,246	\$179,446	\$231,275	231,275	\$312,475	74.1%
3	40	4500	System Development Fees	15,520	22,529	16,512	50,284	111,703	60,000	42,160	80,000	80,000	33.3%
3	50	5100	Interest Income	198	640	1,443	1,910	1,326	1,200	651	1,200	1,200	0.0%
			Revenue	24,928	48,097	66,052	118,246	231,275	240,646	274,085	312,475	393,675	63.6%
			EXPENSE ACCOUNTS										
5	60	7110	Transfers to Other Funds	0	0	0	0	0	0	-	-	0	
5	90	8010	Ending Fund Balance	24,928	48,097	66,052	118,246	231,275	240,646		312,475	393,675	63.6%

				FY16/17	FY17/18	FY18/19	FY19/20	FY 20/21	FY21/22	FY21/22	FY21/22	FY22/23	% Change
				Actual	Actual	Actual	Actual	Actual	Budget	YTD 6 mo.w/Ench	End of Year Projections	Proposed	FY21/22 vs FY22/23
			ACCOUNT DESCRIPTION										
			FUND 301 - DEBT RESERVE FUND										
			INCOME ACCOUNTS										
3	1	101	Beginning Fund Balance	\$509,147	\$514,879	\$523,991	\$537,563	\$549,330	\$559,830	\$553,753	Audited 553,753	\$1,688,373	201.6%
3	50	5100	Interest Income	5,732	9,112	13,572	11,767	4,423	6,000	-	5,200	6,000	0.0%
3	90	9200	Transfers from Other Funds	463,925	461,450	463,125	468,925	463,000	2,817,291	1,436	2,817,291	1,735,950	-38.4%
			Revenue	978,804	985,441	1,000,688	1,018,255	1,016,753	3,383,121	555,189	3,376,244	3,430,323	1.4%
			EXPENSE ACCOUNTS										
5	60	7110	Transfer to Debt Service Fund 401	463,925	461,450	463,125	468,925	463,000	1,687,871		1,687,871	1,479,150	-12.4%
5	90	8010	Ending Fund Balance	514,879	523,991	537,563	549,330	553,753	1,695,250		1,688,373	1,951,173	15.1%
			FUND 401 - DEBT SERVICE FUND										
			INCOME ACCOUNTS										
3	1	101	Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	Audited \$0.00	\$0	
3	90	9200	Transfer from Fund 301	463,925	461,450	463,125	468,925	463,000	1,687,871	-	1,687,871	1,479,150	-12.4%
			Revenue	463,925	461,450	463,125	468,925	463,000	1,687,871	0	1,687,871	1,479,150	-12.4%
			EXPENSE ACCOUNTS										
5	50	7050	Payments on Financing	250,000	255,000	265,000	280,000	285,000	1,046,480	321,361	1,046,480	790,000	-24.5%
5	50	7070	Interest on Financing	213,925	206,450	198,125	188,925	178,000	641,391	-	641,391	689,150	7.4%
5	90	8010	Ending Fund Balance	-	-	-	-	-	-	(321,361.25)	-	-	

