

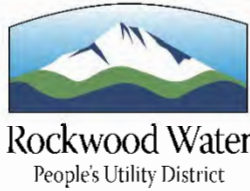
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**BUDGET COMMITTEE MEETING  
ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT  
May 6, 2020  
Following Regular Board Meeting  
District Boardroom or Teleconference - To be Determined**

**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 Stahl
6. Public Comment
7. Overview of Budget Packet Contents - Budget Officer, GM Stahl
8. Discussion and Approval of Budget Items
9. Approve and Recommend to the Board of Directors the Proposed Budget - Action
10. Schedule Next Meeting (If Necessary) - Wednesday, May 27, 2020, 6:00 p.m.
11. Adjournment



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To: Budget Committee  
Rockwood Water People's Utility District

From: Brian R. Stahl  
General Manager/Budget Officer

Date: April 13, 2020

Re: **Fiscal Year (FY) 2020/21 BUDGET MESSAGE AND DOCUMENT  
TRANSMITTAL**

## **BUDGET MESSAGE**

The District successfully completed the development of a Groundwater Development Master Plan (GDMP) and the development of two additional groundwater wells to add to the District's groundwater portfolio. The District also was able to utilize its existing drill contract to add a new well for the City of Gresham at Kirk Park. The GDMP now lays out future development needed by the District and ultimately the joint groundwater partnership with Gresham to avoid the significant future wholesale water purchase costs projected by the City of Portland.

FY 2020/21 will see the start of engineering for our future. Included within the GDMP is the design of a future reservoir at the District's main facility on Halsey Street. Once completed, the new reservoir will allow for repair of the existing reservoir resulting in redundant storage facilities. In addition, engineering for the full development of the District's new well, Cascade 7 at 202<sup>nd</sup> Avenue, will be completed as well as design of a new water transmission line from the well to our Halsey site.

By anticipating need and response, the District will continue to find itself on solid financial ground. Future groundwater development will result in the need for strategic increases in revenue by the District to meet future bonding requirements. Fortunately, the District has been very financially frugal in the past. Prior rate adjustments have maintained the District's position as one of the most economical, cost effective utilities in the region. Moving forward, the District will be planning on modest increases annually to assure its ability to continue to provide high quality, affordable water to its customers. Rate adjustments starting in FY 2020/21 should show increases of around \$3.20 per month for an average customer using 6 hundred cubic feet (ccf) or ~4,5000 gallons of drinking water per month.

With the adoption and implementation of the GDMP, the District will be able to plan for and schedule source development and water transmission projects ahead of our declaration to Portland before June 2021 of no or partial wholesale water purchases into the future beyond 2026.

The advent of the pandemic in 2020 will result in the need for significant financial oversight of the health of the District in the next fiscal year. The economy has already witnessed the drop in economic indicators (DOW, NASDAQ, etc.), the significant number of people filing for unemployment, the small business closures, and the retraction of large businesses to supply chain or reduction in orders. These conditions will have a ripple effect across our region and for the District, in their effects impact our customer's ability to meet their financial obligations. The District will be tracking water demands through its various customer classes and will be monitoring potential lost revenue either in the bill forgiveness program offered by the District, business closures, and employment layoffs in the general public.

Regardless of those financial challenges, FY 2020/21 is slated to be very busy in the areas of groundwater development and infrastructure replacement. The District will be completing groundwater development at three well locations and starting engineering on major construction projects occurring in the near future.

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. These two efforts will provide long range, proactive responses to aging District infrastructure upon which we depend.

The District's 2020 Financial Plan is equipped to handle all personnel, operations and maintenance, capital, debt service and technology expenditures being planned for FY 2020/21. The District will be continuously monitoring its financial health as the full effects of the pandemic manifest across our service area.

To increase revenue stability, and to anticipate implementation of the GDMP, the District is proposing to continue to adjust fixed and variable charges as was started last fiscal year. Next year's rate adjustment is presented to achieve an overall 12.5% rate adjustment for the average District user. Base meter charges will experience a slightly higher rate of adjustment to begin the process of generating more fixed, stable revenue for the District. The commodity sale (variable water sale revenue) will experience a slightly lower adjustment to offset the fixed revenue increase. These adjustments are anticipated to move the District's fixed revenue to 27% (from the current 25%) towards an ultimate goal of 35%-40% fixed revenue.

FY 2019/20 will be hectic with the implementation of the GDMP, greater activity in building and equipment maintenance and building a quicker, more efficient response to operational challenges. The dedicated, professional staff of the District are ready and prepared to accept these challenges, continue to provide exemplary public service to District customers and serve the regional partnerships and community groups with whom the District interacts.

## **BUDGET INTRODUCTION**

Included in this binder is information that will support and inform the development of the FY 2019/20 Budget for the District. It includes the following documents:

- **FY 2020/21 Budget Message**
- **Auditor's Communication to Governing Body on the FY 2018/19 Audit**

- **Calendar Year 2019 Statistics and Highlights**
  - **Conservation**
  - **Customer Service Year to Year Comparison**
  - **Calendar Year 2019 Field Services**
- **2020 Financial Plan Update**
- **FY 2020/21 Budget Detail and Narrative**
- **FY 2020/21 Capital Improvement Plan**
- **Projected FY 2020/21 Fees and Charges**
- **2020 Strategic Plan**
- **Supplemental Information**
  - **2020 District Organization Chart**
  - **FY 2020/23 Five Year Budget Line Code Comparisons**
  - **FY 20/21 10 Year Vehicle/Equipment Replacement Plan**
  - **FY 20/21 10 Year Technology Replacement Plan**
  - **Wage Scales for All District Employees for FY 2020/21**
  - **Monthly Regional Bill Comparison**
  - **Billing System Replacement Memo**

## **FUND STRUCTURE**

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

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, 2019**



12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223



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October 22, 2019

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, 2019. 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.

Pauly, Rogers and Co., P.C.

### **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. The District adopted the provisions of GASB Statement No. 83 *Certain Asset Retirement Obligations* and GASB Statement No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* for the year ended June 30, 2019. Our opinion is not modified with respect to this matter. 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 liability and deferrals for PERS and capital asset depreciation, which are based on estimated collectability of receivables, actuarial assumptions and useful lives of assets. 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 Matters – Future Accounting and Auditing Issues**

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



**GASB 84 – FIDUCIARY ACTIVITIES**

This Statement is effective for fiscal years beginning after December 15, 2018. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

**GASB 87 – LEASES**

This Statement is effective for fiscal years beginning after December 15, 2019. 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, 2019. 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, 2009 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**

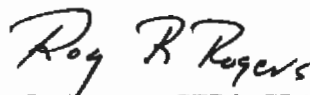
1. Segregation of Duties

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.

2. Safe Access

We noted that all office staff have access to the safe, which could allow for unapproved removal of monies received. While there are multiple reviews in place from the time customer payments are received to their subsequent deposit, we recommend assessing the necessity of having all staff having safe access.

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

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## **MEMORANDUM**

To: Budget Committee  
Rockwood Water People's Utility District

From: Brian R. Stahl, General Manager/Budget Officer

Date: April 16, 2020

Re: Calendar Year 2019 District Highlights

The attached reports represent comparisons of District effort in the Business Services, Field Operations and Water Conservation areas during the 2019 Calendar Year. The calendar year was selected for comparison because all applicable work is completed within an established timeframe in advance of budget preparation and presentation. Calendar years and the efforts during the calendar year time period are compared to reflect District efforts in serving our customers.

## Conservation

Data is from January 1 through December 31 for each year.

	2016	2017	2018	2019	Difference 2018/2019
Conservation Devices	725	392	351	217	-38.2% *
Water Bottles for Filling Station	625	735	846	1,700	100.9%
Outdoor Conservation Kits	92	120	70	50	-28.6%
Indoor Conservation Kits	54	60	33	24	-27.3%
Toilet Rebates	50	47	54	47	-13.0%
School Assembly Programs	11	6	4	1	-75.0%
Festivals and Events	3	4	5	4	-20.0%
Emergency Water Storage Bags	-	-	160	325	103.1%
<p>* In 2016 we began using our water bottle filling station and did not bring as many conservation devices to our outdoor events. In 2017 we began our emergency preparedness campaign and did not bring conservation devices to neighborhood events.</p>					

## Customer Service Year to Year Comparison

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

	2016	2017	2018	2019	Change
Meter Reads	81,712	78,827	82,089	82,739	0.79%
Estimates	98	3,618	80	56	-42.86%
Bills	83,133	83,233	83,477	83,883	0.48%
Late Notices	14,839	14,761	15,137	15,225	0.58%
Door Hangers	6,032	6,109	6,316	6,432	1.80%
Turn Offs	882	845	942	931	-1.18%
Final Reads	1,476	1,135	1,331	1,157	-15.04%
New Accts	1,264	973	1,630	1,424	-14.47%
Bill Assistance	707	561	537	511	-5.09%
Collection Agency	265	206	182	176	-3.41%
Leak Adjustments	209	275	210	202	-3.96%
Phone Calls	26,925	24,278	28,067	26,713	-5.07%
Walk Ins	7,899	6,824	6,246	6,119	-2.08%
Work Orders	331	359	293	249	-17.67%
Misreads	88	140	89	77	-15.58%
Found Ons	24	22	22	16	-37.50%
Meters Pulled	4	3	2	2	0.00%

We had to estimate half a zone due to inclement weather in January 2017.

	2016	2017	2018	2019	Change
E-bills	882	1,030	1,207	1,373	12.09%
Home Bank Pmts	2,287	8,938	14,718	33,448	56.00%



# Technical Memorandum

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**Date:** 3/16/2020  
**Project:** RWPUD 2019 Financial Plan Update  
**To:** Brian Stahl, *General Manager – RWPUD*  
**From:** Josiah Close, *Financial Analyst – HDR*  
Shawn Koorn, *Associate Vice President – HDR*  
**Subject:** RWPUD 2020 Financial Plan Update Draft Memo

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## Introduction

HDR Engineering Inc. (HDR) has been providing technical and financial assistance to the Rockwood Water People’s Utility District’s (District) annually for over five years. This has been through the development of annual financial plan updates to assist the District in developing water rate projections and to inform the Board of future anticipated rate impacts. For the 2020 update, the District again retained HDR Engineering Inc. (HDR) to perform a review and update of the financial rate model which is used to establish the District’s revenue requirement. After the revenue requirement has been established, a rate transition plan can be developed that adequately funds the District’s operations and maintenance (O&M) and capital improvement needs as well as meet financial metrics that are targeted through the projected rate adjustments.

The first component that was developed for the revenue requirement was the O&M expense projection. To develop the O&M projection, HDR utilized the District’s adopted FY 2020 and proposed FY 2021 budgets. In addition, the District’s current capital improvement plan including the projects related to the Groundwater Development Master Plan (GDMP) was used to develop the analysis.

The financial plan forecast includes fiscal year (FY) 2020 through FY 2039, and projects the revenue requirement (operating and maintenance, capital, and financial policy related expenses) over the 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 utilizing a mix of rate revenues, available reserves, long-term borrowing, and system development charges. A critical component of the revenue requirement development for this update was 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 but the tradeoff is the increase in capital improvement projects needed to transition the District to groundwater as its sole water source as well as O&M expenses to maintain and operate the groundwater system. The District recently completed the GDMP in FY 2020 and the Board has adopted the plan and approved the assumed funding methodology incorporated in this financial plan update. The GDMP identifies the specific capital improvements needed for the system in order to provide water service from the groundwater sources. HDR and the District’s

staff have worked together to make general assumptions of future O&M costs which will be refined as more data is available.

## Assumptions

HDR worked with District staff to develop and review the assumptions used as inputs in the 2020 financial plan model update. These assumptions are outlined 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 |
- 

After the assumptions of the financial plan had been reviewed, updated, and input into the financial planning model, the District and HDR then calibrated the model. The model is designed to develop the optimal solution to 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 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. This financial plan update is based upon the most up-to-date information available as developed by District staff and updated by HDR. The model, as developed, is seen as 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, should the assumption inputs used – regardless of whether the District is able to control them or not - the given results in this Technical Memo would change.

## Overview of the Revenue Requirement

Financial planning for utilities 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 matches revenue with expenses on an annual basis such 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 District’s water revenue requirement.



**Table 2**  
**Overview of the “Cash Basis” Methodology**

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

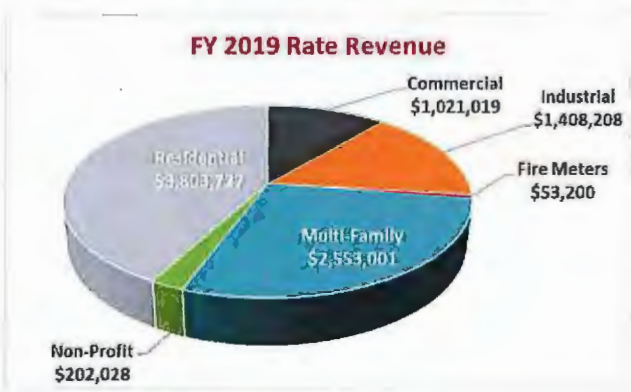
**Water Revenue Requirements Analysis**

The primary financial inputs in this analysis were the District’s accounting and billing records, capital plan, and current budgets. 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.

**Water Rate Revenues**

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 2020 budgeted rate revenue figure of \$9.0 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 rate adjustments. As can be seen from the graph, residential accounts for the majority of rate revenues, approximately 42.1% of the total.



**Forecast of Non Rate Revenue**

The District collects a variety of other revenue that offset the revenue needed from water rates. The main 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, and utility tax offsets. Together, these line items amount to approximately \$2.8 million in FY 2020. A significant portion of the non-rate revenues comes from government agencies in FY 2020 which is related to the cost-sharing of the construction of a well and will be reduced after FY 2020. This revenue is \$1.1 million in FY 2020 but will drop down to approximately \$18,000 per year in FY 2021 and thereafter which is more in line with previous contributions. Another substantial line item that is important yet difficult to project is fixed asset depreciation proceeds. It is budgeted at \$382,000 in FY 2020 and \$355,000 in FY 2021, however, the District does not assume this source of revenue will continue and is therefore reduced to \$0 from FY 2022 and on. After the reductions described above, the non-rate revenues are projected to be \$1.7 million in FY 2022. That amount is projected to increase thereafter and is anticipated to be \$2.0 million in FY 2039.

### **System Development Charges**

In FY 2020, the District projects that it will collect approximately \$75,000 from water SDCs. As part of the financial work that HDR is anticipated to complete for the District, the SDCs will be evaluated, updated, and calculated to incorporate the GDMP projects. Due to this, it is assumed that the SDC will increase and the District anticipates \$150,000 in FY 2021. For the duration of the forecast, the District assumed that future SDC collections would continue to remain flat and consistent at that level. 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 2020 and FY 2021 and the current reserve levels. Interest rates are anticipated to increase slightly and for modeling purposes, it was increased to 1.0% in FY 2022. The model then forecasts that the assumed interest rate would remain at 1.0% annually, thereafter. Total interest earnings range from \$70,000 in FY 2020 to \$158,000 in FY 2039 and 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 costs include labor, benefits, insurance, purchased water, utilities, etc. The District's FY 2020 and proposed FY 2021 budgets were used as the starting point for the revenue requirement analysis. O&M costs were projected to escalate from FY 2021 data at annual inflationary rates, specific to each line item based on known changes or general inflationary rates. Details of individual O&M cost escalation factors are shown in Table 3 below.

**Table 3**  
**O&M Cost Escalation Factors**

Expense Category	Escalation Percentage	Notes
Personal Services	3.0%	
PERS-Related Costs	10.0%	<i>Bi-annually</i>
Materials & Services	4.0%	
Purchased Water	Based on PWB	<i>Approx. 32.0% increase from FY 2020 – FY 2026; ends in FY 2026</i>
All others	4.0%	

Based on the FY 2020 and proposed FY 2021 budget assumptions, the cost escalation rates described above, and other additions in forecasted costs identified by the District, total annual O&M is expected to increase from \$8.2 million in FY 2020 to \$16.4 million by FY 2039. Although it is not apparent in the total, a major component that is being impacted during this period is the purchased water costs to the Bureau. Starting in FY 2027, however, this line item is removed from the District’s O&M. The savings is offset in part by an increase for groundwater production O&M which starts in FY 2027. There is an estimated net savings of \$1.2 million from the transition from purchased water to increased groundwater O&M.

In the District’s case, O&M costs also include utility taxes assessed by the Cities of Gresham, Portland, and Fairview. These taxes are based, in part, on the District’s rate revenue. These taxes are also offset by pass-thru charges that the District assesses on its customers in Gresham, Portland, and Fairview. 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 2020	\$8,192	FY 2030	\$11,094
FY 2021	8,564	FY 2031	11,533
FY 2022	9,084	FY 2032	12,081
FY 2023	9,467	FY 2033	12,567
FY 2024	9,827	FY 2034	13,175
FY 2025	10,293	FY 2035	13,716
FY 2026	10,733	FY 2036	14,392
FY 2027	9,753	FY 2037	14,996
FY 2028	10,201	FY 2038	15,749
FY 2029	10,598	FY 2039	16,425

### Capital Improvement Plan

The capital improvement plan (CIP) consists of the major additions to the utility infrastructure that is oftentimes infrequently 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:

- Renewal and replacement of the existing system to maintain service levels
- Compliance with new state and federal regulations
- Enhancement of the level and reliability of the service provided
- Meet ongoing demands of system growth and economic development

The capital improvement plan will become increasingly important over the next few years as the District begins to implement the GDMP which will transition the District’s drinking water source from the Portland Water Bureau to groundwater. It is assumed that the GDMP includes the capital improvements needed for this transition and outlines the scope, cost, and timing of the projects. Those assumptions were then included in the 2020 financial plan update in order to refine the results and projections going forward.

A summary of the District’s current CIP over the 20-year review period is shown in Table 5, below. Major capital improvements related to the GDMP include the construction of a new 6 MG reservoir and improvements to existing reservoirs that totals \$7.5 million. There are also a number of well additions and transmission main projects as part of the GDMP which total \$18.9 million. Improvements will also be made to a number of pump stations costing \$3.1 million. There will also be capital projects for water treatment at a number of locations that is anticipated to be \$16.5 million in total. Finally, the District also has scheduled meter replacements/upgrades, comprehensive vehicle replacement plan, and other miscellaneous equipment as part of the long-term capital improvement plan. 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.<sup>1</sup> In total over the next 20 years (FY 2020 – FY 2039), the District’s CIP includes \$85.0 million in capital projects which includes those related to the GDMP.

Table 5 Summary of the District’s Capital Improvement Plan (\$000s)			
Year	Cost	Year	Cost
FY 2020	\$6,194	FY 2030	\$2,737
FY 2021	4,041	FY 2031	2,805
FY 2022	15,238	FY 2032	2,903
FY 2023	8,121	FY 2033	3,051
FY 2024	19,337	FY 2034	3,142
FY 2025	8,077	FY 2035	3,237
FY 2026	3,635	FY 2036	3,334
FY 2027	2,478	FY 2037	3,434
FY 2028	2,535	FY 2038	3,537
FY 2029	2,613	FY 2039	3,643

<sup>1</sup> The District provided capital improvement plan costs using a FY 2020 cost-basis. The assumed escalation rate for future cost increase by an annual escalation rate of 3.0%.

As can be seen in Table 5, the level of capital projects for the District vary greatly from year to year and the impact of the GDMP projects can be seen in FY 2020 through FY 2026 as the District moves to transition from Portland Water Bureau water purchases to groundwater by FY 2027. The model that is developed for the 2020 financial plan 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 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.

### 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 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 Water Revenue Obligation Series 2011. The District's debt service payments average \$465,000 annually, with the final repayment scheduled in FY 2032. Shown in Table 6 is a summary of the remaining debt service payments for the water utility.

Table 6 Summary of the District's Existing Debt Service Payments (\$000s)			
Year	Payment	Year	Payment
FY 2020	\$469	FY 2030	\$467
FY 2021	463	FY 2031	464
FY 2022	466	FY 2032	455
FY 2023	464	FY 2033	0
FY 2024	466	FY 2034	0
FY 2025	467	FY 2035	0
FY 2026	462	FY 2036	0
FY 2027	467	FY 2037	0
FY 2028	466	FY 2038	0
FY 2029	464	FY 2039	0

As can be seen, the District’s current outstanding debt issue is retired in FY 2032. This should provide the District with additional funds to complete additional capital and / or maintain lower rate levels.

**Future Debt Service**

With the District completing significant water system improvements in the next five years due to the GDMP and based on the different analyses developed by the District and HDR, it is assumed that the District will issue additional long-term debt. The rate sensitivity was evaluated with regards to the level of cash funding or pay-as-you-go verses long-term debt. Although the District and HDR agree that it is always best to fund as much capital from cash as prudent is beneficial, long-term debt issuance can have benefits for the District’s customers. For example, rate levels do not have to raise as high or as quickly as with cash financing. Additionally, the rates are able to be more stable in the long term and not have such peaks and valleys as with cash financing at the level the GDMP capital projects would require. Lastly, the benefits from the GDMP projects – which have useful life over 30 years – will match more closely to the costs of the annual debt service payments and, therefore, the customers that see the future benefit will contribute to that benefit through future water rates (which include the debt service). The District Board and staff, have long prioritized 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 levels. After the assumed long-term debt issuances related to the GDMP capital projects, the financial model does not anticipate the need for additional long-term debt issuances and the District will operate on the historical cash funding approach to capital improvement projects. Table 7 below shows the projected annual debt service at 3.3% for 20 years 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 2020	\$104	FY 2030	\$2,938
FY 2021	1,036	FY 2031	2,938
FY 2022	1,472	FY 2032	2,938
FY 2023	2,646	FY 2033	2,938
FY 2024	2,938	FY 2034	2,938
FY 2025	2,938	FY 2035	2,938
FY 2026	2,938	FY 2036	2,938
FY 2027	2,938	FY 2037	2,938
FY 2028	2,938	FY 2038	2,938
FY 2029	2,938	FY 2039	2,938

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. HDR has included the existing annual debt service payment schedules as provided by the District as part of the overall costs of maintaining the

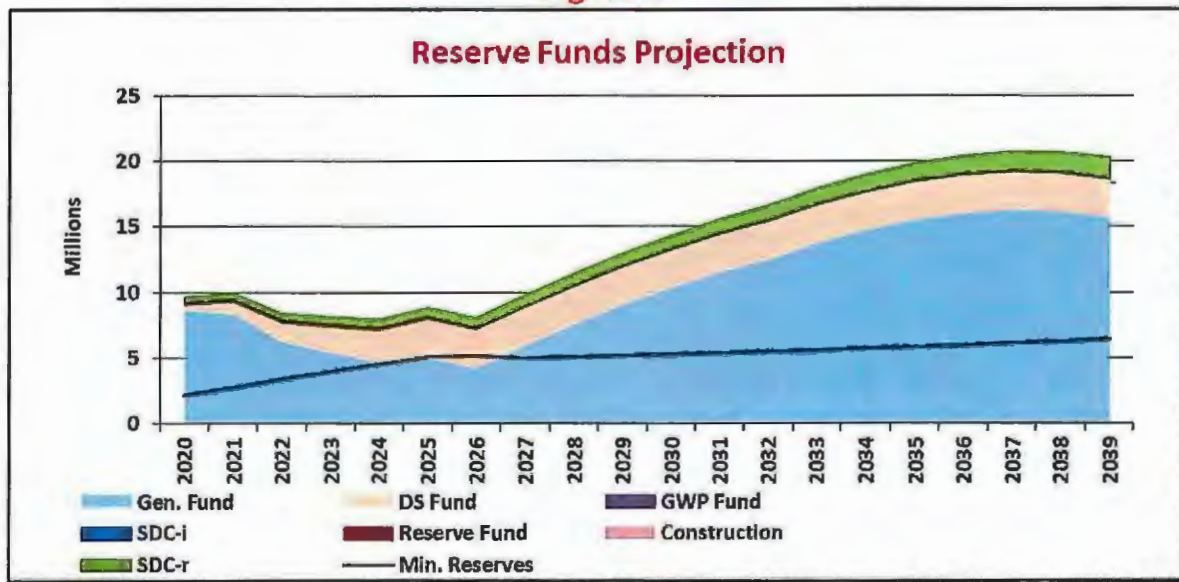
water utility services. The future debt service payments were estimated based on terms that the District has discussed with its financial advisors.

### Reserve Funds

Reserves are a critical component to prudent financial management of the utility and healthy reserve levels provide many benefits. This can especially be true when a utility like the District is embarking on a significant capital improvement program like the one planned over the next few years which includes the GDMP projects. 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 example 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 a target of 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 1 below is a summary of the reserve levels over the review period.

Figure 1



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 possibly 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

Based on the revenue requirement analysis detailed above that was developed as part of the 2020 financial plan update for the District, the necessary rate adjustments were calculated. These rate adjustments are designed to fully fund the District’s O&M and capital requirements – including the GDMP projects – over the long-term review period (FY 2020 – FY 2039). As part of the analysis, careful attention was given to maintaining adequate funding 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, will likely result in significant savings to the District’s customers.

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 2020	0.00%	\$25.11	FY 2030	2.36%	\$46.44
FY 2021	12.61%	\$28.28	FY 2031	2.36%	\$47.53
FY 2022	12.61%	\$31.84	FY 2032	2.36%	\$48.65
FY 2023	12.59%	\$35.85	FY 2033	2.36%	\$49.80
FY 2024	12.59%	\$40.37	FY 2034	2.36%	\$50.98
FY 2025	2.36%	\$41.32	FY 2035	2.36%	\$52.18
FY 2026	2.36%	\$42.30	FY 2036	2.36%	\$53.41
FY 2027	2.36%	\$43.30	FY 2037	2.36%	\$54.67
FY 2028	2.36%	\$44.32	FY 2038	2.36%	\$55.96
FY 2029	2.36%	\$45.36	FY 2039	2.36%	\$57.28

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



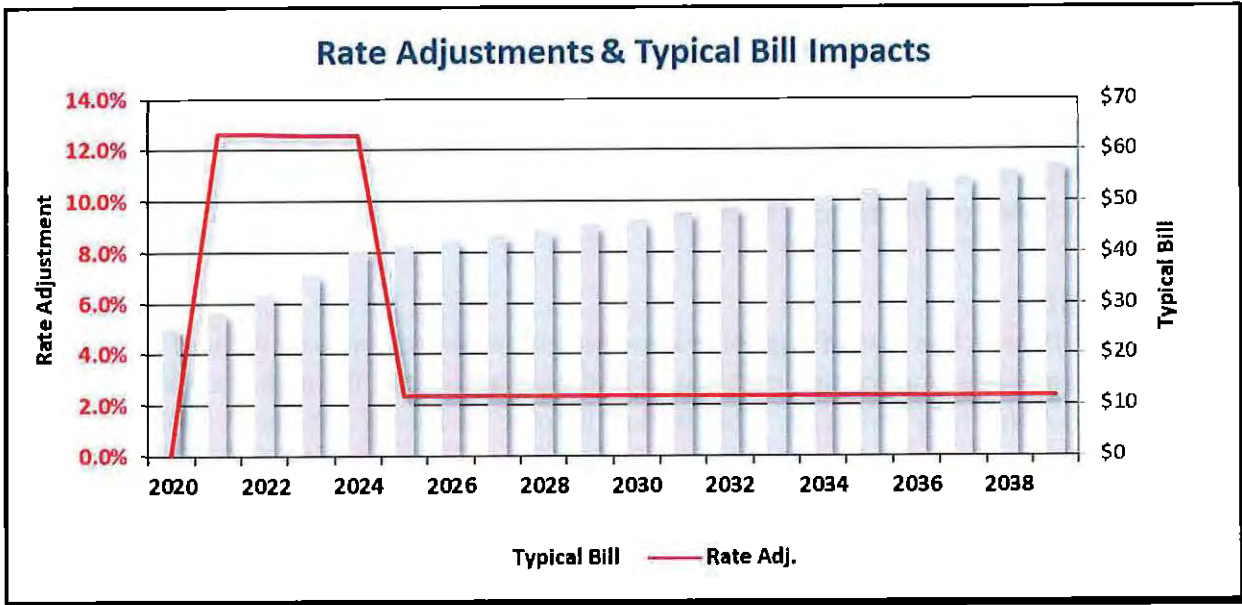
The financial model developed for the District aims to produce level rate adjustments over the review period, as can be seen in Table 8, above. The average monthly bill for a residential customer with a 5/8" meter and consuming 6 hundred cubic feet (CCF) of water would be increased from \$25.11 per month, currently, to \$57.28 over the next 20 years, or averaging about 6.4% annually based on the current analysis assumptions.

## Rate Design

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 the District's proposed rates under the 2020 financial plan update, the variable consumption charge was adjusted is presumed to be increased less than the overall adjustment to revenues and the remaining increase in rate revenues would be collected through an increased fixed charge. This results in the fixed charges being increased at a level above the overall adjustment. This approach will help continue to move closer to the District's goal of revenue stability. Currently, the District collects approximately 25% of revenues from the fixed charges and the remainder is collected through consumption charges. Although this 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.

The results of the model 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.



### Conclusion of the Financial Planning Analysis

This concludes the 2020 update to the District’s financial planning model. There are many assumptions in an analysis like this which the model has predicated in the results shown. Given this, the results of the model are dynamic in nature and can easily shift and move if one assumption is adjusted. For this reason, it is best described as a planning model for the District and the actual results for the end of the review period may vary from what the District sees 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 of approximately 6.4%, annualized 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 2020/21

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 [NEW]**

The day-to-day operations of the District are handled primarily through Fund 101, General Fund. Income is generated mainly through the sale of water. This income funds the purchase of water for resale, customer service and business functions, and maintenance/repair/replacement of the water system. Expenditures in the 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 Funds. System Development Charges or SDCs help pay for renewal, replacement and expansion of the water system. SDCs are charged to development for their new connections to the District's water system or for existing customers who want to increase their use of the system. 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 bond covenants, 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 which was specifically used for the construction of the Cleveland Reservoir and Pump Station. The bonded debt will be repaid in 2031.