	FY16/17	FY17/18	FY18/19	FY19/20	FY 20/21	FY21/22	FY21/22	FY21/22	FY22/23	% Change
ACCOUNT DESCRIPTION	Actual	Actual	Actual	Actual	Actual	Budget	YTD	End of Year Projections	Proposed	FY21/22 vs FY22/23
						6 mo.w/Endb				
FUND 501 - GROUNDWATER PRODUCTION FUND										
INCOME ACCOUNTS										
3 1 101 Beginning Fund Balance	\$160,280	\$213,738	\$261,526	\$225,295	\$282,849	\$362,369	\$74,796	Audited \$74,796	\$43,796	-87.9%
3 50 5100 Interest Income	765	2,253	3,213	1,776	969	3,000	-	2,000	3,000	0.0%
3 90 9200 Interfund Transfer - Fund 100	160,000	170,000	181,388	180,000	180,000	200,000	-	200,000	220,000	10.0%
3 90 9400 City of Gresham	175,920	160,000	181,388	180,000	165,602	200,000	100,000	200,000	200,000	0.0%
Revenue	496,965	545,991	627,515	587,071	629,420	765,369	174,796	476,796	466,796	-39.0%
EXPENSE ACCOUNTS										
5 20 5530 Equipment Maintenance	23,655	91	6,915	11,284	16,539	10,000	-	5,000	10,000	0.0%
5610 Operating Supplies	10,458	16,148	27,130	7,170	29,561	30,000	19,119	40,000	30,000	0.0%
5615 Wellhead Protection	60,000	60,968	68,495	70,000	70,000	70,000	70,000	70,000	70,000	0.0%
5620 Testing	1,392	544	1,310	5,486	1,863	5,000	351	3,000	5,000	0.0%
5630 Reservoir Maintenance	8,141	0	930	-	-	5,000	6,958	10,000	5,000	0.0%
5670 Pumping	131,660	161,714	252,438	145,282	238,333	200,000	160,469	240,000	235,000	17.5%
5 60 7110 Transfer to General Fund 101	47,920	45,000	45,000	65,000	198,328	65,000	-	65,000	65,000	0.0%
Expense	283,226	284,465	402,218	304,222	554,624	385,000	256,897	433,000	420,000	9.1%
5 90 8010 Ending Fund Balance	213,739	261,526	225,297	282,849	74,796	380,369		43,796	46,796	-87.7%

			FY16/17	FY17/18	FY18/19	FY19/20	FY 20/21	FY21/22	FY21/22	FY21/22	FY22/23	% Change
			Actual	Actual	Actual	Actual	Actual	Budget	YTD	End of Year	Proposed	FY21/22 vs
		ACCOUNT DESCRIPTION							6 mo.w/Ench	Projections		FY22/23
		FUND 601 - GROUNDWATER CONSTRUCTION FUND										
		INCOME ACCOUNTS										
3	1	101 Beginning Fund Balance					\$0	\$16,298,000	\$18,491,357	Audited \$18,491,357	\$12,664,357	
3	90	9600 Bond Proceeds					18,531,702		-			
3	90	9650 WIFIA Loan Proceeds					-	5,000,000		2,000,000	15,000,000	
3	50	5100 Interest Income					-	-			-	
3	90	9200 Interfund Transfer - Fund 100					1,940,000	-	-		-	
3	90	9400 City of Gresham						8,711,644	1,238,136	4,000,000	6,826,000	
		Revenue					20,471,702	30,009,644	\$19,729,493	\$24,491,357	34,490,357	14.9%
		EXPENSE ACCOUNTS										
5	20	5110 Contracting Services						200,000	106,267	200,000	150,000	
		5120 Groundwater Eng and PM					1,980,346	3,344,000	491,727	1,827,000	5,780,000	
5	40	6035 Groundwater Construction						20,994,500	2,691,415	9,800,000	21,711,794	
		6220 Land						-			-	
5	60	7110 Transfer to Other Funds						-			140,000	
		Expense					1,980,346	24,538,500	\$3,289,409	\$11,827,000	\$27,781,794	13.2%
5	90	8010 Ending Fund Balance					18,491,356	5,471,144		\$12,664,357	6,708,563	

10 Year Vehicle Replacement Plan

FY 2022/23

Prepared by Joey Schlosser 4/4/2022

(Prepared by: J. Schlosser 04042022)

Vehicle No.	Year	Make	Model	Miles/ Hours	Vin #	Fuel	Trade Value											Replace with,	Cost - Comparisons	Cost - New	Budget Cost																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
								2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32					2032/33																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
TRUCKS																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				