The Groundwater Production Fund 501 was established to manage operational costs in the production of groundwater for domestic drinking purposes. The fund provides an accounting of costs associated with producing and pumping groundwater; costs are split between Rockwood and Gresham. Because the groundwater system is a joint 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 is new this year for the District. This fund will 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 will provide transparency in how such revenue is spent related to the development of groundwater. The District is looking to embark on 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. Estimates of District wholesale water purchase cost begins in FY 2026/27 with a projected 30.6% increase in cost (to ~\$5,275,324) over FY 2025/26 (~\$4,038,325) and then escalating 289% by FY 2029/30 (to ~\$11,677,268). 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 2020/21 BUDGET**

The District adopted a Groundwater Development Master Plan (GDMP) in FY 2019/20. This plan will guide the District in the creation of a groundwater supply to achieve independence from wholesale purchases of water from Portland. For FY 2020/21, the District will initiate an engineering effort to design a new reservoir, Cascade Reservoir No. 2, and required improvements to Cascade Reservoir No. 1 at the Cascade Facility on Halsey Street. In addition, engineering design of the wellhead and transmission piping from Cascade No. 7 to Halsey will also be completed. Several other engineering evaluations will also occur to determine future treatment processes for manganese and radon removals.

Implementation of the GDMP will provide a capital plan of improvements needed to obtain and deliver groundwater throughout the District prior to the end of the Portland Wholesale Water Purchase Contract ending June 2026. Information gathered from plan activity will also provide the guidance to the District on the notification to Portland by June 30, 2021 of its decision to terminate wholesale water purchase, in part or in whole, and continue to advance efforts to achieve the goal of independence from wholesale water purchases by the end of FY 2025/26.

As the GDMP is implemented, changes and inclusions of projects within the District's 2013 Water Master Plan will need to occur. Next fiscal year anticipates updating the District's 2013 Water Master Plan with the new GDMP projects.

The District provides updates to both the Technology and Vehicle/Equipment Replacement Plans for review and approval as part of the FY 2020/21 budget process. The multi-year plans were approved by the Board in FY 2017/18 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's Billing software is a proprietary program created and operated by Chaves Consulting, Inc. and purchased in 1999. The recent Covid-19 episode illustrated issues with the platform in allowing staff to work off site, but at the same time, providing near

the level of service to District customers had the employee been at their desk. In addition, the current program does not allow direct customer interaction with their water account if they are interested in tracking current charges, billing history, personal consumption, etc. An updated software program will allow for better management of customer accounts, provide external access by the customer to their specific account information, and direct linkage between work orders, inventory and billing for service. Funds have been budgeted in FY 2020/21 to explore alternatives and potentially replace this program with an updated software solution leading to better money management, billing evaluation, and customer satisfaction.

During FY 2020/21, staff will be evaluating and recommending project management approaches to the significant engineering and development to occur under the GDMP. This evaluation will lead to a recommendation of either adding to existing District staff for the purpose of managing all the groundwater projects, schedules, and funding envisioned or the acquisition of outside engineering expertise to provide that level of oversight and responsibility.

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 15% increase to base (Fixed) charges with a 11.5% increase to volume (Variable) charges. This represents an overall rate adjustment for average water users of ~12.5% for FY 2020/21. The rate adjustment is in line with the recommendations of the 2020 District Finance Model (12.6%) and result conservatively to an overall Water Sales Revenue of \$9,680,000.

The following is an explanation of the FY 2019/20 budget line items and the proposed budget.

**GENERAL FUND  
Fund 101**

**INCOME ACCOUNTS**

<b>3-01-0101</b>	<b>Beginning Fund Balance</b>	<b>\$8,315,122</b>
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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.

<b>3-10-1100</b>	<b>Water Sales</b>	<b>\$9,690,517</b>
	Base Meter Charge	\$2,623,173
	Commodity Charge	\$7,067,345

Estimated water sales revenue is based on projected sales of **2.48 million ccf** (a 6.9% reduction from FY 2018/19). Water sales revenue has two components the first is the base meter charge (a fixed charge based on meter size for ~**13,599 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 \$2.94 per month for the base meter

charge (increase of ~15%) and the commodity charge increased by \$0.30 per ccf (increase of ~11.5%). The change results in the Fixed Revenue increasing to **27%** (from 25.0%). The overall water rate adjustment proposed for the average District customer (6 ccf per month) is **12.5%**.

**3-20-2100 Backflow Charges \$35,000**

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 increased slightly to reflect activity of the past year.

**3-20-2200 Set-up Fees \$28,000**

This one-time account set-up fee is charged to new customers in the District. This budget is decreased reflecting activity of the past year.

**3-20-2300 Late Fees \$250,000**

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 \$200,000**

Projected installations of new meters in the District. This includes all types and sizes of new service connections. This budget is increased to reflect recent history. The levels of development activity can be sporadic and difficult to predict.

**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 increased to reflect growth.

**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 increased reflecting activity of the past year.

**3-50-5100 Interest Income \$210,000**

Annual anticipated earnings on our cash reserve account in the Oregon State Investment Pool and other small investments. The budget is increased to reflect



**3-90-9300 Fixed Asset Disposition \$355,000**

This code reflects the sale of surplus District assets in 2019. The amount reflects the sale of District property on 185<sup>th</sup> Street for \$334,000. It also includes receipt of ~\$21,000 for vehicle/equipment disposition per the 2020 10-Year Vehicle/Equipment Replacement Plan. These funds will be earmarked for future land and current equipment/vehicle purchases by the District.

**3-90-9500 Other Government Agencies \$568,500**

The budget reflects anticipated program participation and contributions for the Children's Clean Water Festival (\$18,500). The City of Gresham is contributing to the completion of their well at Kirk Park (\$550,000). All other groundwater-related contributions used towards construction of groundwater supply improvements is accounted in Fund 601.

**EXPENSE ACCOUNTS**

**PERSONAL SERVICES**

**5-10-4450 Salaries & Wages \$1,999,207**

**5-10-4500 to 5-10-4630 Other Personnel Expenses \$116,670**

Anticipated costs for overtime (\$17,500), on-call pay (\$68,090), certification pay (\$15,080), employee bonus (\$1,000), and market-based wage adjustments (\$15,000).

**5-10-4800 to 5-10-4920 Payroll Taxes & Employee Benefits \$1,210,613**

Social Security (\$131,184), Medicare (\$30,680), Unemployment Insurance (\$2,116) Tri-Met (\$15,313), and Workers Compensation (\$25,501) are covered in this line item. Employees' Retirement is through the Public Employee Retirement System (PERS). PERS premiums were projected to increase in FY 2019/20 biennium and PERS is budgeted this year at \$532,704. Health insurance renewal is \$473,115.

**MATERIALS & SERVICES**

**5-20-5010 Water Purchased for Sale \$3,142,547**

We will purchase 3.80 million ccf (2.85 bg) from the City of Portland under the water sales agreement. Our wholesale rate for FY 2020/21 is projected to be \$0.829 perccf. This represents a slight decrease of -0.6% over FY 19/20.

**5-20-5110 Contract Services \$87,060**



This represents the annual contract for billing and support services. Chaves Consulting provides the District's billing service and will also be hosting billing information offsite. 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 added to this line code.

**5-20-5120      Technical & Consulting      \$27,000**

This primarily funds the annual update of the Financial Plan and miscellaneous survey/consulting/technical assistance. This line item also funds specialty reviews regarding test well development and future land purchases.

**5-20-5130      Auditing      \$18,500**

This line item represents an additional year for auditing service from Pauly, Rogers and Co., PC, the District's independent financial audit firm. The District will be seeking proposals for a new 5-year audit contract in FY 2020/21. 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      \$37,320**

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

**5-20-5220      Sewer/Storm Water      \$6,500**

**5-20-5230      Heating/Electricity      \$30,500**

**5-20-5310      Engineering Supplies      \$500**

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

**5-20-5320      Office Supplies      \$29,000**

All office supplies are included in this budget line. Examples are: billing supplies, late notices, door hangers, envelopes, stationery, computer supplies, printer supplies, copier supplies, fax supplies, green bar computer paper, pens, tablets, pencils, paper clips, rubber bands, storage boxes, mailing supplies. This line code provides funds for District water conservation brochures, lead/copper notices and District's Consumer Confidence Report. Budget remains unchanged.

**5-20-5330 Postage \$44,300**

This category covers sending out bills, late notices and miscellaneous daily mailings. Budget reflects recent trend and to reduce the annual mailing of the District's Consumer Confidence Report which is being posted on the District's website. Budget remains unchanged.

**5-20-5410 Conservation \$69,350**

This line funds our Toilet Rebate programs (\$3,000 single family; \$3,000 multi-family, commercial and non-profit); Children's Clean Water Festival (\$35,000); School Programs (34 assemblies \$11,000); conservation devices/brochures/supplies (\$9,000); emergency preparedness (\$5,000); school grants (\$2,250); and District events, donations and meetings (\$1,100).

**5-20-5420 Elections & Legal Advertising \$3,500**

This budget will cover a variety of ads: bids, proposal solicitations, personnel recruitments, Board meetings, budget hearings, lead/copper outreach and newspaper ads. Budget remains unchanged.

**5-20-5430 General Insurance \$85,000**

This covers all insurance related to District liability and property and does not include employee health benefits. Budget remains unchanged and is based on new premium and two deductible events.

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

Safety equipment and supplies required by OSHA including such things as gloves, eye protection, respiratory masks, ear protection, first aid supplies, foot protection, hard hats, shoring and safety vests. Budget remains unchanged.

**5-20-5450 Training & Education \$31,500**

This budget line includes attending the AWWA conference, AWWA/PNWS conference, SDAO conference, OGFOA conference, OSHA safety conferences, OPUDA conference, Short School for field personnel, and miscellaneous seminars for computer training, customer service training, etc. Budget remains unchanged.

**5-20-5460 Dues, Licenses & Subscriptions \$103,771**

Includes membership dues to Regional Water Providers Consortium, OHA, SDAO, Metro Data, OPUDA, OGFOA, LGPI, GA, AWWA and PNWS subsection dues. In addition, subscriptions to the *Daily Journal of Commerce*, the *Gresham Outlook*, and the *Oregonian*. Majority of increase due to addition of new OHA Water System Fee (\$12,000) and software licenses for postage machine, Significant Digits and Server Host warranty (\$3,310).

**5-20-5470 Office Equipment \$2,500**

This line will pay for office equipment replacements costing less than \$5,000 each. Decreased based on experience.

**5-20-5510 Computer/Office Equipment Maintenance \$5,250**

Maintenance of equipment including: copier, postage meter and miscellaneous small office equipment. Decreased based on experience.

**5-20-5520 Building & Grounds Maintenance \$80,190**

Includes grounds maintenance, tree removal, building & window cleaning, area rugs, carpet, & rug cleaning, cleaning supplies, paper products, etc., and miscellaneous inspections and repairs. Increase to cover inflationary adjustments and sewer mainline replacement.

**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 \$8,000**

Anticipated cost of tires for all rolling stock. Budget remains unchanged.

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

Anticipated cost to fuel equipment and vehicles. Slight increase due to current expenditures.

**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 \$250,000**

Parts, pipe and materials for system repair and maintenance. Budget remains unchanged.

**5-20-5620 Water Testing & Other EPA Requirements \$30,000**

Expense of water testing and samples as mandated by the federal government. Budget increased slightly for increased groundwater testing.

**5-20-5625      Water Quality & Notices      \$7,000**

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      \$10,000**

This includes basic repairs of pumps and valves or any other unanticipated expense. Budget remains unchanged.

**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      \$2,500**

Allowance for unexpected repairs. Budget remains unchanged.

**5-20-5660      Telemetry      \$20,600**

Telephone expense and other repairs throughout the telemetry system. Slight decrease.

**5-20-5670      Pumping      \$43,100**

This is electrical expense for pumping at all sites except groundwater activity which is tracked separately. Slight increase.

**5-20-5710      Board Meeting Fees      \$8,100**

Allows for regular Board meetings, consortium meetings, special meetings and MetroEast media expenses. Budget is slightly increased.

**5-20-5720      Directors' Expense      \$28,000**

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      \$3,000**

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

**5-20-5740      General Office      \$62,400**

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 Debt Collection Expense \$35,000**

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

**5-20-5770 Gresham Utility Tax \$379,300**

This tax is charged by the City of Gresham.

**5-20-5780 Portland Utility Tax \$152,000**

This tax is charged by the City of Portland.

**5-20-5790 Fairview Utility Tax \$11,360**

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. Financial impacts from the pandemic would indicate considerably more need in FY 20/21. Budget is increased in anticipation of potential need within the community.

**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 & TRANSFERS**

**5-40-6010 Water System \$1,500,080**

This line item covers the following capital improvement projects:

	<u>Projects</u>	
Gresham Kirk Park Well (balance of project)		\$550,000
Steel 7 & 8: ductile iron pipe		\$271,000
Steel 19, 20, 21, 35: ductile iron pipe		\$454,080
Update 2013 Water Master Plan		\$200,000
Specialty surveys and engineering		\$25,000

**5-40-6020 Meters \$50,000**

Meters for new service installations. Budget is increased due to construction activities.

**5-40-6030      Meter Upgrades      \$58,000**

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

**5-40-6110      Meter Equipment      \$19,100**

This is for unanticipated replacement of equipment. Budget is increased to replace leak detection equipment and locator, GPS unit for Engineering and a water main tapping powerhead.

**5-40-6120      Shop Equipment      \$5,000**

This will fund unidentified items of equipment. Budget is unchanged.

**5-40-6130      Automotive/Equipment      \$208,882**

The FY 2020/21 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.

**5-40-6140      Computer & Office Equipment      \$233,200**

Budget includes replacement of SCADA computers (RW1 and RW2) and billing software (\$200,000) and replacement of three computers and monitors as outlined in the FY 2020/21 Technology Replacement Plan.

**5-40-6210      Buildings      \$10,000**

This is for plans for routine building upgrades. Budget is unchanged.

**5-40-6220      Land      \$400,000**

Budget considers land purchase in proximity to District reservoirs. Budget is the same as last year.

**5-60-7110      Transfer to Other Funds      \$2,583,000**

This is the amount necessary to transfer to the Debt Reserve Fund 301 (\$463,000), the Groundwater Production Fund 501 (\$180,000), and to the Groundwater Construction Fund 601 (1,940,000).

**5-70-7210      Contingency      \$1,400,000**

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

<b>5-90-8010</b>	<b>Ending Fund Balance</b>	<b>\$6,061,407</b>
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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 321 days of operation (Personnel and Materials & Services).

**SYSTEM DEVELOPMENT FUND-REIMBURSEMENT  
Fund 201**

**INCOME ACCOUNTS**

<b>3-01-0101</b>	<b>Beginning Fund Balance</b>	<b>\$632,492</b>
<b>3-40-4500</b>	<b>System Development Fees</b>	<b>\$150,000</b>

Because of the updated SDC methodology that went into place in FY 2015/16, the District budgets and accounts for Reimbursement and Improvement SDCs separately. Reimbursement SDCs will be used for normal capital replacement.

<b>3-50-5100</b>	<b>Interest Income</b>	<b>\$15,000</b>
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Anticipated earnings on investments.

**EXPENSE ACCOUNTS**

<b>5-60-7110</b>	<b>Transfer to Other Fund</b>	<b>\$300,000</b>
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Money transferred to the General Fund for reimbursement towards applicable capital replacement projects identified in Capital Line code 5-40-6010.

<b>5-90-8010</b>	<b>Ending Fund Balance</b>	<b>\$497,492</b>
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**SYSTEM DEVELOPMENT FUND-IMPROVEMENT  
Fund 202**

**INCOME ACCOUNTS**

<b>3-01-0101</b>	<b>Beginning Fund Balance</b>	<b>\$99,802</b>
<b>3-40-4500</b>	<b>System Development Fees</b>	<b>\$25,000</b>
<b>3-50-5100</b>	<b>Interest Income</b>	<b>\$1,000</b>

Anticipated earnings on investments.

**EXPENSE ACCOUNTS**

<b>5-60-7110</b>	<b>Transfer to Other Fund</b>	<b>\$0</b>
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Improvement SDCs will be transferred when the identified projects are scheduled to be built.

<b>5-90-8010</b>	<b>Ending Fund Balance</b>	<b>\$125,802</b>
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**DEBT RESERVE FUND  
Fund 301**

**INCOME ACCOUNTS**

<b>3-01-0101</b>	<b>Beginning Fund Balance</b>	<b>\$551,163</b>
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This is the estimated beginning fund balance.

<b>3-50-5100</b>	<b>Interest Income</b>	<b>\$13,500</b>
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<b>3-90-9200</b>	<b>Transfer from Other Funds</b>	<b>\$463,000</b>
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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**

<b>5-60-7110</b>	<b>Transfer to Debt Service Fund</b>	<b>\$463,000</b>
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<b>5-90-8010</b>	<b>Ending Fund Balance</b>	<b>\$564,663</b>
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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.

**DEBT SERVICE FUND  
Fund 401**

**INCOME ACCOUNTS**

<b>3-90-9200</b>	<b>Transfer from Other Fund</b>	<b>\$463,000</b>
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This is a transfer from the Debt Reserve Fund to make principal and interest payments.

**EXPENSE ACCOUNTS**

<b>5-50-7050</b>	<b>Payments on Financing</b>	<b>\$285,000</b>
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<b>5-50-7070</b>	<b>Interest on Financing</b>	<b>\$178,000</b>
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Payments will be made according to the Bond Amortization Schedule.

**GROUNDWATER PRODUCTION FUND  
Fund 501**

**INCOME ACCOUNTS**

<b>3-01-0101</b>	<b>Beginning Fund Balance</b>	<b>\$253,295</b>
<b>3-50-5100</b>	<b>Interest Income</b>	<b>\$5,000</b>
<b>3-90-9200</b>	<b>Inter-fund Transfer</b>	<b>\$180,000</b>

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

<b>3-90-9400</b>	<b>City of Gresham</b>	<b>\$180,000</b>
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The City of Gresham will pay for half the cost of operation of the groundwater treatment facility.

**EXPENSE ACCOUNTS**

<b>5-20-5530</b>	<b>Equipment Maintenance</b>	<b>\$10,000</b>
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This line will cover the cost to maintain the treatment and booster pump facility. Increased to begin improvements identified in Groundwater Development Master Plan.

<b>5-20-5610</b>	<b>Operating Supplies</b>	<b>\$30,000</b>
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This line will cover the cost of all supplies, including chlorine and ammonia, for the treatment facility. No change.

<b>5-20-5615</b>	<b>Wellhead Protection</b>	<b>\$70,000</b>
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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 No. 7, 8 & 9 wells which will increase business surveillance activities.

<b>5-20-5620</b>	<b>Testing</b>	<b>\$5,000</b>
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Pays for all testing of the treated water leaving the facility. No change.

<b>5-20-5630</b>	<b>Reservoir Maintenance</b>	<b>\$5,000</b>
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This will fund routine annual maintenance of the Cascade No. 1 Reservoir.

<b>5-20-5670</b>	<b>Pumping</b>	<b>\$200,000</b>
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This pays for all groundwater pumping costs. No change.

<b>5-60-7110</b>	<b>Transfer to General Fund</b>	<b>\$198,328</b>
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This line offsets personnel operating costs and the cost of the groundwater SCADA upgrade (\$65,000). It also includes a true-up of contributions to the fund for groundwater operation and use (\$153,328). Increase based on true up.

<b>5-90-8010</b>	<b>Ending Fund Balance</b>	<b>\$99,967</b>
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**GROUNDWATER CONSTRUCTION FUND  
Fund 601**

**INCOME ACCOUNTS**

<b>6-01-0101</b>	<b>Beginning Fund Balance</b>	<b>\$0</b>
<b>6-01-1000</b>	<b>Bonds</b>	<b>\$13,492,500</b>
<b>6-50-5100</b>	<b>Interest Income</b>	<b>\$0</b>
<b>6-90-9200</b>	<b>Inter-fund Transfer</b>	<b>\$1,940,000</b>

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

**6-90-9400**      **City of Gresham**      **\$4,700,000**

The City of Gresham will pay for half the cost of construction of the joint groundwater supply system.

**EXPENSE ACCOUNTS**

**6-20-5110**      **Contracting Services**      **\$20,000**

This line will cover the cost for Bond Counsel and SDAO Advisor services to begin improvements identified in Groundwater Development Master Plan (GDMP).

**6-20-5120**      **Engineering Services**      **\$4,732,500**

This line will cover the cost of engineering, administration and permitting services for Package 1 of the GDMP.

- Cascade Reservoir No. 2 (Joint) - \$1,270,000
- Cascade Reservoir No. 1 Rehabilitation (Joint) - \$400,000
- Cascade 7 Wellhead and Transmission - \$450,000
- Glendoveer Transmission Line - \$1,200,000
- FY 20/21 Projects - \$1,412,500

**6-40-6010**      **Groundwater Construction**      **\$15,380,000**

This line will pay for the bidding and award of projects to be constructed at the start of FY 2021/22.

Cascade Reservoir No. 2 (Joint) - \$5,930,000  
Cascade Reservoir No. 1 Rehabilitation (Joint) - \$1,800,000  
Cascade 7 Wellhead and Transmission - \$2,100,000  
Glendoveer Transmission Line - \$5,550,000

**6-40-6620      Land      \$0**

Pays for the purchase of property(s) related to the Groundwater Development Master Plan.

**6-60-7110      Transfer to Other Funds      \$0**

This line offsets personnel operating costs in the management and supervision of the Groundwater Development Master Plan.

**6-90-8010      Ending Fund Balance      \$0**



**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](http://www.rwpud.org)

## The Current FY (19/20) Capital Improvement Projects

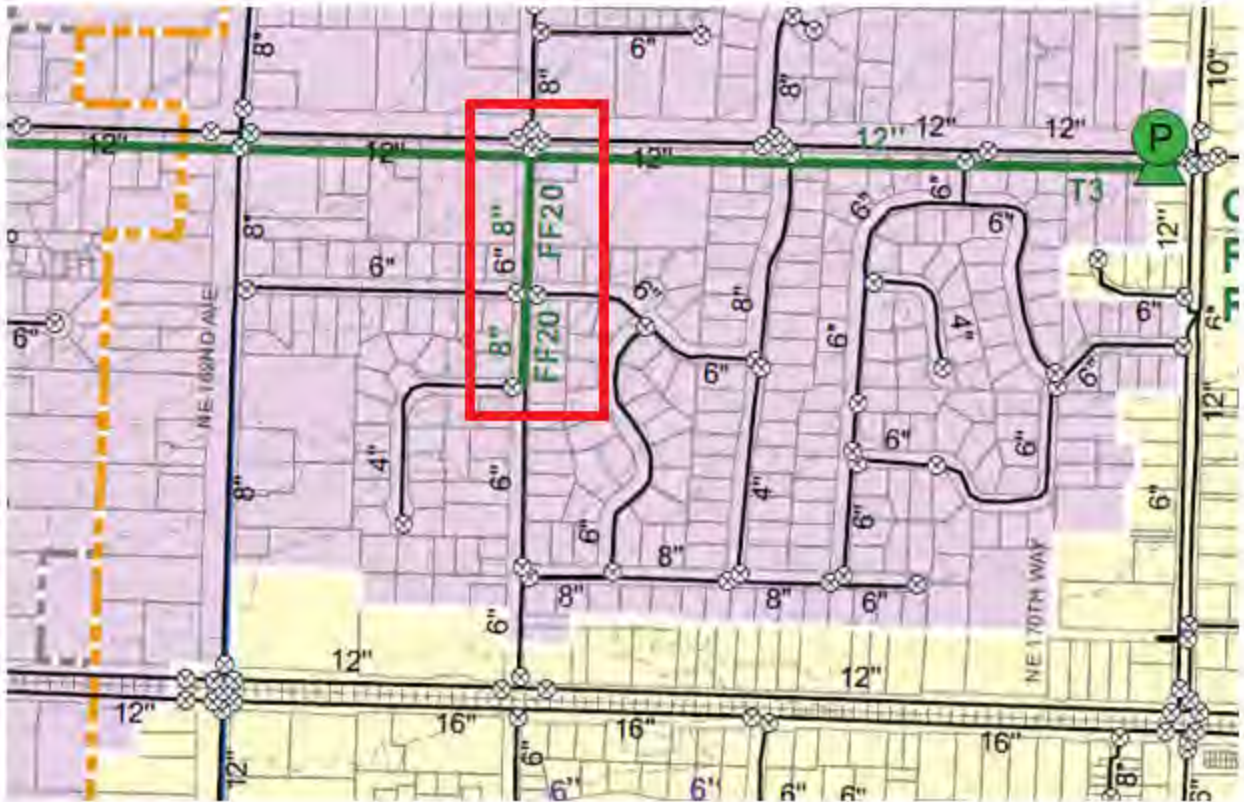
**Cascade Wells** – The 2013 Water Master Plan Update (MP) recommended the District develop three additional wells to meet the projected demands through saturation development. In 2015 and 2016 the City of Gresham and the District constructed a test well on District property at SE 223<sup>rd</sup> Avenue and SE Stark Street. This test well predicted the future production well would produce approximately 4 MGD. A water sample was collected/analyzed, and manganese was detected at a concentration level higher than the secondary maximum contaminant limit. The level of concentration does not pose a risk to human health, but will need to be reduced if we were to move forward with a production well at this location. This would require an onsite manganese removal facility. Due to the added costs of such a facility, the District has elected to evaluate additional well sites closer to District Headquarters and the three existing Cascade wells. A manganese removal facility for Cascade Wells #3, #4, and #5 will be needed and designed to include the capacity of future wells. GSI Water Solutions, Inc. prepared a well-site evaluation with recommendations of potential locations. The District identified two locations for the next well sites. Drilling for Cascade 7 and 8 are currently underway and will be completed this summer. An additional well, Cascade 9, has begun at Kirk Park. The City of Gresham has elected to drill this well under the District's contract with the drillers. Drilling for Cascade 9 will be completed in early fall. Depending on the supply rates of these wells, the final District well is scheduled for FY 25\26, location to be determined.







**FF20** – This project is located on NE 165<sup>th</sup> Avenue from NE Glisan Street to NE Everett Street. This replaces 677 lf of 6" OD lines with 8" DI.



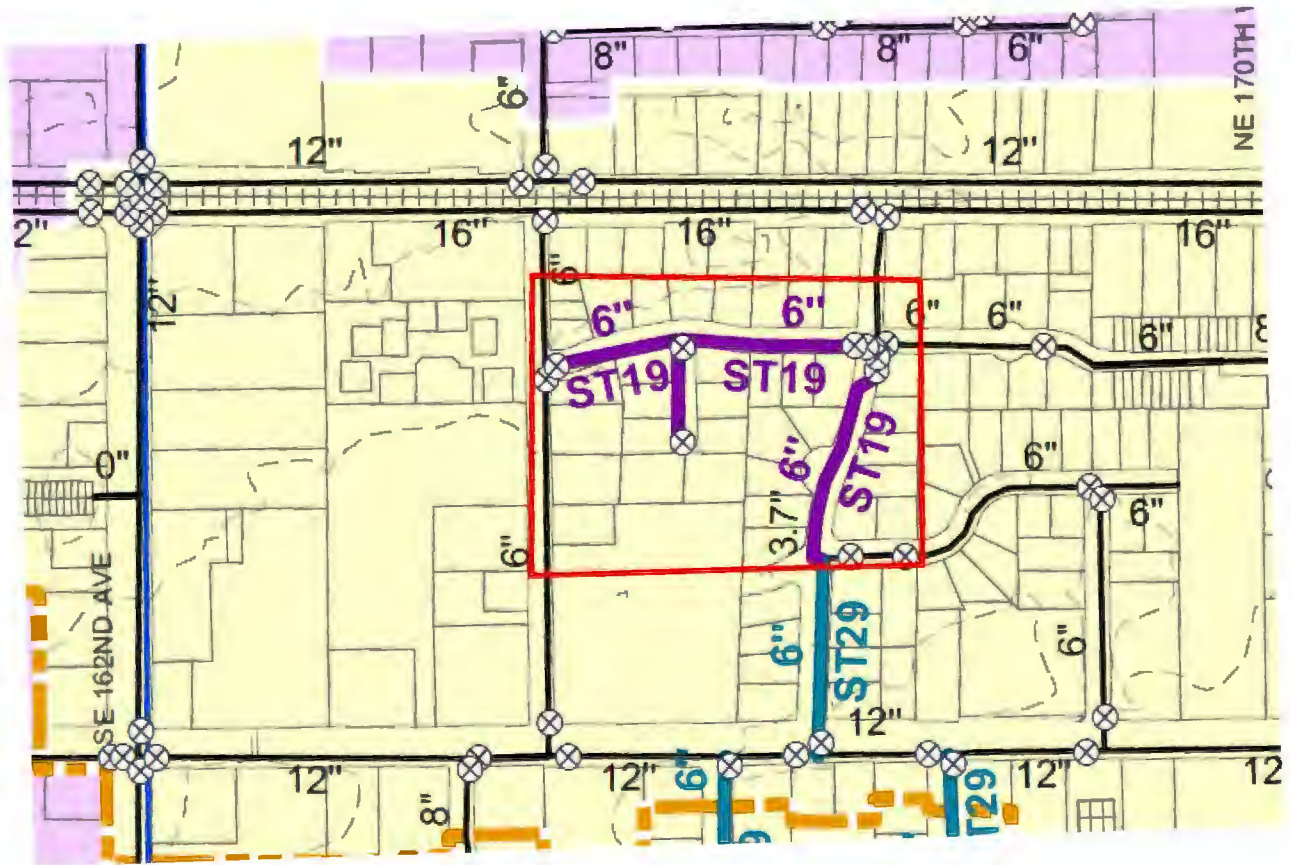
**ST6** – This project replaces existing 380 lf of 8" OD lines with 8" DI, on NE Halsey Street, from NE 181<sup>st</sup> Avenue to the east 380'. This project also includes plugging existing 10" valves on NE Halsey Street at NE 162<sup>nd</sup> Ave and NE 181<sup>st</sup> Ave, from a previous removal of an existing 10" OD line.