EQUIPMENT																						
RW 48	2020	Freightliner	12 YARD	5,345	1FVHC5FE0LHLV8476	Diesel	\$0												Replaced in February 2021			
RW 49	2021	Freightliner	12 YARD	2946.4	1FVHC5FE0LHLV8476	Diesel	\$0												Replaced in September of 2021			
RW 28	2000	Volvo	12 YARD	30,069.10	4V5JC2HE7YN870074	Diesel	\$0						X						2026 F-450 with Dump Body dump box and flasher	\$50,000 \$20,000	\$70,000	\$70,000
RW 29	2001	Freightliner	12 YARD	48,284	1FVHBXBS11HH90701	Diesel	\$0							X					New rules will require this replaceme 2027 Freightliner M2 112 Dump Truc Columbia dump box with tarp for asph:	\$101,000 \$42,000	\$143,000	\$143,000
RW 32	2002	International	Service	49,317	1HTMMAAN32H529178	Diesel	Surplus @end of 23/24 \$25,000	X											OR CAT Tax Freightliner M2 10t Custom Enclosed Utility Bo:		\$870 \$94,258 \$127,375	\$197,503
RW 33	2002	International	Service	50,904	1HTMMAAN52H529179	Diesel	Surplus @end of 24/25 \$25,000		X										OR CAT Tax Freightliner M2 10t Custom Enclosed Utility Bo:		\$870 \$94,258 \$127,375	\$197,503
BACKHOE JD-2	1993	John Deere	Backhoe 710C	8147 Hours	T0710CD785777	Diesel	\$10,000												Surplus in 2026/2			

Replaced Vehicle:

[illegible]

10-Year Information Technology Replacement Plan

FY 2022/2023

Prepared by Kerry Aden 01/05/22 Updated 01/07/22

Component ID	Year	Make	Replacement Fiscal Year									
			22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32
COMPUTERS												
RW-LT03 Assistant Superintendent	2021 FY20/21	Dell Inspiron 3510					\$2,500					\$2,500
RW-PC16 Customer Account Specialist Lead	2018 FY18/19	Dell OptiPlex 3050		\$1,500					\$1,500			
RW-PC04 Customer Account Specialist I	2017 FY16/17	Dell Optiplex 3050	\$1,500					\$1,500				
RW-PC15 Customer Account Specialist II	2018 FY18/19	Dell OptiPlex 3050		\$1,500					\$1,500			
RW-LT11 District Superintendent	2021 FY20/21	Dell Inspiron 3510					\$2,500					\$2,500
RW-PC14 Engineer	2018 FY18/19	Dell Precision 5820 Customized			\$5,000					\$5,000		
RW-PC17 Engineer Associate	2019 FY18/19	Dell Precision 5820 Customized			\$5,000					\$5,000		
RW-LT08 General Manager	2019 FY19/20	Dell Latitude 5580				\$2,500					\$2,500	
RW-LT07 Government Affairs Coordinator	2018 FY17/18	Dell Latitude 5580	\$2,500					\$2,500				
RW-PC20 Locates	2020 FY19/20	Dell OptiPlex 3070				\$1,500					\$1,500	
RW-PC19 Mechanic	2020 FY19/20	Dell OptiPlex 3070				\$1,500					\$1,500	
RW-PC12 consider going to laptop Office Supervisor	2017 FY17/18	Dell OptiPlex 3050	\$2,500					\$2,500				
RW-PC18 Receptionist	2020 FY19/20	Dell OptiPlex 3070				\$1,500					\$1,500	
RW-PC13 consider going to laptop Senior Accountant	2017 FY17/18	Dell OptiPlex 3050	\$2,500					\$2,500				
RW-LT09 Water Operations Specialist	2021 FY20/21	Dell Inspiron 3510					\$2,500					\$2,500
RW-LT12 Water Operations Support Specialist (Pacheco)	2021 FY21/22	Dell Latitude 3420					\$2,500					\$2,500
RW-PC11 Water Operations Support Specialist (Kipp)	2017 FY17/18	Dell OptiPlex 3050	\$1,500					\$1,500				
BOARD ROOM COMPUTER	2018 FY17/18	Dell Latitude 5580		\$2,500					\$2,500			
MONITORS/PRINTERS												
2 Monitors/1 Printer	2021	Viewsonic VS14768					\$1,000				\$1,000	