## The Upcoming FY (20/21) Capital Improvement Projects



**ST19** – This project replaces 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.



**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.

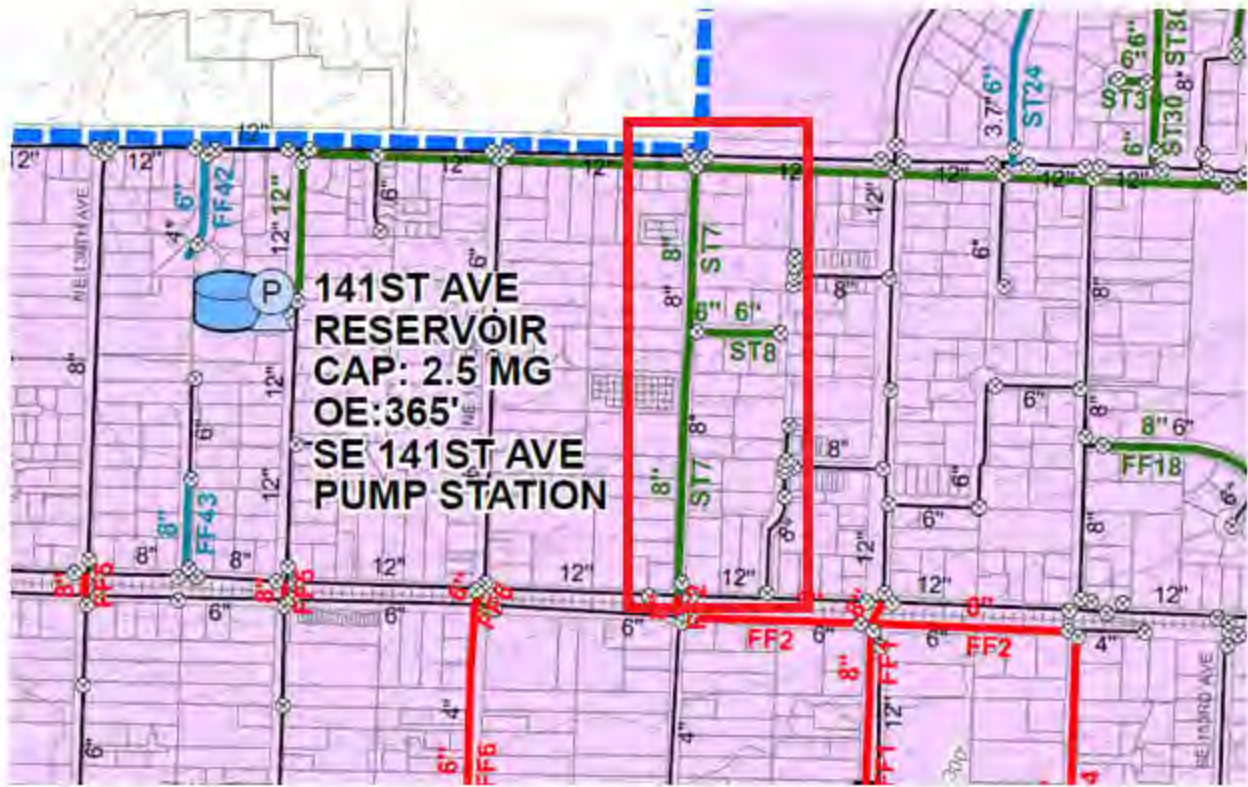
**ST21** - Located on SE 157th Avenue between SE Stark Street and E Burnside Street, this project replaces 1,102 lf of 4” OD with 6” DI lines.



**ST35** – This project replaces 207 lf of 4" OD with 6" DI lines. This project is located on SE 163<sup>rd</sup> from SE Main Street, south to dead end.



**ST7 & ST8** – These projects are carried over from FY 18/19. They are located on NE 146<sup>th</sup> Avenue from NE Glisan Street to E Burnside Street, and NE Everett Street from NE 146<sup>th</sup> 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.



The Groundwater Development Master Plan (GDMP) identified 4 project packages for completion prior to making the transition to an independent water system. Package 1 design will begin this spring and continue for the next 12 months. This package will include the rehabilitation of the existing 4 million gallon (MG) Cascade Reservoir 1, design of a new 6 MG Cascade Reservoir 2, and design of Cascade 7 wellhouse and transmission main. Construction for Cascade Reservoir 2 is scheduled to begin in the second quarter of 2021. The Package 2 design of a transmission main for the Glendover Pressure Zone (PZ) will begin in the first quarter of 2021 as well.

A pilot test will begin this summer for groundwater treatment. This will identify what treatment is needed for the manganese removal facility for the new and existing Cascade Wells.

An updated Water MP is anticipated to begin this summer. The last MP was completed in 2013. Significant changes have occurred since then for water demands, source water and estimated project costs. This update will accompany the GDMP in planning upcoming projects for the next 10 years.

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

CURRENT WATER RATES  
Effective July 1, 2019~~20~~

METER CHARGE (bi-monthly by meter size):	
Size in Inches	Charge
5/8	\$ <del>19.62</del> <b>22.56</b>
3/4	<del>29.45</del> <b>33.86</b>
1	<del>49.05</del> <b>56.42</b>
1 1/2	<del>98.05</del> <b>112.77</b>
2	<del>156.90</del> <b>180.44</b>
3	<del>343.25</del> <b>394.73</b>
4	<del>588.40</del> <b>676.66</b>
6	<del>1,225.80</del> <b>1,409.67</b>
8	<del>1,765.15</del> <b>2,029.91</b>
10	<del>2843.85</del> <b>3,270.39</b>
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):	<del>\$2.55</del> <b>\$2.84</b>
Users outside the District pay a fifty percent (50%) surcharge for water.	



**CHARGES AND FEES**  
EFFECTIVE JULY 1, ~~2019~~ **2020**

Late Notice	<b>\$10.00</b>
48-Hour Door Hanger	<b>\$20.00</b>
Turn Meter on weekdays (8:00 a.m. - 4:30 p.m.)	<del>28.65</del> <b>30.40</b>
Turn Meter on weekdays (4:30 p.m. - 6:00 p.m.)	<del>40.15</del> <b>42.55</b>
Turn Meter on (after 6:00 p.m. weekdays, weekends and holidays)	<del>103.20</del> <b>109.40</b>
Pull Meter/Reinstall	<del>57.35</del> <b>60.80</b>
Move in/Found on Meter	<del>28.65</del> <b>30.40</b>
Broken Curb Stop	<del>114.65</del> <b>121.55</b>
Dishonored Payment	<del>28.65</del> <b>30.40</b>
Cut off at Main	Time and Materials
Broken Lock	<del>26.45</del> <b>28.05</b>
Inspection (turn off/on)	<del>28.65</del> <b>30.40</b>
Repeat Service Calls	<del>28.65</del> <b>30.40</b>
Nonemergency turn on outside of normal working hours ( <b>not</b> for service turned off for nonpayment )	<del>103.20</del> <b>109.40</b>
Backflow Fee	<del>1.20</del> <b>1.30</b> /month
Meter Testing Fee* (at customer site) 5/8" - 1" 1.5" and Over	<del>58.50</del> <b>62.00</b> <del>117.00</del> <b>124.00</b>
Meter Testing Fee* (at Meter Shop) 5/8" 3/4" 1" 1.5" 2"	<del>118.05</del> <b>125.10</b> <del>142.20</del> <b>150.75</b> <del>186.90</del> <b>198.10</b> <del>487.65</del> <b>516.90</b> <del>662.70</del> <b>702.45</b>
	*If meter is not reading accurately per AWWA standards, no fee is charged.
Set-up Fee - New Account	<del>28.70</del> <b>30.40</b>
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 – <del>27.50</del> <b>29.15</b> 2 - 6 months - <del>55.00</del> <b>58.30</b> 7 - 12 months - <del>110.00</del> <b>116.60</b>
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	<p>First Offense - <b>\$175.00*</b>                  Second Offense - <b>\$350.00</b>                  Third Offense - <b>\$600.00</b></p> <p>*This may be waived if arrangements are made with the District within 24 hours of notice of violation.</p>
Additional labor, material and equipment charges may be assessed for special circumstances (i.e., meters in vault, safety and security issues, counting coins, etc.)	

<b>DEPOSITS</b>
<p>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.</p> <p>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.</p>

<b>PRIVILEGE TAX</b>		
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

~~\$11.50~~ **13.00** for the first day.

~~\$5.75~~ **6.50** per day thereafter - up to two (2) weeks.

~~\$2.85~~ **3.25** 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: ~~\$11.50~~ **13.00** for the first day, ~~\$5.75~~ **6.50** per day for the next fourteen (14) days, weekends excluded, ~~\$2.85~~ **3.25** for the balance of the month, weekends excluded, thence ~~\$2.85~~ **3.25** 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 ~~\$27.50~~ **29.15**

Each additional day or part thereof ~~\$9.20~~ **9.75**

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

First three (3) days or part thereof ~~\$41.25~~ **43.75**

Each additional day or part thereof ~~\$13.75~~ **14.60**

Deposit (refundable):

Meter ~~\$286.60~~ **305.00**

Backflow ~~\$143.30~~ **152.50**

Combination Device ~~\$401.50~~ **425.60**

SYSTEM DEVELOPMENT CHARGES			
Meter Size	Maximum Gallons Per Minute	ERU Equivalent	Total SDC Charge
5/8 inch	20	1	\$ <del>2,019</del> <b>3,660</b>
3/4 inch	30	1.5	<del>3,029</del> <b>5,490</b>
1.0 inch	50	2.5	<del>5,051</del> <b>9,151</b>
1.5 inch	100	5	<del>10,099</del> <b>18,301</b>
2.0 inch	160	8	<del>16,158</del> <b>29,282</b>
3.0 inch	350	17.5	<del>35,347</del> <b>64,055</b>
4.0 inch	600	30	<del>60,596</del> <b>109,808</b>
6.0 inch	1,250	62.5	<del>126,240</del> <b>228,767</b>
8.0 inch	1,800	90	<del>181,785</del> <b>329,425</b>
10.0 inch	3,900	145	<del>292,877</del> <b>530,740</b>

(SDC Adjustment based on adoption of the 2020 Groundwater Development Master Plan)

## 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

~~\$0.27~~ **0.30**

Color

~~\$0.98~~ **1.10**

Oversize

Black and White

~~\$0.27~~ **0.30** per square

foot

Color

~~\$1.08~~ **1.25** per square

foot

Electronic Data.

Cost of storage device and/or reproduction cost

Copies Requiring Scanning

~~\$0.22~~ **0.25** per pageDelivery Method.

Shipping

Actual cost

Fax

~~\$1.08~~ **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

# 2020 STRATEGIC PLAN



Rockwood Water People's Utility District  
19601 NE Halsey Street  
Portland, OR 97230-7430  
[rwpud.org](http://rwpud.org)



**Rockwood Water**  
People's Utility District

## STRATEGIC PLAN 2020

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.

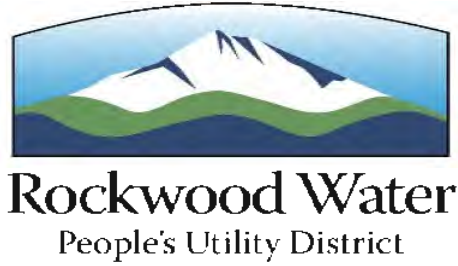
**Our Strengths, Weaknesses,  
Opportunities and Threats:** The environment in which we operate.

**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

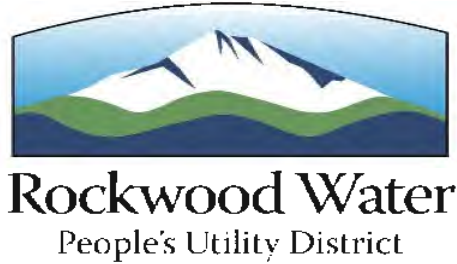


**Rockwood Water**  
People's Utility District

## **OUR MISSION STATEMENT**

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

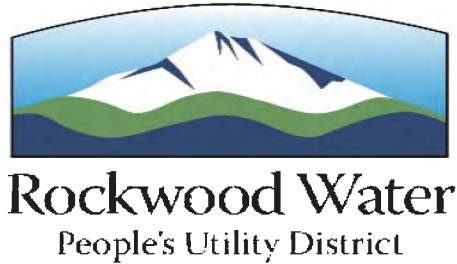
*To professionally manage Rockwood Water to assure its financial health for the ongoing protection of our customers.*



## OUR VALUES

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

<b>Quality</b>	We are committed to providing the highest quality product and service to our customers.
<b>Stewardship</b>	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.
<b>Resilience</b>	We expect to respond quickly and effectively to any unforeseen or unpredictable event or upset (e.g., natural disaster).
<b>Community</b>	We are an integral part of the community we serve and are dedicated to serving it and our customers.
<b>Integrity</b>	We are honest and have strong moral principles.
<b>Professionalism</b>	We have the skills and competence to provide excellent service to our customers in a way that is reliable and accountable.
<b>Innovation</b>	We continuously strive to implement new processes in order to improve productivity and performance.
<b>Creativity</b>	We encourage creative thinking in order to improve service.
<b>Efficiency</b>	We competently perform all District functions and business in a cost-efficient manner.
<b>Effectiveness</b>	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)
- 95 years of experience as a water utility; **30 years as a People's Utility District**
- Affordable water rates; virtually one of the lowest in the region
- Regionally active with partners (e.g., 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 occasioned by other wholesale customers either leaving the system (e.g., Tigard in FY 16/17) or cutting back water purchases (TVWD in FY 25/26) and future rate hikes due to Portland's treatment investments

## **OPPORTUNITIES**

- Partnering opportunities with Gresham for additional supply, programs and operational improvements
- Adoption of the 2019 Groundwater Development Master Plan which provides a strategy to achieve independence from wholesale water purchase and supply independence from Portland
- 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
- Additional supply development by 2026

## **THREATS**

- New regulations requiring expensive infrastructure: Manganese, Portland treatment decisions
- Revenue collection issues
- Security breaches/terrorism
- Prolonged economic slowdown
- 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 Association 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 program, leak detection, meter repair and replacement)

**Key Performance Indicators:**

- Status of implementation of the Asset Management program
- Construction of planned 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 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 Capital Improvement Plan (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
- 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  
2020 Organization Chart**

**CUSTOMERS**

**BOARD OF DIRECTORS**

**General Manager  
Brian R. Stahl**

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 Thompson**

**Meter Technician  
Jeff Allen**

**Government Affairs**

**Coordinator  
Kerry Aden**

**Operations**

**District Superintendent  
Andy Crocker**

**Assistant Superintendent  
Joey Schlosser**

**Field Operations**

**Water Ops Specialist  
Jay Breen**

**Water Ops Support Specialist  
Chris Kipp**

**Utility Worker II  
Jedidiah Pacheco**

**Meter Reader  
Victor Pelayo**

**Meter Reader II  
Randal Magnuson**

**Maintenance Mechanic  
Ben Jacobson**

**Lead Person - Field  
Lanny Jones**

**Utility Worker II  
Doug Bray**

**Utility Worker I  
Jesse Stroh**

**Utility Worker I  
Hunt** Brian

**Utility Worker I  
Andrew Jordan**

**Utility Worker I  
Jose Arango**

**Engineering**

**District Engineer  
Jeremy Hudson**

**Associate Engineer  
Jeremy Hanson**

Rockwood Water PUD											
Fiscal Year 2020/21 Five Year Line Code Comparisons											
Budget Adoption - June 24, 2020											
		FY13/14	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY19/20	FY20/21	
		Actual	Actual	Actual	Actual	Actual	Actual	Budget	End of Year Projections	Proposed	
	ACCOUNT DESCRIPTION										
	FUND 101 - GENERAL FUND										
	INCOME ACCOUNTS										
3	101	Beginning Fund Balance	\$4,286,295	\$5,586,013	\$6,503,637	\$7,617,479	\$10,153,577	\$10,112,446	\$10,065,146	\$8,315,122	-17.8%
3	10	1100 Water Sales	6,724,955	7,558,483	7,750,088	8,272,343	8,628,331	9,041,182	9,000,000	9,690,517	7.2%
3	20	2100 Backflow Charges	26,462	27,052	27,433	29,267	31,269	30,000	32,000	35,000	16.7%
		2200 Set-up Fees	23,500	27,775	26,000	23,805	25,094	30,000	26,000	28,000	-6.7%
		2300 Late Fees	211,337	194,333	183,050	192,067	208,337	200,000	230,000	250,000	25.0%
3	40	4100 Service Installations	60,520	156,317	101,312	112,763	141,820	120,000	180,000	200,000	66.7%
		4200 Sub-Divison Projects	5,430	8,104	11,817	26,030	44,776	40,000	50,000	50,000	25.0%
		4300 Other Service Income	95,223	100,270	101,687	151,203	137,388	140,000	145,000	150,000	7.1%
3	50	5100 Interest Income	13,118	14,524	50,835	119,570	217,527	200,000	200,000	210,000	5.0%
		5200 Rental Income	39,240	39,240	42,664	49,680	52,195	65,880	72,640	89,780	36.3%
3	60	6100 Scrap Metal Sales	10,051	15,115	5,762	11,776	10,133	10,000	2,500	10,000	0.0%
		6200 Construction Plan Sales	105	240	0	50	-	-	-	-	-
		6600 Other Misc. Income	14,423	17,803	39,885	25,718	36,768	28,000	25,000	28,000	0.0%
		6800 Gresham Utility Tax	256,857	257,525	286,547	295,954	314,754	320,000	320,000	379,300	18.5%
		6900 Portland Utility Tax	90,934	113,149	112,157	123,537	126,107	140,500	140,500	152,000	8.2%
		7000 Fairview Utility Tax	4,635	5,350	5,482	10,180	9,428	10,000	10,000	11,360	13.6%
3	90	9200 Interfund Transfers	307,000	2,044,670	47,920	145,000	145,000	165,000	165,000	498,328	202.0%
		9300 Fixed Asset Disposition	0	33,900	0	590,878	-	381,500	11,362	355,000	-6.9%
		9500 Other Government Agencies	15,000	17,500	17,500	18,500	27,160	1,018,500	768,500	568,500	-44.2%
		<b>Revenue</b>	<b>12,185,085</b>	<b>14,277,554</b>	<b>15,310,635</b>	<b>17,815,800</b>	<b>20,309,664</b>	<b>22,053,008</b>	<b>21,443,648</b>	<b>21,020,907</b>	<b>-4.7%</b>
		<b>EXPENSE ACCOUNTS</b>									
5	10	4450 Salaries/Wages	1,349,322	1,350,453	1,498,425	1,607,835	1,717,686	1,910,283	1,870,958	1,999,207	4.7%
		4500 Office Overtime	449	331	573	907	1,319	1,500	1,608	1,500	0.0%
		4550 Field Overtime	14,094	15,680	17,605	11,927	16,755	16,000	16,076	16,000	0.0%
		4600 On Call Pay	7,283	19,450	52,767	51,065	54,285	64,606	54,356	68,090	5.4%
		4610 Water Certifications	7,276	10,247	13,584	12,704	12,472	12,610	14,414	15,080	19.6%
		4620 Employee Bonus	-	-	-	-	0	1,000	0	1,000	0.0%
		4630 Market Based Wage Adjustment	-	-	-	-	0	15,000	0	15,000	0.0%
		4800 Social Security	84,928	82,950	97,426	103,500	108,882	125,302	114,868	131,184	4.7%
		4810 Medicare	20,190	20,344	23,082	24,547	25,992	29,304	28,494	30,680	4.7%
		4820 Unemployment Insurance	15,316	5,653	3,091	1,262	1,821	2,021	900	2,116	4.7%
		4830 Tri-Met Payroll Tax	10,006	10,142	8,698	9,269	13,654	14,626	6,722	15,313	4.7%
		4840 Workers Compensation	16,951	23,207	16,746	6,188	11,637	24,358	19,804	25,501	4.7%
		4900 P.E.R.S	195,594	187,964	274,593	331,530	378,853	480,678	487,184	532,704	10.8%
		4920 Employee Insurance Expense	387,804	367,430	335,130	355,748	387,098	442,800	433,542	473,115	6.8%
		<b>Personnel Services</b>	<b>2,109,213</b>	<b>2,093,851</b>	<b>2,341,720</b>	<b>2,516,482</b>	<b>2,730,454</b>	<b>3,140,088</b>	<b>3,048,926</b>	<b>3,326,490</b>	<b>5.9%</b>
5	20	5010 Water Purchase from Portland	2,027,092	2,149,325	2,697,837	2,713,064	2,785,902	3,170,484	3,170,484	3,142,547	-0.9%
		5110 Contract Services	14,327	31,752	59,826	65,458	75,492	84,190	83,000	87,060	3.4%
		5120 Technical & Consulting	52,916	40,706	19,716	25,851	7,768	23,000	16,020	27,000	17.4%

	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY19/20	FY19/20	FY20/21	% Change
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	End of Year Projections	Proposed	FY19/20 vs FY20/21	
ACCOUNT DESCRIPTION											
5130 Auditing	8,050	18,390	13,235	14,646	15,990	16,940	17,140	17,140	18,500	7.9%	
5140 Legal Services	54,552	82,128	27,506	22,861	22,448	13,406	100,000	40,000	100,000	0.0%	
5210 Telephone/Cell Phone	30,355	31,423	36,847	41,863	44,197	28,303	30,600	34,500	37,320	22.0%	
5220 Sewer/Storm	6,195	6,043	6,203	5,410	3,474	5,821	4,700	4,900	6,500	38.3%	
5230 Heating/Electricity	21,034	17,270	17,761	21,079	17,891	20,238	25,000	20,100	30,500	22.0%	
5310 Engineering Supplies	239	661	190	550	368	97	500	100	500	0.0%	
5320 Office Supplies	30,601	28,093	21,906	26,423	29,010	30,595	29,000	29,000	29,000	0.0%	
5330 Postage	41,252	42,533	41,495	40,279	40,399	40,300	44,300	36,500	44,300	0.0%	
5410 Conservation	70,549	72,054	61,855	61,885	39,882	33,747	69,950	45,000	69,350	-0.9%	
5420 Elections/Legal Advertising	2,396	2,627	7,081	2,551	3,111	2,895	3,500	3,000	3,500	0.0%	
5430 Insurance General	30,591	59,329	58,822	60,268	74,328	69,577	85,000	64,400	85,000	0.0%	
5440 Safety Gear and Equipment	14,183	14,075	10,159	13,435	19,249	13,591	23,000	15,000	23,000	0.0%	
5450 Training and Education	18,552	20,566	18,700	27,090	30,511	33,787	31,500	31,500	31,500	0.0%	
5460 Dues, License and Subscriptions	10,841	17,664	16,111	19,367	55,895	84,075	87,220	85,000	103,771	19.0%	
5470 Office Equipment	5,663	10,944	3,002	6,668	1,876	733	7,500	1,500	2,500	-66.7%	
5510 Computer/Office Equipment Maint.	22,540	2,844	3,088	3,719	6,076	1,540	8,800	2,500	5,250	-40.3%	
5520 Building & Grounds Maintenance	50,179	47,375	57,896	58,197	57,564	59,470	74,320	65,000	80,190	7.9%	
5530 Shop Equipment Maint.	15,208	9,137	11,091	6,983	8,731	8,536	10,000	10,000	10,000	0.0%	
5540 Vehicle Maintenance	16,054	20,117	33,896	29,050	47,475	30,020	35,000	32,000	35,000	0.0%	
5550 Tires	4,760	452	5,552	5,307	7,854	6,716	8,000	8,000	8,000	0.0%	
5560 Gas, Lubricants, Disposal	33,760	28,149	19,303	23,028	28,741	27,878	27,500	27,500	30,000	9.1%	
5570 Small Tools and Equipment	7,553	6,236	7,202	3,711	13,738	7,925	10,000	10,000	10,000	0.0%	
5610 Utility Operating Supply	150,034	160,979	148,208	234,651	214,630	263,087	250,000	245,000	250,000	0.0%	
5620 Water Sampling and Testing	19,671	25,306	23,271	22,803	29,952	25,509	23,000	23,000	30,000	30.4%	
5625 Water Quality & Notices	1,262	244	-	6,950	5,565	5,766	6,000	6,000	7,000	16.7%	
5630 Reservoir Maintenance	2,350	2,341	9,889	11,658	6,526	3,925	10,000	10,000	10,000	0.0%	
5640 Meter Maintenance	21,201	10,854	9,666	16,368	14,695	21,024	40,000	35,000	40,000	0.0%	
5650 Hydrant Maintenance	2,736	4,129	1,026	1,880	0	2,461	2,500	2,500	2,500	0.0%	
5660 Telemetry	7,526	1,828	1,803	11,658	1,748	19,585	21,700	20,800	20,600	-5.1%	
5670 Pumping	29,158	24,338	29,377	35,222	43,935	40,395	43,300	43,300	43,100	-0.5%	
5710 Board Meeting Fees	3,250	3,250	3,550	3,800	3,979	5,350	8,000	5,000	8,100	1.3%	
5720 Director's Expense	13,447	12,793	12,553	12,536	23,956	20,596	28,000	22,000	28,000	0.0%	
5730 Manager's Expense	986	1,034	1,584	1,203	2,877	2,753	3,000	3,000	3,000	0.0%	
5740 General Office	40,003	40,676	46,359	52,046	51,368	57,025	62,400	62,400	62,400	0.0%	
5750 Cash Over/Short	25	38	23	43	34	2	-	-	-	0.0%	
5760 Bad Debt Expense	32,886	32,337	29,022	21,471	10,729	24,476	35,000	30,000	35,000	0.0%	
5770 Gresham Utility Tax	256,415	256,271	285,902	282,824	294,745	310,485	320,000	320,000	379,300	18.5%	
5780 Portland Utility Tax	97,243	112,433	106,663	111,624	121,393	139,354	140,500	140,500	152,000	8.2%	
5790 Fairview Utility Tax	4,627	5,350	5,943	5,481	10,198	10,369	10,000	10,000	11,360	13.6%	
5800 Customer Assistance	11,396	12,191	28,177	25,956	20,128	22,922	35,000	25,000	60,000	71.4%	
5820 Taxes and Assessments	-	-	-	2,943	2,725	0	3,100	3,100	3,100	0.0%	
	<b>3,283,658</b>	<b>3,466,285</b>	<b>3,772,618</b>	<b>4,132,866</b>	<b>4,232,364</b>	<b>4,380,436</b>	<b>5,051,704</b>	<b>4,858,744</b>	<b>5,165,748</b>	<b>2.3%</b>	
5 40 6010 Water System	2,017,686	2,342,989	904,310	439,476	175,171	1,058,049	5,291,920	4,285,110	1,500,080	-71.7%	
6020 Meters	23,499	26,297	56,442	20,000	15,364	35,829	20,000	20,000	50,000	150.0%	
6030 Meter Upgrades	4,754	4,631	6,787	7,676	7,769	10,318	58,000	45,000	58,000	0.0%	
6110 Meter Equipment	-	4,402	-	-	0	15,769	5,000	5,000	19,100	282.0%	
6120 Shop Equipment	-	18,742	-	-	4,395	0	5,000	5,000	5,000	0.0%	
6130 Automotive/Equipment	67,555	47,226	9,400	-	0	119,372	186,020	186,020	208,882	12.3%	



ACCOUNT DESCRIPTION	FY13/14 Actual	FY14/15 Actual	FY15/16 Actual	FY16/17 Actual	FY17/18 Actual	FY18/19 Actual	FY19/20 Budget	FY19/20 End of Year Projections	FY20/21 Proposed	% Change FY19/20 vs FY20/21
6140 Computer/Office Equipment	20,410	42,192	73,025	80,662	5,985	24,155	25,000	17,651	233,200	832.8%
6210 Buildings	44,878	19,153	91,527	11,739	18,244	9,275	10,000	10,000	10,000	0.0%
6220 Land						1,159,048	400,000	-	400,000	0.0%
<b>Capital Outlay</b>	<b>2,178,782</b>	<b>2,505,432</b>	<b>1,141,491</b>	<b>559,553</b>	<b>277,928</b>	<b>2,441,815</b>	<b>6,000,940</b>	<b>4,573,781</b>	<b>2,484,262</b>	<b>-58.6%</b>
5 60 7110 Transfers to Other Funds - *Debt	485,325	465,475	465,113	463,925	431,450	433,125	468,925	467,075	463,000	-1.3%
*Groundwater Operations	160,000	160,000	160,000	160,000	170,000	181,388	180,000	180,000	180,000	0.0%
Fund 601 Groundwater Construction						0	0	0	0	
*Rate Stabilization										
* Transfers	645,325	625,575	625,113	623,925	631,450	644,513	648,925	647,075	2,583,000	298.0%
5 70 7210 Contingency	-	-	-	-	-	-	1,350,000	-	1,400,000	3.7%
* Contingency							1,350,000		1,400,000	3.7%
5 90 8010 Unapprop. Ending Fund Balance	-	-	-	-	10,157,576	10,112,446	5,861,351	8,315,122	6,061,407	3.4%
* Ending Fund Balance	-	-	-	-	10,157,576	10,112,446	7,211,351	8,315,122	7,461,407	3.5%
Total Personnel Service	2,109,213	2,093,851	2,248,105	2,341,720	2,516,482	2,780,454	3,140,088	3,048,926	3,326,490	5.9%
Total Material and Services	3,283,658	3,466,485	3,772,618	559,553	4,212,364	4,380,436	5,051,704	4,858,744	5,165,748	2.3%
Total Capital Outlay	2,178,782	2,505,432	1,141,491	1,141,491	2,179,928	2,441,815	6,000,940	4,573,781	2,484,262	-58.6%
Total All other Uses	645,325	625,575	625,113	623,925	614,450	644,513	648,925	647,075	2,583,000	298.0%
Contingency	-	-	-	-	0	0	1,350,000	-	1,400,000	3.7%
Ending Fund Balance	-	-	-	-	10,157,576	10,112,446	7,211,351	8,315,122	6,061,407	-15.9%
Ending Balance w/Contingency For FY 2020/P21	3,968,107	5,586,011	6,503,639	11,785,437	10,157,576	10,112,446	7,211,351	21,443,648	21,020,907	-10.2%
<b>FUND 201 - SYSTEM DEVELOPMENT FUND - REIMBURSEMENT</b>										
<b>INCOME ACCOUNTS</b>										
3 1 101 Beginning Fund Balance	\$216,054	\$255,153	\$380,524	\$340,696	\$442,729	\$438,792	\$473,792	\$512,492	\$632,492	33.5%
3 40 4500 System Development Fees	112,800	223,800	57,847	97,600	137,042	107,432	75,000	200,000	150,000	100.0%
3 50 5100 Interest Income	1,299	1,571	2,325	4,433	9,021	16,268	10,000	20,000	15,000	50.0%
Revenue	330,153	480,524	440,696	442,729	588,792	612,492	558,792	732,492	797,492	42.7%
<b>EXPENSE ACCOUNTS</b>										
5 60 7110 Transfers to Other Funds	75,000	100,000	100,000	0	100,000	100,000	100,000	100,000	300,000	200.0%
* Ending Fund Balance	255,153	380,524	340,696	442,729	488,792	512,492	458,792	632,492	497,492	8.4%