Component ID	Year	Make	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32
Assistant Superintendent	FY20/21	Dell 2350d										
2 Monitors/1 Printer	2018	Dell P2219H		\$1,000					\$1,000			
Customer Account Specialist Lead	FY18/19	HP 1606dn										
2 Monitors/1 Printer	2017	Viewsonic VG2253	\$1,000					\$1,000				
Customer Account Specialist I	FY17/18	HP P1606dn										
2 Monitors/1 Printer	2018	Dell P2219H		\$1,000					\$1,000			
Customer Account Specialist II	FY18/19	HP 1606dn										
2 Monitor/1 Printer	2021	Viewsonic VS14768					\$1,000					\$1,000
District Superintendent	FY20/21	HP LaserJet 1320										
2 Monitors/1 Printer	FY18/19	Dell U2417H			\$3,200						\$3,200	
Engineer	FY18/19	HP LaserJet M750dn										
2 Monitors	2019	Dell U2417H			\$1,000						\$1,000	
Engineer Associate	FY18/19											
2 Monitors/1 Printer	2018	Viewsonic VG2253				\$1,000		\$1,000				
General Manager	FY17/18	None										
2 Monitors/1 Printer	FY21/22	Viewsonic VG2439SMH						\$1,000				
Government Affairs Coordinator	FY18/19	HP LaserJet Pro M452nw										
1 Monitor/1 Printer	2020	Viewsonic VG2253				\$650				\$650		
Locates	FY19/20	None										
1 Monitor/1 Printer	2020	Viewsonic VG2253				\$650				\$650		
Mechanic	FY19/20	HP 1606dn										
2 Monitors/1 Printer	FY17/18	Viewsonic VS14768	\$1,000					\$1,000				
Office Supervisor	FY17/18	HP LaserJet Pro M452dn										
1 Monitor/1 Printer	2020	Viewsonic VG2253				\$650				\$650		
Receptionist	FY19/20	HP 1606dn										
2 Monitors/1 Printer	FY17/18	Viewsonic VS14768	\$1,000					\$1,000				
Senior Accountant	2017	HP 1606dn										
1 Monitor/1 Printer	2021	Viewsonic					\$650					\$650
Water Operations Specialist	FY20/21	HP LaserJet Pro M452dn										
2 Monitors/1 Printer	2021	Viewsonic VG2439SMH						\$1,000				
Water Operations Support Specialist (Pacheco)	2014	HP1606dn										
2 Monitors/1 Printer	2021	Viewsonic VG2439SMH						\$1,000				
Water Operations Support Specialist (Kipp)	2014	HP 1606dn										
EQUIPMENT												
SERVER	2017	HP ProLiant					\$25,000					\$25,000
	FY16/17	Xeon E5-2620 SRV-DC										
DATTO BACKUP APPLIANCE	2021	4 TB					\$2,000					\$2,000
	FY21/22											
COPIER/FAX/SCANNER	2014	Richo MP C4503		\$15,000								
WIRELESS ACCESS POINTS	2017	UniFi Ubiquiti										
	2021	Board Room/Lunch Room										
ENGINEERING PLOTTER	2018	Canon image PROGRAF							\$10,000			
	FY18/19	TM-305										
FIREWALL	2017	Tz400	\$3,000					\$3,000				