			FY13/14	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY19/20	FY20/21	% Change
		ACCOUNT DESCRIPTION	Actual	Actual	Actual	Actual	Actual	Actual	Budget	End of Year Projections	Proposed	FY19/20 vs FY20/21
<b>FUND 202 - SYSTEM DEVELOPMENT FUND - IMPROVEMENT</b>												
<b>INCOME ACCOUNTS</b>												
3	1	101 Beginning Fund Balance	\$0	\$0	\$0	\$9,210	\$24,928	\$48,097	\$61,347	\$66,052	\$99,802	62.7%
3	40	4500 System Development Fees	0	0	9,183	15,520	22,529	16,512	12,500	32,500	25,000	100.0%
3	50	5100 Interest Income	0	0	27	198	640	1,443	750	1,250	1,000	33.3%
		<b>Revenue</b>	<b>0</b>	<b>0</b>	<b>9,210</b>	<b>24,928</b>	<b>48,097</b>	<b>66,052</b>	<b>74,597</b>	<b>99,802</b>	<b>125,802</b>	<b>68.6%</b>
<b>EXPENSE ACCOUNTS</b>												
5	60	7110 Transfers to Other Funds	-	-	-	0	0	0	0	-	0	
	*	<b>Ending Fund Balance</b>	<b>-</b>	<b>-</b>	<b>9,210</b>	<b>24,928</b>	<b>48,097</b>	<b>66,052</b>	<b>74,597</b>	<b>99,802</b>	<b>125,802</b>	<b>68.6%</b>
<b>FUND 301 - DEBT RESERVE FUND</b>												
<b>INCOME ACCOUNTS</b>												
3	1	101 Beginning Fund Balance	\$500,551	\$503,248	\$505,861	\$509,147	\$514,879	\$523,991	\$532,991	\$537,563	\$551,163	3.4%
3	50	5100 Interest Income	2,697	2,613	3,286	5,732	9,112	13,572	9,000	13,600	13,500	50.0%
3	90	9200 Transfers from Other Funds	465,325	465,575	465,113	463,925	461,450	463,125	468,925	468,925	463,000	-1.3%
		<b>Revenue</b>	<b>968,573</b>	<b>971,436</b>	<b>974,260</b>	<b>978,804</b>	<b>985,441</b>	<b>1,000,688</b>	<b>1,010,916</b>	<b>1,020,088</b>	<b>1,027,663</b>	<b>1.7%</b>
<b>EXPENSE ACCOUNTS</b>												
5	60	7110 Transfer to Debt Service Fund 401	465,325	465,575	465,113	463,925	461,450	463,125	468,925	468,925	463,000	-1.3%
5	90	8010 <b>Ending Fund Balance</b>	<b>503,248</b>	<b>505,861</b>	<b>509,147</b>	<b>514,879</b>	<b>523,991</b>	<b>537,563</b>	<b>541,991</b>	<b>551,163</b>	<b>564,663</b>	<b>4.2%</b>
<b>FUND 401 - DEBT SERVICE FUND</b>												
<b>INCOME ACCOUNTS</b>												
		Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0	
3	90	9200 Transfer from Fund 301	465,325	465,575	465,113	463,925	461,450	463,125	468,925	468,925	463,000	-1.3%
		<b>Revenue</b>	<b>465,325</b>	<b>465,575</b>	<b>465,113</b>	<b>463,925</b>	<b>461,450</b>	<b>463,125</b>	<b>468,925</b>	<b>468,925</b>	<b>463,000</b>	<b>-1.3%</b>
<b>EXPENSE ACCOUNTS</b>												
5	50	7050 Payments on Financing	235,000	240,000	245,000	250,000	255,000	265,000	280,000	280,000	285,000	1.8%
5	50	7070 Interest on Financing	230,325	225,575	220,113	213,925	206,450	198,125	188,925	188,925	178,000	-5.8%

			FY13/14	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY19/20	FY20/21	% Change	
			Actual	Actual	Actual	Actual	Actual	Actual	Budget	End of Year Projections	Proposed	FY19/20 vs FY20/21	
	*												
			ACCOUNT DESCRIPTION										
			Ending Fund Balance										
			-	-	-	-	-	-	-	-	-	-	
			FUND 501 - GROUNDWATER PRODUCTION FUND										
			INCOME ACCOUNTS										
										Audit			
3	1	101	Beginning Fund Balance	\$66,681	\$146,349	\$184,925	\$160,280	\$213,738	\$261,526	\$240,531	\$225,295	\$253,295	5.3%
3	50	5100	Interest Income	308	269	490	765	2,253	3,213	3,000	5,000	5,000	66.7%
3	90	9200	Interfund Transfer - Fund 100	180,000	160,000	160,000	160,000	170,000	181,388	180,000	180,000	180,000	0.0%
3	90	9400	City of Gresham	160,000	160,000	160,000	175,920	160,000	181,388	180,000	180,000	180,000	0.0%
			Revenue	406,989	466,618	505,415	496,965	545,991	627,515	603,531	590,295	618,295	2.4%
			EXPENSE ACCOUNTS										
5	20	5530	Equipment Maintenance	3,846	17,915	8,981	23,655	91	6,915	125,000	16,000	10,000	-92.0%
		5610	Operating Supplies	11,321	11,852	23,340	10,458	16,148	27,130	25,000	10,500	30,000	20.0%
		5615	Wellhead Protection	60,000	60,000	60,000	60,000	60,968	68,495	70,000	70,000	70,000	0.0%
		5620	Testing	1,082	4,525	4,669	1,392	544	1,310	5,000	3,000	5,000	0.0%
		5630	Reservoir Maintenance	-	-	37,750	8,141	0	930	5,000	2,500	5,000	0.0%
		5670	Pumping	152,391	155,401	181,396	131,660	161,714	252,438	200,000	170,000	200,000	0.0%
5	60	7110	Transfer to General Fund 101	32,000	32,000	32,000	47,920	45,000	45,000	65,000	65,000	198,328	205.1%
			Expense	260,640	281,693	348,135	283,226	284,465	402,218	495,000	337,000	518,328	4.7%
5	90	8010	Ending Fund Balance	146,349	184,925	157,279	213,739	261,526	225,297	108,531	253,295	99,967	-7.9%

10 Year Vehicle/Equipment Replacement Plan

FY 2020/21

Prepared by Joey Schlosser 12/12/2019

(Prepared by: J. Schlosser 20200410)

Vehicle No.	Year	Make	Model	Miles/Hours	Vin #	Fuel	Trade Value	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Replace with/	Cost - Comparisons	Cost - New	Budget Cost
<b>TRUCKS</b>																						
New	2022	Ford	F-250	N/A	N/A	Gas	\$0		X										Ford F-250 XLT CC 4x4 Extras and Boxes, Lights	\$42,409 \$1,500	\$43,909	\$43,909
RW 12	2015	Dodge	3500 SC	13,639	3CWR58J1F625841	Gas	Bluebook \$20,794							X					Ford F-350 XL FB Flat Bed, Lights	29,909 \$6,000	\$35,909	\$15,115
RW 21	2008	Ford	F-150 SC	56,266	1FTRF12218K027327	Gas	Bluebook \$3,500	X											Ford F-450 XL DB 4x4 Dump Bed, Lights	34,866 15,000	\$49,866	\$46,366
RW 35	2004	Ford	Freestar Van	21,297	2FMZA576348A49561	Gas	Bluebook \$1,824						X						Ford Transit XLT Passenger Van	38,464 \$0	\$38,464	\$36,640
RW 36	2018	Westward Industries Go-4	Interceptor	20,768	2W9M1PM681W044572	Gas	\$0								X				Replaced in 2018		\$0	\$0
RW 37	2006	Ford	RANGER EC	88,141	1FTYR14U86PA141410	Gas	Bluebook \$2,500	X											Ford Transit Connect Cargo Van Shelving, Lights, misc items	20,650 2,000	\$22,650	\$20,150
RW 38	2006	Ford	RANGER EC	103,872	1FTYR44U06PA89002	Gas	Bluebook \$3,090		X										Ford Transit Connect Cargo Van Shelving, Lights, misc items	Ford-32,000	\$32,000 \$3,000	\$31,910
RW39	2018	Westward Industries Go-4	Interceptor	4,195	2W9M1PM661W044571	Gas	\$0								X				Replaced in 2018		\$0	\$0
RW 40	2007	Ford	F-150 CC	29,571	1FTPX12V97F873595	Gas	Bluebook \$6,300					X							Ford F-150 XLT CC 4x4 Extras Boxes, Lights	\$39,190	\$41,226 \$1,500	\$34,926
RW 41	2008	Ford	F-150 SC	104,571	1FTRF12278K054074	Gas	Bluebook \$3,300												Ford F-350 XL FB Flat Bed and Lights	29,909 7,500	\$37,409	\$34,109
RW 42	2008	F-150	F-150 SC	36,773	1FTRF12268KE70964	Gas	Bluebook \$5,000		X										Ford F-350 XL FB Dump Bed and Lights	\$34,024 11,000	\$45,024	\$40,024
RW 43	2008	Ford	F-150 SC	16,228	1FTRF12248KF04965	Gas	Blue book \$5,817					X							Ford F-150 XL Super Cab Lights, Boxes,	32,079 \$1,500	\$33,579	\$27,762
RW 44	2008	Dodge	Sprinter Van	56,641	W00PE745685258317	Diesel	Bluebook \$11,721							X					Ford Transit Connect Cargo Van Tool boxes, shelving, Lights	32,000 \$5,000	37000	\$25,279
RW 46	2020	Chevy	Colorado EX Cab	100	1GCHS8EASL1112995	Gas	\$0									X			Replaced in October 2019 Box, Lights, Steps	0 2,000	\$2,000	\$2,000
<b>EQUIPMENT</b>																						
RW 5	1992	GMC	12 YARD	49,474	1GD17H417N1524768	Diesel	\$15,000	X											2021 Freightliner M2 112 Dump Truck Columbia dump box	\$98,924 \$39,942	\$138,866	\$123,866
RW 6	1998	International	12 YARD	57404	1HTSHADR2WHS37823	Diesel	\$18,000												2020 Freightliner M2 112 Dump Truck with Columbia box		\$136,491	\$118,491
RW 28	2000	Volvo	12 YARD	27,030.00	4V51C2HE7YH870074	Diesel	\$0						X						2026 Freightliner M2 112 Dump Truck Columbia dump box	\$140,000 \$40,000	\$132,000	\$132,000
RW 29	2001	Freightliner	12 YARD	43,417	1FVHBX8511HH90701	Diesel	\$0								X				New rules will require this replacement 2027 Freightliner M2 112 Dump Truck Columbia dump box	\$143,000 \$42,000	\$185,000	\$185,000
RW 32	2002	International	Service	42,822	1HTMMAAN32H529178	Diesel	\$30,000			X									Freightliner M2 112 Custom utility box 50,000 to 70,000 + Crane +20,000		\$98,000 \$90,000	\$158,000
RW 33	2002	International	Service	46,450	1HTMMAAN52H529179	Diesel	\$30,000				X								Freightliner M2 112 Custom utility box 50,000 to 70,000 + Crane +20,000		\$98,000 \$90,000	\$158,000
BACKHOE JD-2	1993	John Deere	Backhoe 710C	8012 Hours	T0710CD785777	Diesel	\$12,000					SURPLUS							Surplus in 2022/23			
Volvo Roller	2018	Volvo	DD25B	61.3 Hours	VCE0025BLOH660995	Diesel	\$0												Replaced in 2018		\$0	\$0
MINI X TRAILER	2024	Trail Max	TD-24-T	N/A	N/A	N/A	\$0					X							Replace trailer with new tilt deck TD-24-T	23,000	\$23,000	\$23,000
New Vac		Ditch Witch Ditch Witch	HX30G FX20/300 FX25/500	N/A	N/A	Gas Gas	\$0												HX 30G Ditch Witch FX20/300 gallon Ditch Witch FX25/500 gallon Ditch Witch	\$44,042 \$38,252 \$43,984		\$0
MX I	2013	Takeuchi	250	2613	4PT5T62238D1196998	Diesel	\$0							X					Replace with same size mini in 2026/27 Extra Accessories Breaker, Compactor, Backup Camera	\$80,000 \$22,000	\$102,000	\$102,000

Vac	2012	Vermeer	V1200HD	957	V12H100412214	Diesel	\$0											Evaluate after 2025 Ditch Witch HX 75	\$112,413.25	\$0	\$0
FL 1	2005	Ingersoll Rand	8000lb	1645.3 Hours	182631	Diesel	\$0											Low hours no need to replace. Evaluate after 2029		\$0	\$0
FL 2	1998	Hyster	5000lb	8385 Hours	D177B 1487 5 R	Propane	\$2,500		X									Komatsu BX 50 5000lb forklift	35,000	\$35,000	\$32,500
CO	1997	Ingersoll Rand	Air Compressor	371 Hours	278355UFH221	Diesel	\$0											Rarely used no need to replace. Evaluate after 2029		\$0	\$0
Taller	2019	Trail Max	TD-24-T	N/A	5UCPT3329KA003805	N/A	\$0											Replaced in 2018			\$0
NEW	2024	John Deere	324L	\$0	N/A	Diesel	\$0				X							John Deere Wheel Loader 324L Forks	\$90,000 \$10,000	\$100,000	\$100,000
MX 2	2019	John Deere	60G	126.9 Hours	1FF060GCKK290741	Diesel	\$0											Replaced July 2019 Extra Accessories Breaker, Compactor, Backup Camera		\$0	\$0
Flat Saw	2021	Meco 35	WA 1770	1381.2 Hours	96011073	Gas	\$1,000				X							Husqvarna 5000D	35,434	\$35,434	34,434
																				\$0	\$0

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Annual Budget	\$190,382	\$182,777	\$158,000	\$158,000	\$185,688	\$168,640	\$142,394	\$142,394	\$2,000		

10-Year Information Technology Replacement Plan

FY 2020/2021

Prepared by Kerry Aden 01/27/2020 Revised 01/27/20

Component ID	Year	Make	Replacement Date									
			20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
<b>COMPUTERS</b>												
<b>RW-LT03</b> Assistant Superintendent	2017 FY16/17	Dell Inspiron 5759	\$2,000						\$2,000			
<b>ROCKWOOD-HP</b> Cash Register	2018 FY18/19	HP AiO Retail			\$1,500						\$1,500	
<b>RW-PC16</b> Customer Account Specialist Lead	2018 FY18/19	Dell OptiPlex 3050				\$1,500						\$1,500
<b>RW-PC04</b> Customer Account Specialist I	2017 FY16/17	Dell OptiPlex 3050		\$1,500						\$1,500		
<b>RW-PC15</b> Customer Account Specialist II	2018 FY18/19	Dell OptiPlex 3050				\$1,500						\$1,500
<b>RW-LT-04</b> District Superintendent	2017 FY16/17	Dell Inspiron 5759	\$2,000						\$2,000			
<b>RW-PC14</b> Engineer	2018 FY18/19	Dell Precision 5820 Customized				\$5,000						\$5,000
<b>RW-PCTBA</b> Engineer Associate	2018 FY18/19	Dell Precision 5820 Customized					\$5,000					
<b>RW-LT06</b> General Manager	FY 19/20	Dell Latitude 5000 5500						\$2,000				\$2,000
<b>RW-LT07</b> Government Affairs Coordinator	2018 FY17/18	Dell Latitude 5580			\$2,000						\$2,000	
<b>RW-PC09</b> Locates	2013	Dell OptiPlex 3010						\$1,500				\$1,500
<b>RW-PC05</b> Mechanic	MB Rep. 2014	Tech. Co. Ltd.						\$1,500				\$1,500
<b>RW-PC12</b> Office Supervisor	2017 FY17/18	Dell OptiPlex 3050		\$1,500						\$1,500		
<b>RW-PC06</b> Receptionist	2013	Dell OptiPlex 3010						\$1,500				\$1,500
<b>RW-PC13</b> Senior Accountant	2017 FY17/18	Dell OptiPlex 3050		\$1,500						\$1,500		
<b>RW-LT02</b> Water Operations Specialist	2017 FY16/17	Dell Inspiron 5523	\$2,000						\$2,000			
<b>RW-PC11</b> Water Operations Support Specialist	2017 FY17/18	Dell OptiPlex 3050		\$1,500						\$1,500		
<b>BOARD ROOM COMPUTER</b>	2018 FY17/18	Dell Latitude 5580			\$1,500						\$1,500	
<b>MONITORS/PRINTERS</b>												
2 Monitors/1 Printer Assistant Superintendent	FY16/17 2013?	Viewsonic VS14768 Dell 2350d	\$900						\$900			
2 Monitors/1 Printer Customer Account Specialist Lead	FY18/19 2014	Dell P2219H HP 1606dn				\$900						\$900
2 Monitors/1 Printer	2014	Viewsonic VG2253		\$900						\$900		

Component ID	Year	Make	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
Customer Account Specialist I	FY17/18	HP P1606dn										
2 Monitors/1 Printer Customer Account Specialist II	FY18/19 2014	Dell P2219H HP 1606dn				\$900					\$900	
1 Monitor/1 Printer District Superintendent	FY16/17 2014?	Viewsonic VS14768 HP LaserJet 1320	\$650					\$650				
2 Monitors/1 Printer Engineer	FY18/19 FY18/19	Dell U2417H HP LaserJet M750dn					\$3,200					
2 Monitors Engineer Associate	FY18/19	Dell U2417H						\$600				
2 Monitors/1 Printer General Manager	FY18/19	Viewsonic VG2253 None					\$900					\$650
2 Monitors/1 Printer Government Affairs Coordinator	FY18/19 FY18/19	Dell ? HP LaserJet Pro M452nw			\$900					\$900		
1 Monitor/1 Printer Locates	2013 ?	Dell ? HP LaserJet Pro 400					\$650					\$650
1 Monitor/1 Printer Mechanic	MB Rep. 2014	? ?					\$650					\$650
2 Monitors/1 Printer Office Supervisor	FY17/18 FY17/18	Viewsonic VS14768 HP LaserJet Pro M452dn		\$900					\$900			
1 Monitor/1 Printer Receptionist	2013 2014	HP L1710 HP 1606dn					\$650					\$650
2 Monitors/1 Printer Senior Accountant	FY17/18 2014	Viewsonic VS14768 HP 1606dn		\$900					\$900			
1 Monitor/1 Printer Water Operations Specialist	2014 FY16/17	Dell HP LaserJet Pro M452dn	\$650					\$650				
2 Monitors/1 Printer Water Operations Support Specialist	FY16/17 2014	Viewsonic VS14768/Dell old HP 1606dn		\$900					\$900			
<b>EQUIPMENT</b>												
<b>SERVER</b>	2017 FY16/17	HP ProLiant Xeon E5-2620 SRV-DC							\$25,000			
<b>BARRACUDA BACKUP APPLIANCE</b>	2017 FY16/17	4 TB		\$3,000								
<b>COPIER/FAX/SCANNER</b>	2014	Richo MP C4503				\$15,000						
<b>HP DOT MATRIX PRINTER</b>	2014 FY14/15	Ricoh/IBM Dot Matrix InfoPrint 6500					\$5,800					
<b>WIRELESS ACCESS POINTS</b>	2017 FY16/17	UniFi Ubiquiti		\$2,200								
<b>ENGINEERING PLOTTER</b>	2018 FY18/19	Canon image PROGRAF TM-305									\$10,000	
<b>FIREWALL</b>	2017 FY16/17	Tz400	\$3,000					\$3,000				
<b>SWITCHES</b>	2018 FY17/18	Dell N1500								\$2,000		
<b>PHONE SYSTEM</b>	2015	Mitel Office 250						\$15,000				

Component ID	Year	Make	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
CELL PHONES	2018	21 iPhone (\$150)			\$3,150							
	FY18/19	8 Gen., 64GB										
IPADS	2018	9 iPad (\$100)			\$900							
	FY18/19	6 Gen., 32GB										
<b>PROJECTS</b>												
ADDITIONAL SERVER									\$15,000			
		<b>FY Budget Projection</b>	\$11,200	\$14,800	\$9,950	\$24,800	\$23,350	\$26,800	\$49,600	\$7,900	\$19,800	\$9,100



**Rockwood Water PUD  
FY 2020/21 Salary Scales**

**FY 2020/21 Budget**

**REPRESENTED EMPLOYEES**

<b>Position</b>	<b>(Per Month includes 2.1% COLA July 1)</b>	
	<b>Step 1</b>	<b>Step 5</b>
Receptionist	\$3,393	\$4,191
Customer Account Specialist I	\$3,740	\$4,546
Customer Account Specialist II	\$4,422	\$5,462
Utility Worker I	\$4,487	\$5,467
Utility Worker II	\$4,763	\$5,835
Meter Technician (renamed from Meter Reader ON/OFF)	\$4,706	\$5,883
Meter Reader	\$4,185	\$5,127
Meter Maintenance II (renamed from Meter Reader)	\$4,763	\$5,835
Lead Person	\$5,281	\$6,523
Water Operations Specialist	\$5,780	\$7,081
Water Operations Support Specialist	\$5,114	\$6,318
Maintenance Mechanic	\$4,763	\$5,835

**NON-REPRESENTED EMPLOYEES**

General Manager		\$13,565
District Superintendent	\$7,902	\$9,878
District Engineer	\$8,623	\$10,563
Associate Engineer	\$7,108	\$8,629
Business Office Supervisor	\$7,157	\$8,947
Assistant District Superintendent	\$6,780	\$8,375
Senior Accountant	\$6,739	\$8,304
Government Affairs Coordinator	\$6,127	\$7,659

## FY 2019/20 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	4,683	5/8"	0		\$4.43	\$19.94	\$19.94
	Raleigh	1,006	5/8"	\$11.47	\$2.10		\$12.60	\$24.07
	Wood Village		5/8"	\$26.69	\$1.90		\$3.80	\$30.49
	Fairview		5/8"	\$19.05	\$2.12		\$12.72	\$31.77
	Sandy		5/8"	\$7.49	\$2.90		\$17.40	\$24.89
	Gladstone	3,422	3/4"	\$23.09	\$1.25		\$7.50	\$30.59
	Cornelius	3,050	5/8"	\$23.02		\$4.29	\$19.31	\$42.33
	West Slope	3,108	5/8"	\$17.65	\$5.51		\$33.06	\$50.71
5,001 - 10,000	Oak Lodge	8,700	5/8"	\$17.77	\$1.17		\$7.02	\$24.79
	Tualatin	6,912	5/8"	\$8.67	\$3.07		\$18.42	\$27.09
	Milwaukee	6,985	5/8"	\$8.69	\$3.94		\$23.64	\$32.33
	Forest Grove	6,373	3/4"	\$25.67		\$1.94	\$8.73	\$34.40
	Newberg	7,197	5/8"	\$18.43	\$4.06		\$24.36	\$42.79
	Sherwood	5,865	5/8"	\$20.69	\$4.26		\$25.56	\$46.25
FY 20/21	Rockwood PUD	13,515	5/8"	\$11.28	\$2.85		\$17.10	\$28.38
10,001 - 25,000	Rockwood PUD	13,515	5/8"	\$9.81	\$2.55		\$15.30	\$25.11
	Sunrise	15,283	5/8"	\$18.00	\$1.75		\$10.50	\$28.50
	Beaverton	18,500	5/8"	\$16.00	\$3.57		\$21.42	\$37.42
	CRW	12,589	3/4"	\$26.31	Tier		\$15.44	\$41.75
	Gresham	16,952	5/8"	\$24.55	\$2.77		\$16.62	\$41.17
	Lake Oswego	12,427	5/8"	\$27.68	\$2.91		\$17.46	\$45.14
	Tigard	19,476	5/8"	\$29.36	\$3.80		\$22.80	\$52.16
25,001 - +	Hillsboro	25,170	5/8"	\$16.58	\$2.43		\$14.58	\$31.16
	Wilsonville		5/8"	\$20.45	\$3.44		\$13.76	\$34.21
	TVWD	62,612	5/8"	\$16.40	\$5.42		\$32.52	\$48.92
	Portland	185,234	5/8"	\$15.88	\$5.25		\$31.50	\$47.38



**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](http://www.rwpud.org)

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## MEMORANDUM

To: Board of Directors

From: Brian R. Stahl, General Manager

Date: April 13, 2020

Re: Billing System Replacement Considerations

District staff has been evaluating options related to either upgrading the District's existing billing system or replacing it with a more robust, customer centric program. Our system was installed in 1999 and operates similar to a green screen, DOS system. New billing systems are Windows based which allows more intuitive use by customers and billing service representatives.

### Chaves System:

- The billing system is hosted by Chaves Consulting, Inc. and is accessed by the District from their server over the internet.
- The District pays a rate of \$700 per employee per year to use this system.
- Specialized reports must be requested, and the District is billed for that service.
- Bills are generated and mailed by Chaves and costs associated with this service are billed to the District: billing stock, postage, mailing, etc. If a customer requests a copy of their bill, the District is unable to provide it.
- If a customer calls in wanting to know why their balance is what it is, District staff must manually calculate all the charges and deduct all credits on their account to find out where they didn't pay enough or overpaid.
- Utility rate structures have to be entered by hand.

### New Billing System:

- A new billing system typically has an annual maintenance fee. There are no user fees, so the District can have as many users on the system as the maintenance agreement allows, typically up to 12-15.
- Customer accounts are easily looked up with all data fields being searchable for account lookup.
- Utility rate structures can be easily changed from fixed/variable to tiered if the District ever wants to make a change.

## Payments

- A new system will allow staff to see a running total on the customer's account and the last bill that they received. Frequently, we have customers calling wanting to know why their balance is what it is. In order to respond, staff must manually calculate all the charges and deduct all credits on their account to find out where they didn't pay enough or overpaid.

## Customer Portal

- Chaves does not want customers to be able to link into their system, so they do not have an option for customer portal.
- A new system would allow customers to look at their accounts, see their usage, reprint a bill or change their billing address.
- With the portal and a payment company like Point and Pay (which the District has now) the customer could change their auto pay account any time they wanted to. This is more secure than having them send/fax/email a request with their banking information on it.

## Payroll

- Currently, payroll is all manual entry. Hours worked by an employee are entered in duplicate into a spreadsheet and the AS400 which is time consuming and creates opportunity for error. A new system will allow time to be tracked in the system eliminating need for duplicate entry. Also, overtime rates are manually calculated, along with certification and on call pay. This can lead to errors. An automated system will have this information built into its programming.
- In a month where three paydays occur, District staff must manually go through each employee and remove PTO accrual and HRA VEBA (which are set amounts per month).
- Paystubs cannot be reprinted for employees unless the District calls Chaves to have them do it for us. A new system will be able to reprint them as needed.
- A new system will allow emailing of paystubs directly to the employee. This will cut down on check costs.
- Quarterly/Year End Federal Reports are generated in software eliminating manual entry error opportunities.
- W2 and 1099 calculations allow for the ability to run reports in house or contract service for additional fee.
- Some software providers offer payroll services as needed. If employees were not able to perform payroll in a certain pay period, this service could be utilized to ensure seamless operations for an additional fee.

## General Ledger

- Reports are not easily generated into an Excel spreadsheet for easier manipulation and analysis. Currently the District has to request from Chaves to create the report for an Excel download and they would, for a price. A new Windows-based system allows for

placing information directly into Excel. All the reports are then automatically entered for routine evaluations.

- Any adjustments now made by staff into the system must be done as journal entries. These entries get manually entered into the system. With a new system, the journal entries are automatically done internally when the adjustment is made. This saves on manual entry error.
- A new billing system will allow for custom query lookups. This access would allow staff to do complex searches for the data we are interested in evaluating and looking for.
- A new billing system would have smart reporting features, reports that can be setup to automatically run at certain selected time of dollar intervals.
- New software will provide invoice features allowing a user to build invoices in the software. By creating the invoice internally, manual journal entries are eliminated to post to the accounts receivable.
- Windows based software will have a cleaner, more intuitive look that provides users an easier ability to navigate through information and access to data with both list and icon-based menus with clickable buttons customizable to each user's preferences.

#### Asset Management

- Easier to integrate with an asset management system.
- Work orders could be done on handheld devices and imported into the billing system directly. This connection reduces paperwork and chance of errors or things getting lost.

#### Documents

- With a new system the District staff will be able to scan in documents, such as leak forms and miscellaneous correspondence, and attach them to an individual's account. Right now, these documents have different places where they are stored ...leak forms go in one area, and correspondence is saved in another area. A new system will make finding these documents more efficient when talking to the customer.

#### Audits

- Reports requested by the auditors can't be easily produced, such as payroll. The Chaves program doesn't allow audit payroll reports to be generated.
- To obtain District General Ledger (G/L) reports, staff must call Chaves during each audit to get this report created and put into Excel. Auditors request this information each year.

The Chaves billing system has served the District well since 1999. The complexity of need and the desire for more customer interactions has demonstrated the need for considering an updated approach to financial management beyond the current capacity of the Chaves system. The District has budgeted funds in FY 2020/21 to initiate the process of updating and potentially replacing the existing billing and general ledger program. A new system will be researched to reduce multiple inputs, greater flexibility in analysis of rates and trends and a more customer friendly program, placing greater control of utility costs in the hands of our customers.