Component ID	Year	Make	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32
	FY16/17											
SWITCHES	2018	Dell N1500										
Server Room and Operations (2)	FY17/18	Lifetime Warranty										
PHONE SYSTEM	2015	Mitel Office 250				\$15,000						
CELL PHONES	2021	20 iPhones (\$200)			\$200							
	FY20/21	Apple iPhone XR										
IPADS	2018 FY18/19	6 - APPLE iPd6genA1954 (Board and Customer Service) \$400	\$2,400									
	2021 FY20/21	1 - APPLE iPd8gen 32GB SGY (Engineering) \$400					\$400					
	2021 FY21/22	4 - APPLEiPdPro13 21 128GB SGY (On/Off, Locates, Team A Jones, Team B Bray) \$600						\$2,400				
PROJECTS												
ADDITIONAL SERVER/UPGRADE							\$15,000					\$15,000
WIRELESS ACCESS POINT FOR THE SHOP/METER ROOM/FIELD LUNCH ROOM AREA			\$1,000									
ADDITIONAL CAMERA FOR BOARD ROOM			\$5,100									
FY Budget Projection			\$25,000	\$22,500	\$14,400	\$24,950	\$55,050	\$22,900	\$17,500	\$11,950	\$12,200	\$53,650

Monthly Regional Bill Comparison
FY 2021/22 Utility Total Monthly Charge

(comparisons are adjusted to 6ccf or 4,500 gallons per month)

	Utility Name	Meter Size	Monthly charge	Per ccf	1000 gals	6 ccf	Monthly Total Charge
	Troutdale	5/8"	0		\$5.07	\$22.82	\$22.82
	Raleigh	5/8"	\$12.05	\$2.20		\$13.20	\$25.25
	Oak Lodge	5/8"	\$18.14	1.2/1.61	tier	\$7.61	\$25.75
	Sandy	5/8"	\$8.23	\$3.13		\$18.78	\$27.01
	Tualatin	5/8"	\$9.42	\$3.34		\$20.04	\$29.46
	Wood Village	5/8"	\$26.69	\$1.90	tier	\$3.80	\$30.49
FY 21/22	Rockwood PUD	5/8"	\$13.00	\$3.10		\$18.60	\$31.60
	Fairview	5/8"	\$18.30	\$2.12		\$12.72	\$31.02
	Milwaukee	5/8"	\$8.69	\$3.94		\$23.64	\$32.33
Recommened FY 22/23	Rockwood PUD	5/8"	\$13.70	\$3.20		\$19.20	\$32.90
	Sunrise	5/8"	\$18.90	2.63/3.15	tier	\$15.78	\$34.68
	Wilsonville	5/8"	\$17.09	\$4.23		\$16.92	\$34.01
	Forest Grove	3/4"	\$25.67		\$1.94	\$8.73	\$34.40
	Hillsboro	5/8"	\$18.50	\$3.00	tier	\$18.00	\$36.50
	Gladstone	3/4"	\$28.86	\$1.63	tier	\$9.78	\$38.64
	Cornelius	5/8"	\$24.17		\$4.50	\$20.25	\$44.42
	Newberg	5/8"	\$19.88	\$4.17		25.02	\$44.90
	CRW	3/4"	\$28.59		tier	\$16.76	\$45.35
	Gresham	5/8"	\$28.04	\$3.07		\$18.42	\$46.46
	Lake Oswego	5/8"	\$28.79	\$3.03		\$18.18	\$46.97
	Beaverton	5/8"	\$18.50	\$4.89		\$29.34	\$47.84
	Sherwood	5/8"	\$21.95		\$6	\$27.00	\$48.95
	West Slope	5/8"	\$18.71	\$5.73		\$34.38	\$53.09
	Portland	5/8"	\$18.24	\$6.03		\$36.17	\$54.41
	TVWD	5/8"	\$18.60	\$6.15		\$36.90	\$55.50
	Tigard	5/8"	\$31.67	\$4.41		\$26.46	\$58.13

FY 2020/21 Utility Total Monthly Charge

(comparisons are adjusted to 6ccf or 4,500 gallons per month)

Accounts	Utility Name	# Accounts	Meter Size	Monthly charge	Per ccf	1000 gals	6 ccf	Total Charge
0 - 5,000	Troutdale	4683	5/8"	0		\$5.07	\$22.82	\$22.82
	Raleigh	1022	5/8"	\$12.05	\$2.20		\$13.20	\$25.25
	Sandy	3987	5/8"	\$8.23	\$3.13		\$18.78	\$27.01
	Wood Village		5/8"	\$26.69	\$1.90	tier	\$3.80	\$30.49
	Fairview		5/8"	\$18.30	\$2.12		\$12.72	\$31.02
	Gladstone	3645	3/4"	\$28.86	\$1.63	tier	\$9.78	\$38.64
	Cornelius	3456	5/8"	\$24.17		\$4.50	\$20.25	\$44.42
	West Slope	3240	5/8"	\$18.71	\$5.73		\$34.38	\$53.09
5,001 - 10,000	Oak Lodge	8272	5/8"	\$18.14	1.2/1.61	tier	\$7.61	\$25.75
	Tualatin	7051	5/8"	\$9.42	\$3.34		\$20.04	\$29.46
	Milwaukee	6890	5/8"	\$8.69	\$3.94		\$23.64	\$32.33
	Wilsonville	6844	5/8"	\$17.09	\$4.23		\$16.92	\$34.01
	Forest Grove	6858	3/4"	\$25.67		\$1.94	\$8.73	\$34.40
	Newberg	7240	5/8"	\$19.88	\$4.17		25.02	\$44.90
	Sherwood	5533	5/8"	\$21.95		\$6	\$27.00	\$48.95
10,001 - 25,000	Rockwood PUD	13659	5/8"	\$13.00	\$3.10		\$18.60	\$31.60
	Rockwood 2022		5/8"	\$13.70	\$3.20		\$19.20	\$32.90
	Sunrise	16191	5/8"	\$18.90	2.63/3.15	tier	\$15.78	\$34.68
	CRW	12812	3/4"	\$28.59		tier	\$16.76	\$45.35
	Gresham	17513	5/8"	\$28.04	\$3.07		\$18.42	\$46.46
	Lake Oswego	12560	5/8"	\$28.79	\$3.03		\$18.18	\$46.97
	Beaverton	26817	5/8"	\$18.50	\$4.89		\$29.34	\$47.84
	Tigard	20117	5/8"	\$31.67	\$4.41		\$26.46	\$58.13
25,001 - +	Hillsboro	25943	5/8"	\$18.50	\$3.00	tier	\$18.00	\$36.50
	Portland	187221	5/8"	\$18.24	\$6.03		\$36.17	\$54.41
	TVWD	60094	5/8"	\$18.60	\$6.15		\$36.90	\$55.50

*** Our current labor contract expires 06/30/22 and a new CBA is under negotiation. A COLA of 2.1% has been assigned to the salary scales per the current contract as a placeholder, and will be adjusted according to the results of contract negotiations*

FY 2022/23 Budget

REPRESENTED EMPLOYEES

<u>Position</u>	<u>Step 1</u>	<u>Step 5</u>
Receptionist	\$3,495	\$4,369
Customer Account Specialist I	\$3,981	\$4,976
Customer Account Specialist II	\$4,555	\$5,694
Utility Worker I	\$4,560	\$5,699
Utility Worker II	\$4,634	\$5,792
Meter Technician	\$4,906	\$6,133
Meter Reader	\$4,275	\$5,344
Meter Maintenance II	\$4,634	\$5,792
Lead Person	\$5,440	\$6,800
Water Operations Specialist	\$6,201	\$7,750
Water Operations Support Specialist	\$5,268	\$6,585
Maintenance Mechanic	\$4,965	\$6,082

NON-REPRESENTED EMPLOYEES

<u>Position</u>	<u>Step 1</u>	<u>Step 5</u>
General Manager		\$13,282
District Superintendent	\$8,237	\$10,298
District Engineer	\$8,989	\$11,011
Associate Engineer	\$7,409	\$8,996
Business Office Supervisor	\$7,461	\$9,327
Assistant District Superintendent	\$7,483	\$8,979
Senior Accountant	\$7,026	\$8,368
Governmental Affairs Coordinator	\$6,315	\$7,676